

STAND. COM. REP. NO. 161

Honolulu, Hawaii

February 12, 2015

RE: H.B. No. 517
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 517 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to address the confusion caused by and inconsistent application of procurement preferences for contractors with apprenticeship agreements in a public works construction contract of not less than \$250,000 by repealing the relevant statute, section 103-55.6, Hawaii Revised Statutes.

The Department of Transportation; State Procurement Office; BIA-Hawaii; Hawaii Island Contractors Association; Loeffler Construction, Inc.; Kalama Evans Construction, LLC; Bolton, Inc.; West Hawaii Excavating Inc.; and two individuals testified in support of this measure. Hawai'i Construction Alliance testified in opposition to this measure. The General Contractors Association of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Removing the repeal of section 103-55.6, Hawaii Revised Statutes;
- (2) Amending section 103-55.6 to clarify that the five per cent discount of a bid in a project with an estimated value of not less than \$250,000 shall:

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- (A) Be available to a bidder that is a party to a registered apprenticeship agreement for each apprenticable trade that the bidder will utilize in the completion of the contract to construct the public works; and
- (B) Apply to public works projects in counties with a population of 500,000 or more;
- (3) Changing the effective date to July 1, 2115, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 517, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

ASCR 161

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 517	Committee Referral: LAB, CPC, FIN	Date: 2/6/15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. KEOHOKALOLE, Jarrett (VC)	/			
3. AQUINO, Henry J.C.				/
4. HAR, Sharon E.	/			
5. ICHIYAMA, Linda	/			
6. JOHANSON, Aaron Ling	/			
7. LOPRESTI, Matthew S.	/			
8. SAN BUENAVENTURA, Joy A.	/			
9. TAKAYAMA, Gregg	/			
10. TAKUMI, Roy M.	/			
11. YAMASHITA, Kyle T.	/			
12. TUPOLA, Andria P.L.	/			
TOTAL (12)	11			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				