A BILL FOR AN ACT

RELATING TO SMALL PURCHASES.

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

1	SECTION 1. The legislature finds that escalating costs of
2	goods over the years, particularly during the COVID-19 pandemic,
3	have created numerous difficulties regarding small purchase
4	procurement. The legislature further finds that the frequency
5	of earthquakes on Hawaii island, an indicator of a future
6	potentially devastating volcanic eruption that could impact
7	residential and commercial areas, as well as the devastation
8	from the tragic 2023 Maui wildfires, emphasize the inescapable
9	need to address issues with small purchase procurements to
10	facilitate more efficient disaster recovery efforts.
11	Accordingly, the purpose of this Act is to:
12	(1) Increase the minimum amount for purchases constituting
13	small purchase procurements not subject to an
14	electronic system from \$25,000 to \$50,000; and
15	(2) Require the state procurement office to submit a
16	report to the legislature on the efficacy of the
17	increased minimum small purchase procurement amounts.

- 1 SECTION 2. Section 103D-305, Hawaii Revised Statutes, is
- 2 amended by amending subsection (c) to read as follows:
- 3 "(c) Procurements of [\$25,000] \$50,000 to less than
- 4 \$250,000 shall be made in accordance with small purchase
- 5 procedures; provided that [such] these small purchase
- 6 procurements shall be conducted through an electronic system
- 7 [shall be required]."
- 8 SECTION 3. No later than twenty days prior to the
- 9 convening of the regular session of 2026, the state procurement
- 10 office shall submit to the legislature a report of its findings
- 11 and recommendations, including any proposed legislation, on the
- 12 efficacy of the amendment to section 103D-305, Hawaii Revised
- 13 Statutes, made by section 2 of this Act.
- 14 SECTION 4. This Act does not affect rights and duties that
- 15 matured, penalties that were incurred, and proceedings that were
- 16 begun before its effective date.
- 17 SECTION 5. Statutory material to be repealed is bracketed
- 18 and stricken. New statutory material is underscored.
- 19 SECTION 6. This Act shall take effect upon its approval.

Report Title:

State Procurement Office; Public Procurement; Small Purchase Procurements; Threshold; Report

Description:

Increases the minimum amount for purchases constituting small purchase procurements not subject to an electronic system from \$25,000 to \$50,000. Requires a report to the Legislature. (SD2)

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