

Honolulu, Hawaii

March 19, 2010

RE: S.B. No. 2840
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committees on Economic Revitalization, Business, & Military Affairs and Labor & Public Employment, to which was referred S.B. No. 2840, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this bill is to strengthen the local economy by requiring contractors awarded construction contracts under the Hawaii State Procurement Code (Code), to ensure that Hawaii residents comprise not less than 80 percent of the workforce employed for the contract.

Hawaii State AFL-CIO; ILWU Local 142; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and the Council Chair of the Maui County Council supported this bill. District Council 50 supported the intent of this measure. The Department of Design and Construction of the City and County of Honolulu opposed this bill. The Department of Accounting and General Services, Department of Budget and Fiscal Services of the City and County of Honolulu, American Civil Liberties Union of Hawaii, and several concerned individuals commented.



Your Committees have amended this measure by replacing its substance with the substance of H.B. No. 2736, H.D. 1, a measure that passed out of the Committee on Finance earlier this session. In addition, as this bill is intended to apply only to construction contracts awarded under the Code, amendments were made to remove superfluous and confusing references to "public works."

Your Committees find that the definition of "resident" in this bill controls the procurement preference, and may also affect the bill's constitutionality. Your Committees respectfully request the Committee on Finance, to which this bill is next referred, to examine the issue of constitutionality as well as the various definitions of "resident" used by states that have enacted resident preferences.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2840, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2840, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Revitalization, Business, &
Military Affairs and Labor &
Public Employment,



KARL RHOADS, Chair



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 864-10

Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: <i>SB 2840 SDZ</i>	Committee Referral: <i>EBM/LAB, FIN</i>	Date: <i>Mar. 9, 2010</i>		
<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)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.	✓			
4. EVANS, Cindy	✓			
5. MANAHAN, Joey	✓			
6. TAKAI, K. Mark	✓			
7. TOKIOKA, James Kunane				✓
8. TSUJI, Clift	✓			
9. WAKAI, Glenn				✓
10. WOOLEY, Jessica				✓
11. WARD, Gene	H	✓		
TOTAL (11)	7	1		3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Isaac W. Choy</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 806-10

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 2840, SD2	Committee Referral: EBM/LAB, FIN	Date: 3-9-10		
<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, Kimberly Marcos	/			
TOTAL (12)				
	11	-	-	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				