

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 1221
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 1221, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the general contractor and subcontractor for construction procurement to file a certification of compliance with the eighty percent Hawaii resident workforce requirement with the notice of the final completion of the contract;
- (2) Allow a contractor to withdraw a bid prior to an award of a contract if the contractor finds that it cannot comply with the Hawaii resident workforce requirement; and
- (3) Clarify that a general contractor shall not be sanctioned for noncompliance by a subcontractor.

Your Committee received testimony in support of this measure from the General Contractors Association of Hawaii; Building Industry Association of Hawaii; and International Union of Painters and Allied Trades, District Council 50. Your Committee received testimony in opposition to this measure from the Department of Transportation.



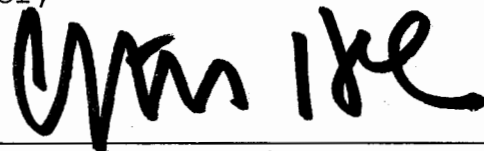
Your Committee finds that section 103B-3, Hawaii Revised Statutes, requires that at least eighty percent of the workforce on certain construction projects must be Hawaii residents. Your Committee further finds that this measure is intended to ease the administrative burden on general contractors and subcontractors by requiring them to certify compliance with section 103B-3, Hawaii Revised Statutes, only once, at final completion of the contract. Your Committee also finds that this measure requires general contractors and subcontracts to be held liable for violating the law, but it clarifies that a general contractor will not be sanctioned for noncompliance by a subcontractor. Your Committee believes this measure will facilitate compliance and enforcement of section 103B-3, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1221, S.D. 2:

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

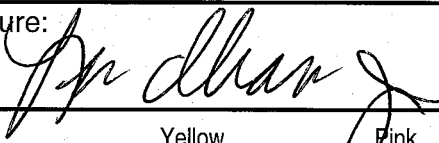


CLAYTON HEE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB1221, SD1	Committee Referral: PGM, JDL	Date: 3-1-11		
<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
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)				✓
GABBARD, Mike	✓			
IHARA, Jr., Les	✓			
SLOM, Sam				✓
TOTAL	3	0	0	2
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