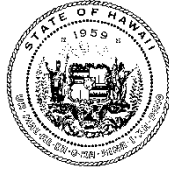


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



BONNIE KAHAKUI
ADMINISTRATOR

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
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July 16, 2024

PROCUREMENT CIRCULAR NO. 2025-03

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

Chief Procurement Officers: (CPOs)
Department of Education, Superintendent
University of Hawaii, President
Office of Hawaiian Affairs, Chairperson of the Board
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, City/County 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 *Bonnie A Kahakui*

SUBJECT: Summarized Updates to Procurement Code HRS Chapter 103D for:
ACT 111, SLH 2024 (HB2499 HD2, SD2, CD1): SECTION 2
ACT 113, SLH 2024 (SB2536 SD1, HD1, CD1): SECTIONS 2, 3, 4, and 5
ACT 150, SLH 2024 (SB 2070 SD1, HD1, CD1): SECTION 2
ACT 162, SLH 2024 (HB 2070 HD1, SD2, CD1): SECTION 1

House Bill No. 2499, HD2, SD2, CD1 was signed into law as Act 111 by the Governor on June 27, 2024 with an effective date of June 29, 2024. ACT 111, SLH 2024 amended the following HRS 103D section:

HRS §103D-203, Chief procurement officers, (a) by designating the Chief Financial Officer (CFO) of the University of Hawaii (UH) to act as the UH's Chief Procurement Officer (CPO) until June 30, 2028.

Senate Bill No. 2536, SD1, HD1, CD1 was signed into law as Act 113 by the Governor on June 27, 2024 with an effective date of July 1, 2024 and a repeal date of June 30, 2028. ACT 113, SLH 2024 amended the following HRS 103D sections:

Adding a new section to part X, to establish a new accounting services procurement preference for certain Hawaii accounting service businesses.

HRS §103D-1001, Definitions, by adding three new definitions for “Accounting service,” “Commercial place of business,” and “Hawaii accounting service business.”

HRS §103D-304, Procurement of professional services, (e) by adding a new accounting services procurement preference to the list of selection criteria for the procurement of professional services.

HRS §103D-1004, Reciprocity, (a) by clarifying that the existing reciprocity procurement preference includes offerors under sections 103D-302 and 103D-303, Hawaii Revised Statutes.

Senate Bill No. 2070, SD1, HD1, CD1 was signed into law as Act 150 by the Governor on July 1, 2024 with the effective date upon its approval. ACT 150, SLH 2024 amended the following HRS 103D section:

HRS §103D-102, Application of this chapter, (b) by exempting educational materials and related training for direct student instruction in career and technical education programs within the department of education (DOE), from the Hawaii Public Procurement Code, in which:

- 1) The DOE shall acquire three written quotes for purchases that exceed \$100,000;
- 2) Awards over \$2,500 shall comply with HRS §103D-310(c); and
- 3) Awards over \$500,000 shall be approved by the DOE’s superintendent.

House Bill No. 2070, HD1, SD2, CD1 was signed into law as Act 162 by the Governor on July 2, 2024 with the effective date upon its approval. ACT 162, SLH 2024 amended the following HRS 103D section:

HRS §103D-709, Administrative proceedings for review, (e) by requiring cash or protest bonds paid or filed by parties initiating an administrative appeal for protests under the Hawaii Public Procurement Code to be returned to the initiating parties, minus administrative costs except in the cases where the party does not prevail and the Department of Commerce and Consumer Affairs (DCCA)’s Office of Administrative Hearing finds that the appeal was frivolous or made in bad faith.

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 Stacey Kauleinamoku at (808) 586-0571 or email stacey.i.kauleinamoku@hawaii.gov or you may contact me at (808) 587-4701 or email bonnie.a.kahakui@hawaii.gov.

Mahalo.