STAND. COM. REP. NO. 166 -12

Honolulu, Hawaii

, 2012

RE: H.B. No. 1686

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committee on Economic Revitalization & Business, to which was referred H.B. No. 1686 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to require that bids and requests for proposals on public construction contracts must list joint contractors and subcontractors if the value of the contract is in excess of \$500,000 and the work to be performed by the joint contractor or subcontractor is in excess of \$25,000. Additionally this measure allows the substitution of subcontractors if 75 percent of the savings, if any, resulting from the substitution is refunded to the purchasing agency.

The Ironworkers Stabilization Fund testified in support of this measure. The Department of Accounting and General Services, the Department of Budget and Fiscal Services of the City and County of Honolulu, General Contractors Association of Hawaii, Subcontractors Association of Hawaii, and Plumbing and Mechanical Contractors Association of Hawaii testified in opposition to this measure.

Your Committee respectfully requests that your Committee on Finance further examine the threshold money amounts. Accordingly, your Committee has amended this measure by:

- (1) Removing the threshold money amounts;
- (2) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1686, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Revitalization & Business,

ANGUS L.K. McKELVEY, Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No.: Com	mittee Referral:	Dates	1/26/1	2
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	V			-
2. CHOY, Isaac W. (VC)	V			
Z. CHOI, isaac W. (VC)			<u> </u>	•
3. AWANA, Karen L.	V			
PROMIER S				
4. BROWER, Tom	V			
5. EVANS, Cindy	V_			
6. HASHEM, Mark J.				V
A MICHEMOTO C. 41 X				
7. NISHIMOTO, Scott Y.				
8. TOKIOKA, James Kunane				
9. TSUJI, Clift				
10. MARUMOTO, Barbara C.				
11. PINE, Kymberly Marcos				
			.,,	<u>.</u>
TOTAL (11)	10			/
The recommendation is: Adopted If joint referral, committee acronym(s) Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				