



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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<http://hawaii.gov/spo>

June 29, 2012

PROCUREMENT CIRCULAR NO. 2012-05

TO: Chief Procurement Officers:
Department of Education, Superintendent
University of Hawaii, President
Office of Hawaiian Affairs, Chairperson of the Board
Hawaii Health Systems Corporation, Chief Executive Officer
Judiciary, Administrative Director of the Courts
Senate, President
House, Speaker of the House of Representatives

Counties of Hawaii, Kauai, Maui and City & County of Honolulu:
Executive Branch, Finance Director
Legislative Branch, Chairperson of the County Council
Board/Departments of Water Supply, Manager/Chief Engineer
Honolulu Authority for Rapid Transportation, Executive Director

FROM: Aaron S. Fujioka

A handwritten signature in black ink, appearing to read "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. 2009-14 on small purchases procurement and the requirement for security for construction contracts 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 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.

A complete listing of all current Procurement Circulars is available at <http://hawaii.gov/spo> under the *Reference* menu, click on *Procurement Circulars*.

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.