

STAND. COM. REP. NO.

343

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 1125
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Labor, to which was referred S.B. No. 1125
entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to require an offeror for
certain construction contracts subject to the state public
procurement code, to be a party to an apprenticeship agreement
registered with the Department of Labor and Industrial Relations
at the time of general bidding.

Testimony in support of this measure was submitted by three
organizations. Testimony in opposition to this measure was
submitted by one state agency, one organization, and one
individual. Written testimony presented to the Committee may be
reviewed on the Legislature's website.

Your Committee anticipates an imminent rush of construction
projects to take advantage of federal economic stimulus monies.
Your Committee finds that during the construction boom, there will
be a need for construction workers who have been thoroughly
trained in job safety and in their respective trades.

Your Committee finds that apprenticeship programs:

- (1) May provide well-trained workers for the anticipated
construction projects;



- (2) May help prevent industrial accidents, prevent injuries, and produce high-quality work products; and
- (3) Potentially lower labor costs for construction.

Your Committee notes the concern that this measure may significantly limit the number and types of contractors who could bid on public works contracts, and that this measure makes no exception for certain projects that do not require apprentices, such as sole source procurements. Your Committee also notes that this measure allows noncompliance by even one subcontractor to potentially stop work on an entire project.

Your Committee additionally notes the concern that the meaning of the term "bona fide, state-approved apprenticeship program" is unclear and may be inconsistent with the language used in chapter 372, Hawaii Revised Statutes.

Your Committee has accordingly amended this measure by:

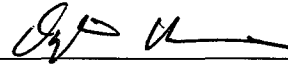
- (1) Increasing the estimated total value of contracts for which this measure applies from \$100,000 to \$250,000;
- (2) Excluding sole source procurements under section 103D-306, Hawaii Revised Statutes, from the requirements of this measure;
- (3) Limiting the requirements of this measure to offerors for certain construction contracts and excluding references to subcontractors;
- (4) Eliminating the duration of previous participation in an apprenticeship program as a determining factor of whether an offeror conforms to the standards for apprenticeship agreements; and
- (5) Conforming references to apprenticeship programs to the language in chapter 372, Hawaii Revised Statutes, relating to apprenticeship.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1125, as amended herein, and recommends that it pass Second Reading in the



form attached hereto as S.B. No. 1125, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

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



DWIGHT Y. TAKAMINE, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1125	LBR, JGD	2-17-09		
<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
TAKAMINE, Dwight Y. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
BUNDA, Robert	✓			
HEE, Clayton	✓			
SLOM, Sam			✓	
TOTAL	4	0	1	0
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