

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
STATE PROCUREMENT OFFICE

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July 21, 2025

PROCUREMENT CIRCULAR NO. 2026-02

TO: Chief Procurement Officers (CPOs):
Department of Education, Superintendent
School Facilities Authority, Executive Director
University of Hawaii, Chief Financial Officer
Office of Hawaiian Affairs, Chairperson of the Board
Hawaii Health Systems Corporation, President and Chief Executive Officer
The Judiciary, Administrative Director of the Courts
Senate, President
House of Representatives, Speaker

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

CC: Administrative Services Offices

FROM: Bonnie Kahakui, Administrator 

SUBJECT: Act 262, SLH 2025 (SB 383, SD2, HD1, CD1) – Relating to Small Purchases

[Act 262, SLH 2025](#), was signed into law effective July 1, 2025, and revised Section 103D-305, Hawaii Revised Statutes, by increasing the small purchase threshold from \$25,000 to \$50,000 when the use of an electronic procurement system is required. As a result, Sections 3-122-75 and 3-122-78 of the Hawaii Administrative Rules (HAR) will need to be revised to reflect this statutory change.

Interim Procurement Guidance

In the interim, procurement jurisdictions opting to adopt the new threshold are expected to apply **Small Purchase** procurement procedures for goods, services, and construction based on clear and adequate specifications and to ensure fair competition:

- 1) \$5,000 to under \$15,000 – Jurisdictions shall solicit a minimum of three quotes.
- 2) \$15,000 to under \$50,000 – Jurisdictions shall obtain at least three written quotes.

Pursuant to the revised thresholds established under Act 262, SLH 2025, Small Purchase procurements for goods, services, and construction shall be conducted through an electronic procurement system as follows:

- Goods and Services – For expenditures from \$50,000 to less than \$100,000.
- Construction – For expenditures \$50,000 to less than \$250,000.

All solicitations within these value ranges shall comply with competitive procedures and documentation requirements specified in **HRS §103D-305**, as amended.

Reporting Requirement under Act 262, SLH 2025

Pursuant to Act 262, SLH 2025, the State Procurement Office (SPO) is tasked with submitting a report to the State Legislature evaluating the efficacy of the revised small purchase threshold. This report shall be submitted no later than twenty (20) days prior to the convening of the 2026 Legislative Session. To fulfill this mandate, all Chief Procurement Officer (CPO) jurisdictions shall provide the following information:

Part I – FY 2025:

For the fiscal year ending June 30, 2025, covering purchases from \$15,000 to less than \$25,000:

- 1) Total number of small purchase transactions conducted.
- 2) Aggregate dollar value of all small purchase transactions.

Part II – July 1 - November 15, 2025:

For purchases of \$25,000 to less than \$50,000 occurring between July 1, 2025, and November 15, 2025:

- 1) A list of each individual small purchase transaction.
- 2) The dollar value of each transaction.
- 3) The number of quotes received for each solicitation.
- 4) The name of the awarded vendor for each transaction.

Jurisdictions are asked to ensure that data submissions are accurate and complete, and may use the [hyperlinked template](#) or an alternative format to provide all the aforementioned information requested. Please submit this information to the SPO via email to state.procurement.office@hawaii.gov by close of business, Friday, November 21, 2025.

It is advised that departments be completely familiarized with the entire amendments made to the subject sections of HRS 103D. A complete listing of all current Procurement Circulars is available at <https://spo.hawaii.gov/>, under the *References* menu, click on *Procurement Circulars*.

Questions concerning this Procurement Circular may be directed to Carey Ann Sasaki at (808) 586-0568 or email careyann.r.saski@hawaii.gov, or you may contact me at (808) 587-4701 or email bonnie.a.kahakui@hawaii.gov.

Mahalo.

[Hyperlink to template](#)