
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 103B-3, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) A contractor awarded any contract shall ensure that
5 Hawaii residents compose not less than eighty per cent of the
6 workforce employed to perform the contract on a particular
7 construction project, as determined under subsection (b). Prior
8 to an award of a contract, the contractor may withdraw a bid if
9 the contractor finds that it is unable to comply with this
10 subsection."

11 2. By amending subsections (c) and (d) to read:

12 "~~(c) [Every general contractor and every subcontractor~~
13 ~~shall comply with this chapter for the entire duration of the~~
14 ~~contract.] Certification of compliance with this chapter shall~~
15 ~~be made under oath by an officer of the general contractor and~~
16 ~~applicable subcontractor to the procurement officer [on a~~
17 ~~monthly basis.] with the notice of completion of the contract.~~"



1 (d) A general contractor or subcontractor who fails to
2 comply with this chapter shall be subject to any of the
3 following sanctions:

4 (1) [~~Temporary suspension of work on the project until the~~
5 ~~contractor or subcontractor complies with this~~
6 ~~chapter;~~

7 ~~(2)]~~ Withholding of final payment on the contract or
8 subcontract, as applicable, until the contractor or
9 subcontractor complies with this chapter;

10 ~~[(3) Permanent disqualification of the contractor or~~
11 ~~subcontractor from any further work on the project;~~

12 ~~(4)]~~ (2) Recovery by the State or county, as applicable,
13 of any moneys expended on the contract or subcontract,
14 as applicable; or

15 ~~[(5)]~~ (3) Proceedings for debarment or suspension of the
16 contractor or subcontractor under section 103D-702 ~~[7]~~;
17 provided that a general contractor shall not be sanctioned for
18 noncompliance with this section by a subcontractor of that
19 general contractor on the same contract."

20 SECTION 2. This Act does not affect rights and duties that
21 matured, penalties that were incurred, and proceedings that were
22 begun before its effective date.



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.

4



Report Title:

Construction Procurement Contracts; State Residents Employment

Description:

Requires the general contractor and applicable subcontractor for construction procurement under the Hawaii public procurement code to file certification of compliance with chapter 103B, HRS, with the notice of final completion of the contract. Provides that the general contractor shall not be sanctioned for noncompliance by a subcontractor. Allows general contractor to withdraw a bid prior to award of a contract if it finds it is unable to comply with eighty per cent Hawaii workforce requirement. (SD1)

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