

STAND. COM. REP. NO. 2266

Honolulu, Hawaii

FEB 16 2012

RE: S.B. No. 2030
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Public Safety, Government Operations, and Military Affairs, to which was referred S.B. No. 2030 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to allow, in a procurement pursuant to competitive sealed bidding, a bidder two additional days after the bid submission closing date to submit names of joint contractors or subcontractors, after which time the bids are required to be opened.

Your Committee received testimony in support of this measure from King & Neel, Inc.; Ralph S. Inouye Co Ltd; Building Industry Association; General Contractors Association of Hawaii; Grace Pacific Corporation; and S & M Sakamoto, Inc. Testimony in opposition was received from the Honolulu Budget and Fiscal Services Department; Ironworkers Stabilization Fund; Plumbing & Mechanical Contractors Association of Hawaii; Associated Builders and Contractors, Inc.; Subcontractors Association of Hawaii; and Steel Fabricators and Erectors of Hawaii.

Your Committee finds that this measure allows the bidder to ensure that all subcontractors who have submitted bids to the general contractor have met all of the requirements to perform work on state and county projects, including meeting all licensing, bonding, and insurance requirements. The additional time is necessary because in most cases the general contractor does not receive bid prices from the various subcontractors until

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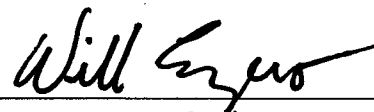
shortly before the bid must be submitted to the state agency. This means that the general contractor does not have time to check whether the subcontractors who have submitted bids meet the requirements to work on the job, especially the proper licenses issued by the Contractors License Board.

Your Committee has amended this measure by:

- (1) Requiring that the submission of required bid information and bid corrections or amendments be submitted up to two days prior to the closing date for the submission of bids;
- (2) Deleting the provision requiring that bids be opened in accordance with existing law following the close of the two-day period after the closing date for submission of bids; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2030, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2030, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on
behalf of the members of the
Committee on Public Safety,
Government Operations, and
Military Affairs,



WILL ESPERO, Chair



