

STAND. COM. REP. NO.

2718

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2748

S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Tourism and Government Operations, to which was referred S.B. No. 2748 entitled:

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

begs leave to report as follows:

The purpose of this measure is to require a pre-job conference under the Hawaii Public Procurement Code for any project with an estimated contract value of \$500,000 or more, and to require that any protest be submitted prior to the pre-job conference.

Your Committee received testimony in support of this measure from the Iron Workers Stabilization Fund and Hawaii Building and Construction Trades Council, AFL-CIO. Testimony in opposition was received from the Department of Accounting and General Services and General Contractors Association of Hawaii. Comments were received from the State Procurement Office.

This measure provides that attendance at the pre-job conference, to be held at least thirty days prior to the date the contractor plans to begin work, is mandatory for the contractor, all subcontractors, and any employee representatives of workers who will be working on the project.

Testimony on this measure indicated that the underlying problem giving rise to this measure is the performance of work by unlicensed subcontractors and specialty contractors, who may not be licensed because they perform work under the umbrella of the

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general contractor. Your Committee believes the performance of work by unlicensed subcontractors and specialty contractors is a serious problem that should be addressed in this measure.

Another problem sought to be addressed by the labor unions is that of discreet segregation of the work to be performed on any particular job by the multitude of unions on the job simultaneously. Your Committee believes that this is a labor issue, unrelated to procurement.

Your Committee has amended this measure by:

- (1) Deleting its contents;
- (2) Inserting a requirement that verifiable proof of all applicable general, subcontractor, and specialty contractor licenses required by the job be included in the submissions with the offer;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussions; and
- (4) Making technical, nonsubstantive amendments.

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

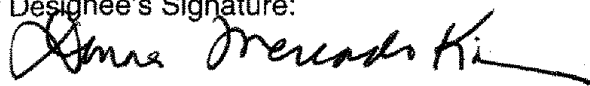
Respectfully submitted on
behalf of the members of the
Committee on Tourism and
Government Operations,


CLARENCE K. NISHIHARA, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Tourism and Government Operations
TSG

Bill / Resolution No.:* SB2748	Committee Referral: TSG	Date: 2-28-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	/			
KIM, Donna Mercado (VC)	/			
TSUTSUI, Shan S.				/
TRIMBLE, Gordon	/			
TOTAL	3			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes