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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

LATE

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March 28, 2014

TO: HONORABLE DAVID IGE, CHAIR, HONORABLE MICHELLE KIDANI, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON WAYS AND MEANS

SUBJECT: **COMMENTS AND REQUESTED AMENDMENTS TO H.B. 1958, HD2, SD1 RELATING TO COMPENSATION.** For government public works construction contracts greater than \$2,000, provides that overtime compensation be not less than 1-1/2 times the laborers or mechanics basic hourly rate of pay plus fringe benefits and that if the department of labor and industrial relations determines that the prevailing wage is determined by a group represented by collective bargaining, then the overtime and any other premium shall be at the same rates set by the collective bargaining agreement. Specifies that the overtime rate be as specified in the collective bargaining agreement when the basic hourly rate is based on a collective bargaining agreement. Effective 07/01/30. (SD1)

Decision Making

DATE: Friday, March 28, 2014
TIME: 9:25 a.m.
PLACE: Conference Room 211

Dear Chair Ige, Vice Chair Kidani and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

GCA respectfully requests that the bill be amended to adopt language from the H.D.2 version of the bill. GCA is concerned with the current definition of overtime compensation in the S.D. 1 version, which would force a non-union contractor to pay wages at a certain rate for overtime that it had not previously agreed upon nor would have factored into its bid. The S.D. 1 version of the bill was adopted after the Department of Labor and Industrial Relations indicated that the amendment would “level the playing field and require the non-union contractors to pay the same rates for overtime as union contractors currently do for public works projects.” **GCA disagrees with the rationale behind the amendment; instead what the bill proposes to do is force the non-union contractor to pay wages that it had no input in negotiating.** Provided, however that the H.D. 2 version satisfies the original intent of the bill, which is to ensure that if an existing collective bargaining agreement provides for overtime at a rate more than one and a half times the basic hourly rate the overtime rate specified in the collective bargaining contract shall apply to signatories of the contract.

GCA respectfully requests that the bill revert back to the H.D. 2 version which would allow the rate of overtime as specified in a collective bargaining agreement **when** the basic hourly rate is based on an existing collective bargaining agreement.

Thank you for the opportunity to share our comments and respectfully request consideration of the requested amendments.