

INSTRUCTIONS FOR SMALL PURCHASES PROCUREMENT

Pursuant to HRS §103D-305 and HAR Chapter 3-122, Subchapter 8

A. Application

These instructions apply to small purchases for procurement of goods, services and construction. When small purchases procurement method is not utilized, departments shall follow the procedures of one of the other five procurement methods, which are:

- HRS §103D-302, Competitive Sealed Bidding (Invitation for Bids)
- HRS §103D-303, Competitive Sealed Proposals (Request for Proposals)
- HRS §103D-304, Procurement of Professional Services
- HRS §103D-306, Sole Source Procurement
- HRS §103D-307, Emergency Procurement

Departments may impose stricter requirements in its departmental small purchase procurement procedures, e.g. to require written quotes at lower dollar limits. Additionally, departments may create their own forms similar to forms SPO-010 and SPO-010A, provided the entries on the departmental form are similar to the SPO forms. The SPO forms are available at <https://spo.hawaii.gov/all-forms/>.

B. Compliance

Departments shall include in their request for quotes the following:

“Offeror is advised that in order to be awarded a contract under this solicitation, the vendor/contractor/service provider will be required to be compliant with all laws governing entities doing business in the State including the following chapters and pursuant to HRS §103D-310(c):

1. Chapter 237, tax clearance;
2. Chapter 383, unemployment insurance;
3. Chapter 386, workers' compensation;
4. Chapter 392, temporary disability insurance;
5. Chapter 393, prepaid health care; and
6. Section 103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

The State will verify compliance for awards \$2,500 or greater. Hawaii Compliance Express (HCE) may be utilized for verification of compliance. Alternatively, Contractors not utilizing HCE to demonstrate compliance shall provide paper certificates. All certificates must be valid on the date received. All applications for applicable clearances are the responsibility of the Vendor.

Departments shall verify compliance prior to issuance of a purchase order or execution of a small purchases contract.

FAQ about HCE are available at [FAQ HCE](#) or click on [Hawaii Compliance Express](#).

C. Goods, Services, or Construction: Under \$5,000

1. Adequate and reasonable competition is recommended;
2. Award shall be made to the lowest responsive, responsible offeror; or
3. When award to the lowest responsive, responsible offer is not practicable, award shall be made to the offeror whose quote provides the best value to the State.
4. Use of form SPO-010 and form SPO-010A are optional.
5. Verification of compliance shall be obtained for purchases \$2,500 and greater.
6. Awards \$2,500 and greater shall be posted on HANDS.

D. Goods, Services, or Construction: \$5,000 to less than \$15,000

1. Obtain a minimum of three (3) quotations (i.e. phone, fax, email, etc.). Use of form SPO-010A is optional.
 - a. Furnish the same description and/or specifications to each vendor/contractor/service provider; and
 - b. Document the offers received on form SPO-010, Part B.
 - c. If unable to obtain three (3) quotes due to insufficient sources, etc. document on form SPO-010, Part C justification for inability to obtain three quotes.
2. Award shall be made to the lowest responsive, responsible offeror; or
3. When award to the lowest responsive, responsible offer is not practicable, award shall be made to the vendor/contractor/service provider whose offer provides the best value to the State, and shall be documented on form SPO-010, Part D.
4. Verification of compliance required.
5. Awards shall be posted on HANDS.

E. Goods or Services: \$15,000 to less than \$100,000
Construction: \$15,000 to less than \$250,000

1. Procurement conducted on Electronic Procurement System (effective July 1, 2026 Aloha eBUYS).
2. Performance and payment bonds required for CONSTRUCTION contracts over \$50,000.
3. Solicitations will utilize the *Electronic Procurement Award Summary Report* as record of procurement; forms SPO- 010 and SPO-010A shall not be used.
4. Award shall be made to the lowest responsive, responsible offeror; or
5. When award to the lowest responsive, responsible offer is not practicable, award shall be made to the vendor/contractor/service provider whose offer provides the best value to the State, and the printout of the *Electronic Procurement Award Summary Report* shall serve as written documentation as record of procurement.
6. Verification of compliance required.
7. Awards shall be awarded in the Electronic Procurement System (effective July 1, 2026 Aloha eBUYS).

F. References

The statutes and rules pertaining to small purchases procurement in HAR Chapter 3-122, Subchapter 8 and HRS §103D-305, may be viewed at <https://spo.hawaii.gov/references/>, including the following definitions:

HAR §3-122-1 states:

“Best Value” means the most advantageous offer determined by evaluating and comparing all relevant criteria in addition to price so that the offer meeting the overall combination that best serves the State is selected. These criteria may include, in addition to others, the total cost of ownership, performance history of the vendor, quality of goods, services, or construction, delivery, and proposed technical performance.

HAR §3-122-73 provides:

“Adequate and reasonable competition” means the amount of vendors solicited based upon the number of vendors available and the value or price of the goods, service, or construction. Because of the variations in circumstances, it is not possible to define what is adequate and reasonable competition for every small procurement. However, in general, the more vendors there are that can meet the needs of the agency, or the higher the price of goods, services, or construction, then a greater number of vendors should be solicited.

HAR §3-131-1 states:

“Parceling” means the artificial division or intentional division of a purchase of same, like or related items of goods, services, or construction into several purchases or smaller quantities, in order to evade the statutory competitive [bidding] requirements.

SMALL PURCHASES PROCUREMENT

HRS §103D-305

HAR Chapter 3-122, Subchapter 8

Effective May 19, 2026

GOODS & SERVICES

Under \$100,000

CONSTRUCTION

Under \$250,000

Under \$5,000

- Adequate and reasonable competition.
- Award to offeror with the lowest responsive, responsible quote.
- Use of form SPO-010, *Record of Procurement* and form SPO-010A, *Request for Written Quotations* is optional.
- Verify compliance prior to award for purchases \$2,500 and greater.
- Awards for purchases \$2,500 and greater posted on HANDS.

\$5,000 to less than \$15,000

- Obtain minimum three (3) quotes. Use of form SPO-010A, *Request for Written Quotations* is optional.
- Award to offeror with the lowest responsive, responsible quote.
- Verify compliance prior to award.
- Awards posted on HANDS.

GOODS & SERVICES: \$15,000 to less than \$100,000 CONSTRUCTION: \$15,000 to less than \$250,000

- Procurement conducted on Electronic Procurement System (effective July 1, 2026 Aloha eBUYS).
- Performance and payment bonds required for CONSTRUCTION contracts over \$50,000.
- Award to offeror with the lowest responsive, responsible quote.
- Print *Electronic Procurement System Award Summary Report* as documentation of procurement.
- Verify compliance prior to award.