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July 24, 2007

PROCUREMENT DIRECTIVE NO. 2007-02

TO: Chief Procurement Officers  
FROM: Aaron S. Fujioka   
SUBJECT: Bid Security, Contract Performance and Payment Bonds

This directive is issued to:

- 1) Rescind Procurement Directive No. 1998-03, dated November 17, 1998; and
- 2) Reissue amended bond forms Exhibits B, D, F, and includes bond and acknowledgment forms Exhibits A, C, E, G, H, I, J, which did not require any changes. The forms are as required by HAR Subchapter 24, Chapter 3-122, and in accordance with HRS §§103D-323 to 103D-328.

Changes made to the forms, effective June 21, 2007, are as follows:

- 1) **Exhibits B & D:**  
Page 1, 2<sup>nd</sup> paragraph, is amended to read: "WHEREAS, the above-bound Principal has ~~entered into~~ signed a Contract with Obligee [dated] on \_\_\_\_\_, for the following project: \_\_\_\_\_ . . . ."
- 2) **Exhibit F:**
  - a. Page 1, 2<sup>nd</sup> paragraph, is amended to read: "WHEREAS: The Principal has by written agreement dated \_\_\_\_\_ ~~entered into~~ signed a contract with Obligee for the following Project: . . . ."
  - b. Page 2, 5<sup>th</sup> paragraph, is amended to read: ". . . the performance of the Contract who has not been paid in full therefor after ~~two months~~ ninety days from the completion . . . ."
  - c. Page 3, 1<sup>st</sup> sentence, is amended to read: "The amount of this bond may be reduced in accordance with and subject to section ~~[3-122-226]~~ 3-122-225, Hawaii Administrative Rules."
- 3) **Exhibits A, C, E, G, H, I, J:** No changes were made to these exhibits.

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Purchasing agencies shall utilize bond and acknowledgment forms as provided in the exhibits below:

- EXHIBIT A:** Surety bid security titled "*Surety [Bid] [Proposal] Bond*", dated 11/17/98.
- EXHIBIT B:** Surety contract performance bond titled "*Performance Bond (Surety)*", dated 6/21/07.
- EXHIBIT C:** Contract performance bond for types of security pursuant to HAR §3-122-222(2) and (3), titled "*Performance Bond*", dated 11/17/98.
- EXHIBIT D:** Surety contract labor and material payment bond titled "*Labor and Material Payment Bond (Surety)*", dated 6/21/07.
- EXHIBIT E:** Contract labor and material payment bond for types of security pursuant to HAR §3-122-222(2) and (3), titled "*Labor and Material Payment Bond*", dated 11/17/98.
- EXHIBIT F:** Surety combination contract performance and payment bond titled "*Combination Performance and Payment Bond*", dated 6/21/07.
- EXHIBIT G:** Surety contract performance bond for goods and services supplemental agreement titled "*Performance Bond (Surety) for Supplemental Agreement for Goods and Services*", dated 11/17/98.
- EXHIBIT H:** Contract performance bond for goods and services supplemental agreement for types of security pursuant to HAR §3-122-222(2) and (3), titled "*Performance Bond for Supplemental Agreement for Goods and Services*", dated 11/17/98.
- EXHIBIT I:** Contractor acknowledgement form for use with contract performance and payment bonds titled "*Contractor Acknowledgment*", dated 11/12/97.
- EXHIBIT J:** Surety acknowledgement form for use with contract performance and payment bonds titled "*Surety Acknowledgment*", dated 11/12/97.

The bonds and related forms are available on the SPO homepage at [www.spo.hawaii.gov](http://www.spo.hawaii.gov), under the "Quick Links" section, click on "Forms for State Agencies". To view the complete listing of all current Procurement Directives, click on "Procurement Directives".

Questions may be directed to Justin Fo at 586-0577 or Colin Tanaka at 586-0558, or call me at 587-4700.