

Honolulu, Hawaii

Feb 7 , 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



