

STAND. COM. REP. NO.

1081

Honolulu, Hawaii

March 2, 2007

RE: H.B. No. 963
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 963, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is to provide for a fair and equitable procurement contract between the State or county governments and an architect, engineer, surveyor, or landscape architect licensed under Chapter 464, Hawaii Revised Statutes (Contractor), by:

- (1) On or after July 1, 2007, prohibiting contracts of less than \$5,000,000 from requiring the Contractor to defend the governmental body against any liability that arises from the Contractor's performance under the contract (Defense Clause);
- (2) Allowing provisions in contracts that require the Contractor to indemnify or hold harmless the government from any liability arising from the Contractor's own negligence, errors, or omissions; and
- (3) Requiring the government to commence legal action against a Contractor that is based on a Defense Clause in a pre-July 1, 2007, contract, within ten years from the date of execution of the contract.

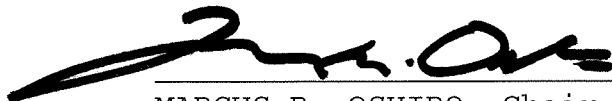
HB963 HD2 HSCR FIN HMS 2007-2773



The Small Business Regulatory Review Board, Coalition of Hawaii Engineering and Architectural Professionals, Kai Hawaii Inc., Cedric D.O. Chong & Associates, Incorporated, The Limtiaco Consulting Group, Masa Fujioka & Associates, Engineering Solutions, Inc., American Council of Engineering Companies of Hawaii, and Gray, Hong, Nojima & Associates, Inc., testified in support of this bill. The Department of the Corporation Counsel of the City and County of Honolulu opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 963, H.D. 2, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

HS CR 1081

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 963 HD2		Date: 2/27/07		
Committee Referral: EDB, JUD, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended		<input type="checkbox"/> Pass, with amendments		
<input type="checkbox"/> Hold		<input type="checkbox"/> Pass, with amendments, for recommittal for further consideration		
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. BELATTI, Della Au		X		
4. BROWER, Tom	✓			
5. CARROLL, Mele	✓			
6. CHONG, Pono	✓			
7. HANOHANO, Faye P.	✓			
8. HAR, Sharon E.	✓			
9. MAGAOAY, Michael Y.	✓			
10. MANAHAN, Joey	✓			
11. MIZUNO, John	✓			
12. NAKASONE, Bob	✓			
13. RHOADS, Karl	✓			
14. SAGUM, Roland D., III	✓			
15. TOKIOKA, James Kunane	✓			
16. AWANA, Karen Leinani	✓			
17. MEYER, Colleen Rose		X		
18. WARD, Gene, Ph.D.	✓			
TOTAL	16	2	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted				
<input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation.				
committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				