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# A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1 SECTION 1. The legislature finds that under existing  
2 procurement law, any offeror awarded a state contract of \$2,500  
3 or more must demonstrate compliance with various state laws  
4 governing businesses, including tax and employment laws. While  
5 ensuring legal compliance is important to uphold fairness and  
6 accountability in public contracting, the existing \$2,500  
7 threshold triggering this requirement is outdated and unduly  
8 low. This threshold, which has remained unchanged for many  
9 years, forces even very small procurement awards to undergo the  
10 same compliance certification process as much larger contracts.  
11 The additional paperwork and procedural hurdles for these minor  
12 contracts can deter potential vendors, especially small local  
13 businesses and out-of-state or foreign companies, from  
14 participating in state solicitations due to the time and expense  
15 of obtaining required clearances relative to the contract size.  
16 The legislature further finds that raising this compliance  
17 threshold will modernize Hawaii's procurement practices and



1 improve government efficiency. By increasing the dollar amount  
2 at which formal vendor compliance verification is required,  
3 state agencies will be able to expedite routine small purchases  
4 and reduce administrative burdens, freeing up resources to focus  
5 on larger contracts and other priorities.

6 Therefore, the purpose of this Act is to raise the contract  
7 award value that triggers required proof of vendor compliance  
8 from \$2,500 to \$6,000.

9 SECTION 2. Section 103D-310, Hawaii Revised Statutes, is  
10 amended by amending subsection (c) to read as follows:

11 "(c) All offerors, upon award of contract, shall comply  
12 with all laws governing entities doing business in the State,  
13 including chapters 237, 383, 386, 392, and 393. Offerors shall  
14 produce documents to the procuring officer to demonstrate  
15 compliance with this subsection. Any offeror making a false  
16 affirmation or certification under this subsection shall be  
17 suspended from further offerings or awards pursuant to section  
18 103D-702. The procuring officer shall verify compliance with  
19 this subsection for all contracts awarded pursuant to sections  
20 103D-302, 103D-303, 103D-304, and 103D-306, and for contracts  
21 and procurements of ~~[\$2,500]~~ \$6,000 or more awarded pursuant to



1 section 103D-305; provided that the attorney general may waive  
2 the requirements of this subsection for contracts for legal  
3 services if the attorney general certifies in writing that  
4 comparable legal services are not available in [~~this~~] the  
5 State."

6 SECTION 3. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect upon its approval.

9

INTRODUCED BY:

Mackie K. Nakon

JAN 23 2026



# H.B. NO. 1955

**Report Title:**

Procurement; Public Contracts; Small Purchases; Vendor Compliance

**Description:**

Increases the contract award value that triggers required proof of vendor compliance from \$2,500 to \$6,000.

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