



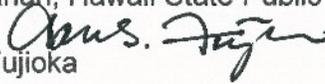
**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 587-4700 Fax: (808) 587-4703
<http://hawaii.gov/spo>

June 29, 2012

PROCUREMENT CIRCULAR NO. 2012-04

TO: Chief of Staff, Office of the Governor
Chief of Staff, Office of the Lieutenant Governor
Executive Department Heads
State Librarian, Hawaii State Public Library System

FROM: Aaron S. Fujioka 

SUBJECT: ACT 173, SLH 2012, (HB No. 2265, HD2, SD2, CD1): SECTION 2
Small Purchases Procurement and Performance Bonds for Construction

House Bill No. 2265, HD 2, SD 2, CD1 was signed into law as Act 173 by the Governor on June 27, 2012 with an effective date of June 30, 2012. This circular replaces Procurement Circular No. 2009-15 on small purchases procurement and the requirement for security for construction procurements which was enacted by Act 175, SLH 2009, and scheduled to sunset on July 1, 2012.

SECTION 2 - amends HRS §103D-305 for small purchase procurements as follows:

- Retains the dollar levels of less than \$100,000 for goods or services and less than \$250,000 for construction.
- Clarifies procurements \$25,000 to less than \$250,000 shall be conducted on an electronic procurement system.
- Retains requiring performance bonds, and adds payment bonds for construction contracts over \$50,000.
- Clarifies the procurement officer's responsibility in securing both performance and payment bonds.

INSTRUCTIONS, which replaces the guidance provided in Procurement Circular No. 2009-15, are available at <http://hawaii.gov/spo> under the *Reference* menu, click on *Procurement Circulars*. A complete listing of all current Procurement Circulars is also available at this page.

If your staff has questions, they may contact Donn Tsuruda-Kashiwabara at 586-0565 or e-mail donna.tsuruda-kashiwabara@hawaii.gov or you may call me at 587-4700.