

ACT 353

S.B. NO. 3219

A Bill for an Act Relating to Advertisement for Bids Required; Exceptions.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 103-22, Hawaii Revised Statutes, is amended to read as follows:

“§103-22 Advertisement for bids required; exceptions. (a) No expenditure of public money[,], where the sum to be expended is \$8,000 or more shall be made except under contract let after public advertisement for sealed tenders, in the manner provided by law, except:

- (1) [salaries] Salaries or pay of officers or employees[, or];
- (2) [permanent] Permanent settlements, subsidies or other claims or objects for which a fixed sum must be paid by law[, or];
- (3) [for] For other purposes which do not admit of competition[, or];
- (4) [for] For the purchase of materials or supplies from any other department, bureau, organization, or municipal or political subdivision of the federal, state, municipal or county governments, other than University of Hawaii bookstores[, or];
- (5) [for] For the performance of public work or contracts by any other such department, bureau, organization, or municipal or political subdivision of the federal, state, municipal or county governments[, where the sum to be expended is \$8,000 or more shall be made except under contract let after public advertisement for sealed tenders, in the manner provided by law.]; or
- (6) Emergency replacement of existing medical diagnostic and therapeutic equipment for the county/state hospitals division of the department of health.

(b) In all cases of expenditures of public money that is more than \$4,000 but less than \$8,000, a call for informal bids shall be published at least once in a newspaper of general circulation printed and published within the State; provided that:

- (1) In the case of public works or repairs and maintenance of buildings, roads and other site improvements where the expenditure is more than \$4,000 but less than \$15,000, a call for informal bids shall be published at least once in a newspaper of general circulation printed and published within the State; and
- (2) In the case of the repair of publicly owned or leased heavy equipment, automotive equipment, and sewage treatment plants where the expenditure is more than \$4,000 but less than \$10,000, the expenditure may be made without public advertisement for sealed tenders or a call for formal¹ bids.

(c) When expenditures of public money are for the purchase of medical diagnostic or therapeutic equipment for the county/state hospitals division of the department of health and this section requires a bid, the department of health need not adjust specifications for the purpose of qualifying more than one vendor and shall not be bound to accept a low bid which is inconsistent with the needs of the county/state hospital division.

(d) No expenditures for public purposes shall be so divided or parceled as to defeat or evade this section.”

SECTION 2. The department of accounting and general services (DAGS) and the department of health (DOH) shall, on or before January 1, 1989, submit reports to the legislature which explain what, if any, special needs or problems make the bidding process unduly burdensome for the county/state hospitals division and what, if any, amendments to DAGS procedures or to the statutes could reasonably be expected to remedy the problems and meet the needs. DAGS and DOH shall, on or before January 1, 1993, submit reports to the legislature which analyze the experience of the county/state hospitals division and quantify the time saved by avoiding the bidding process and the effect of non-bid acquisition on acquisition costs. Information concerning private hospitals and public hospitals in other jurisdictions may be included in either set of studies.

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon approval and subsection (c) shall be repealed as of June 30, 1993.

(Approved June 14, 1988.)

Note

1. Prior to amendment, the word “informal” appeared here in L 1987, c 229, §1.