

STAND. COM. REP. NO. 960

Honolulu, Hawaii

March 6, 2009

RE: H.B. No. 1289
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1289, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is ensure that a well-trained workforce will be available for future construction projects by requiring all offerors and subcontractors for public works construction contracts with a total estimated contract value of \$100,000 or more to maintain or participate in a bona fide, state-approved apprenticeship program for a period of not less than six months at the time of general bidding.

The Hawaii Carpenters Union, ILWU Local 142, Laborers' International Union of North America Local 368, and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Department of Labor and Industrial Relations, Department of Accounting and General Services, General Contractors Association of Hawaii, Associated Builders and Contractors, Inc., Hawaii Chapter, and Building Industry Association-Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Providing a preference of five percent to all offerors for construction contracts subject to Chapter 103D, Hawaii Revised Statutes (HRS), that maintain or

HB1289 HD2 HSCR FIN HMS 2009-2875



participate in a bona fide, state-approved apprenticeship program at the time of general bidding rather than making this a requirement for an offeror to be able to bid on a construction contract;

- (2) Making the five percent preference only applicable to contractors and removing all references to subcontractors;
- (3) Increasing the minimum applicable contract value from \$100,000 to \$250,000;
- (4) Placing the five percent preference within part X of Chapter 103D, HRS, so that only contracts under section 103D-302 or 103D-303, HRS, will be affected;
- (5) Including a provision that increases, by five percent, any bid amount submitted by an offeror bidding on construction contracts subject to Chapter 103D, HRS, if the offeror does not maintain or participate in a bona fide, state-approved apprenticeship program;
- (6) Requiring all offerors, upon award of a contract, to comply with all laws governing entities doing business in the state, including general excise tax, employment security, workers' compensation, temporary disability insurance, and prepaid health care laws and produce documentation to the procuring officer to demonstrate this compliance;
- (7) Stipulating that any offeror making a false affirmation or certification of compliance with laws governing entities doing business in this state shall be suspended from further offerings or awards;
- (8) Allowing the Attorney General to waive the requirements for contracts for legal services if the Attorney General certifies in writing that comparable legal services are not available in this state;
- (9) Requiring that information furnished by an offeror be confidential and not be disclosed to any person except to law enforcement agencies as provided under the Uniform Information Practices Act;

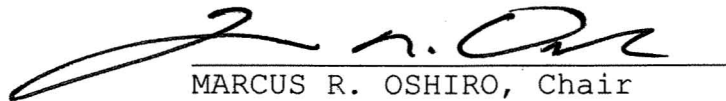


960

- (10) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 1289, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1289, H.D. 2.

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


MARCUS R. OSHIRO, Chair



