
A BILL FOR AN ACT

RELATING TO PROCUREMENT CONTRACTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 103D-313, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§103D-313 Types of contracts.** (a) Subject to the
4 limitations of this section, any type of contract that will
5 promote the State's best interests may be used.

6 (b) Cost-reimbursement and cost-plus-a-percentage-of-cost
7 contracts may be used only when the chief procurement officer
8 determines in writing that [~~such a contract is~~] these types of
9 contracts are likely to be less costly than any other type of
10 contract or that it is impracticable to obtain the goods,
11 services, or construction required except by means of such a
12 contract. Cost-reimbursement and cost-plus-a-percentage-of-cost
13 contracts shall not be used if their use would jeopardize the
14 receipt of federal assistance moneys or reduce the amount of
15 [~~such~~] federal assistance under any applicable federal statute
16 or regulation.



1 (c) In addition to the requirements of subsections (a) and
2 (b), a cost-plus-a-percentage-of-cost contract may not be
3 awarded unless:

4 (1) Notice is given to the head of the compliance audit
5 unit, president of the senate, speaker of the house of
6 representatives, and the chairpersons of the senate
7 ways and means and house finance committees; and

8 (2) Notice is conspicuously posted in an area accessible
9 to the public in the office of the chief procurement
10 officer and available for public inspection during
11 normal business hours.

12 (d) All performance incentive contracts shall specify a
13 pricing basis, performance goals, and a formula in calculating
14 the contractor's profit, fee, or price decrease, if the
15 specified performance goals are exceeded or not met.

16 [~~d~~] (e) The policy board shall adopt rules to implement
17 this section."

18 SECTION 2. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 3. This Act shall take effect January 1, 2525.



Report Title:

Procurement; Contract; Performance Incentive Contracts

Description:

Requires all performance incentive contracts to specify a pricing basis, performance goals, and a formula in calculating the contractor's profit, fees, or price decrease if the specified performance goals are exceeded or not met. Effective 1/1/2525. (SD1)

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