
SENATE CONCURRENT RESOLUTION

REQUESTING A STUDY ON PUBLIC CONTRACTS.

1 WHEREAS, a general principle under the public procurement
2 code is that contracts shall be awarded by process of
3 competitive sealed bidding to the lowest responsible and
4 responsive bidder whose bid meets the requirements and criteria
5 set forth in the invitation for bids; and
6

7 WHEREAS, the bidding process is open to all contractors,
8 regardless of their principal place of business such that they
9 may be either local contractors or out-of-state contractors; and
10

11 WHEREAS, there is concern that local contractors have
12 difficulty competing for awards against out-of-state contractors
13 because the high costs of doing business in Hawaii forces the
14 bids of local contractors to be higher than the bids of out-of-
15 state contractors; and
16

17 WHEREAS, a significant cost driver that raises the bid
18 amounts of local contractors may be the cost of workers'
19 compensation premiums; and
20

21 WHEREAS, the Director of Labor and Industrial Relations
22 notes on the department's website that in a survey conducted
23 recently by the Pacific Business News, seventy-three per cent of
24 local businesses responded that their number one issue was the
25 soaring costs of workers' compensation (along with rising
26 premiums for prepaid healthcare insurance); now, therefore,
27

28 BE IT RESOLVED by the Senate of the Twenty-fourth
29 Legislature of the State of Hawaii, Regular Session of 2007, the
30 House of Representatives concurring, that the Attorney General
31 and the Department of Accounting and General Services are
32 respectfully requested to conduct a study on whether costs
33 incurred due to prepaid healthcare coverage plans, Hawaii
34 general excise tax requirements, unemployment insurance



1 premiums, workers' compensation premiums, and any other relevant
2 factors negatively impact the competitiveness of in-state
3 contractors in comparison to out-of-state contractors; and
4

5 BE IT FURTHER RESOLVED that the Attorney General and the
6 Department of Accounting and General Services are further
7 requested to submit findings and recommendations, including any
8 proposed legislation, to the Legislature not later than twenty
9 days prior to the convening of the Regular Session of 2008; and
10

11 BE IT FURTHER RESOLVED that certified copies of this
12 Concurrent Resolution be transmitted to the Attorney General and
13 the Department of Accounting and General Services.

