

STAND. COM. REP. NO.

2748

Honolulu, Hawaii

MAR 04 2016

RE: S.B. No. 3092
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 3092, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to improve the procurement process for public works construction projects.

More specifically, the measure:

- (1) Authorizes procurement officers to consider a previously licensed and listed subcontractor's license as valid if the license at bid time was suspended or forfeited due solely to a ministerial act, as defined by the measure, and the license is restored prior to the contract award; and
- (2) Requires subcontractors to submit a time-stamped offer to a contractor two hours before the established bid deadline.

Your Committee received written comments in support of this measure from the General Contractors Association of Hawaii, Ralph S. Inouye Co., Ltd., and Genba Hawaii, Inc.

Your Committee received written comments in opposition to this measure from the Department of Transportation, State Procurement Office, Board of Water Supply of the City and County

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of Honolulu, Central Purchasing Agent of the County of Maui, Plumbing and Mechanical Contractors Association of Hawaii, and Sheet Metal Contactors Association.

The Subcontractors Association of Hawaii submitted comments on the measure.

Your Committee finds that the large number of licenses available to subcontractors have made it difficult for general contractors to verify the validity of licenses for the performance of specific types of work. In a general contractor's bid for a public works construction project, the inclusion of a subcontractor having an invalid license can lead to a challenge or invalidation of the bid, even if the subcontractor's license was previously valid, and will subsequently become valid again. Your Committee further finds that, under certain limited conditions, a procurement officer should consider a subcontractor's license that has been suspended or forfeited as valid for purposes of inclusion in a general contractor's bid.

Your Committee has amended this measure by:

- (1) Deleting the requirement that a subcontractor shall submit a time-stamped offer to a contractor two hours before the bid deadline; and
- (2) Providing that a bidding contractor shall provide the name of each joint contractor or subcontractor and the nature or scope of that entity's work no later than two hours after the closing of bidding.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3092, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3092, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

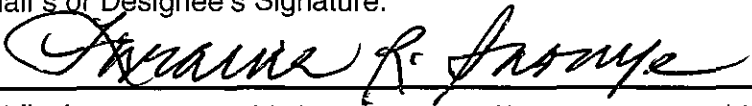


JILL N. TOKUDA, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3092, SD1	GVO, WAM	2/20/2016		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			✓
DELA CRUZ, Donovan M. (VC)				✓
CHUN OAKLAND, Suzanne	✓			
ENGLISH, J. Kalani				✓
GALUTERIA, Brickwood				✓
HARIMOTO, Breene				✓
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
TANIGUCHI, Brian T.				✓
WAKAI, Glenn	✓			
SLOM, Sam		✓		
TOTAL	5	1		5
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes