

STAND. COM. REP. NO. 355

Honolulu, Hawaii

FEB 18, 2009

RE: H.B. No. 826
H.D. 1

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

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 826 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC WORKS,"

begs leave to report as follows:

The purpose of this bill is to:

- (1) Establish requirements for contractors who bid on public work projects;
- (2) Require contractors bidding on a public work to maintain an apprenticeship program;
- (3) Require that no less than fifteen per cent of labor hours on a public work project costing one million dollars or more be performed by individuals enrolled in an apprenticeship program; and
- (4) Establishing penalties for a violation of the established requirements.

The Ironworkers Stabilization Fund Local 625 testified in support of this bill. The Hawaii Carpenters Union supported the intent of this measure. The Department of Labor and Industrial Relations (DLIR) did not support this bill.

HB826 HD1 HSCR LAB HMS 2009-1991



According to DLIR, no restrictions currently exist on the eligibility of individuals to work on a public works project and bidders on a public works are not required to have established apprenticeship programs as part of their eligibility. As such, the possibility exists for unscrupulous bidders and contractors to manipulate the system. Your Committee finds that establishing requirements for contractors who bid on state construction projects will place all contractors on a level playing field.

Your Committee also notes that by establishing apprenticeship program requirements and requirements for the use of apprentices on a public work project, a skilled construction workforce can be maintained for years to come.

Your Committee has amended this bill by:

- (1) Specifying that DLIR shall order the governmental contracting agency to permanently remove the party or contractor from any further work on a public work if compliance with the established requirements is not obtained within 20 days after a notification of non-compliance; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 826, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 826, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



KARL RHOADS, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 355

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 826	Committee Referral: LAB, FIN	Date: 2-3-09		
<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)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. AWANA, Karen Leinani	/			
5. HANOHANO, Faye P.	/			
6. KEITH-AGARAN, Gilbert S.C.	/			
7. LEE, Marilyn B.	/			
8. NAKASHIMA, Mark M.	/			
9. SAIKI, Scott K.	/			
10. SOUKI, Joseph M.	/			
11. TAKUMI, Roy M.	/			
12. PINE, Kymberly Marcos	/			
TOTAL (12)	12	0	0	0
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 Duplicate (Pink) – HMSO				