

Honolulu, Hawaii

March 19, 2008

RE: S.B. No. 2748
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred S.B. No. 2748, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE PROCUREMENT CODE,"

begs leave to report as follows:

The purpose of this bill is to ensure that an offeror and an offeror's workforce is qualified to perform work on a contract by requiring offerors to submit verifiable proof of all applicable general, subcontractor, and specialty contractor licenses along with their offer.

The Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The General Contractors Association of Hawaii, Waltz Engineering, Inc., Architectural & Engineering Systems, Inc., S & S Taylan Electric, Inc., Projects Plus, Inc., Healy Tibbitts Builders, Inc., Master Sheet Metal, Inc., Delta Construction Corporation, Building Industry Association of Hawaii, Lindemann Construction, Inc., Royal Contracting Co., Ltd., Royal Palm Group, Robert M. Kaya Builders, Inc., Ralph S. Inouye Co., Ltd., Ron's Construction Corporation, Marsh USA, Alpha Glass, Inc., and Hawaiian Dredging Construction Company opposed this measure. The Department of Accounting and General Services and State Procurement Office offered comments.



Licensing ensures that workers are qualified to perform work under a contract and have complied with related consumer protection requirements. This measure would provide a mechanism to exclude unlicensed workers from government contracts. However, your Committee feels that this requirement, as written, would vastly increase the workload of the State Procurement Office and also discourage competition for government contracts.

Upon consideration, your Committee has amended this bill by:

- (1) Requiring offerors to submit verifiable proof of applicable occupational licenses once they have been awarded a contract;
- (2) Changing the effective date to July 1, 2034, to encourage further discussion; and
- (3) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2748, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2748, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business
Concerns,



KYLE T. YAMASHITA, Chair



Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: SB 2748, SD1	Committee Referral: EDB	Date: 3/13/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	✓			
2. WAKAI, Glenn (VC)	✓			
3. BERG, Lyla B., Ph.D.	✓			
4. BROWER, Tom	✓			
5. CHANG, Jerry L.				✓
6. HANOHANO, Faye P.	✓			
7. HERKES, Robert N.	✓			
8. MANAHAN, Joey	✓			
9. TSUJI, Clift	✓			
10. YAMANE, Ryan I.	✓			
11. CHING, Corinne W.L.		✓		
12. MARUMOTO, Barbara C.		✓		
TOTAL (12)	9	2	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				