

August 2, 2000

PROCUREMENT CIRCULAR NO. 2000-06

TO: All Chief Procurement Officers  
All Executive Departments (Except DOE)

SUBJECT: Statutory Changes to the Procurement Code

The purpose of this circular is to inform you of three bills that were passed by the State Legislature and signed into law by the Governor.

Act 141 (SB 2521 S.D. 1, H.D. 1, C.D. 1). This act amended section 103D-304, HRS, establishing criteria for screening committees for contracts for professional services and requiring the publishing of criteria and posting of information relating to awarded contracts. It took effect on May 30, 2000, when signed by the Governor and included the following amendments:

- a. The primary selection criteria employed by the screening committee shall include but not be limited to:
  - (1) Experience and professional qualifications of the staff to be assigned to the project;
  - (2) Past performance on projects of similar scope for public agencies or private industry; and
  - (3) Capacity to accomplish the work in the required time.
  
- b. Contracts awarded under this section shall be posted electronically with seven days of the contract award by the chief procurement officer and shall remain posted for at least one year. Information to be posted shall include:
  - (1) The names of the top five persons submitted to the head of the purchasing agency. If less than five names submitted, list all the names submitted.
  - (2) The name of the person or organization receiving the award.
  - (3) The dollar amount of the contract.
  - (4) The purchasing agency head making the selection.
  - (5) Any relationship of the principals to the official making the award.

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We have established a website for reporting professional service awards.

If any chief procurement officer is interested in entering award data or linking to the site, please contact me at your earliest convenience. Should you wish to view the data the site's address is <http://hahalua.icsd.hawaii.gov/professionalservices/>

Act 164 (SB 2988, S.D.2, H.D. 2, C.D. 1). This act amended section 103-10.5, HRS, and specified that subcontractors provide evidence to contractors of a valid union trust fund contribution bond, a performance and payment bond, any other bond, or other form of mutually acceptable collateral. It imposes penalties on contractors for failing to properly pay amounts owed to subcontractors and repeals the requirement that the Procurement Policy Board adopt rules on prompt payment. It took effect on July 1, 2000.

Act 222 (SB 2987, S.D. 1, H.D. 2, C.D. 1). This act amends section 103-32.1, HRS, by adding a provision to the existing law that prohibits contractors from withholding more than 5% of the subcontractor's contract price. It took effect on July 1, 2000.

Should you have any questions or concerns, I can be contacted at 586-0554

ROBERT J. GOVERNS  
Acting Administrator  
State Procurement Office

CF:sk

C: Pat Ohara, Deputy Attorney General