

STAND. COM. REP. NO.

1475

Honolulu, Hawaii

APR 06 2017

RE: H.B. No. 1229
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Judiciary and Labor and Ways and Means, to which was referred H.B. No. 1229, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to require the listing of joint contractors and subcontractors only for construction contracts with a total minimum value of an unspecified amount; provided that a construction bid that does not comply with this requirement may be accepted if it is in the best interest of the State and the value of the work to be performed by a subcontractor is equal to or less than an unspecified percentage of the total bid amount.

Your Committees received testimony in support of this measure from the Building Industry Association of Hawaii; General Contractors Association of Hawaii; Hawaii Operating Engineers Industry Stabilization Fund; Alan Shintani Inc.; Hawaiian Dredging Construction Company, Inc.; Healy Tibbetts Builders, Inc.; Isemoto Contracting Co., Ltd.; Jayar Construction, Inc.; LYZ, Inc.; Nordic PCL Construction, Inc.; Ralph S. Inouye Co., Ltd.; Royal Contracting Co., Ltd.; and TOMCO Corp. Your Committees received testimony in opposition to this measure from the State Procurement Office; Subcontractors Association of Hawaii; Painting Industry of Hawaii Labor Management Cooperation Trust Fund; Hawaii Tapers



Market Recovery Trust Fund; Hawaii Glaziers Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund; Carpet Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund; and Plumbing and Mechanical Contractors Association of Hawaii. Your Committees received comments on this measure from the Department of Accounting and General Services and Department of Transportation.

Your Committees find that the execution and completion of public works projects are often delayed due to bid protests by non-lowest bidders challenging technical mistakes in the lowest bidder's proposal, including where a bidder has failed to list a required subcontractor or when a listed subcontractor did not possess the appropriate license and was not qualified to perform the work. Section 103D-302, Hawaii Revised Statutes, requires that all subcontractors and joint contractors to be used on a public works project be listed, along with their scope of work on the bid proposal submitted to any state or county agency subject to the procurement code. Your Committees find that this measure intends to reduce the number of subcontractors that must be listed in a bid proposal, thereby reducing the number of opportunities to challenge bids on the basis of subcontractor listing errors and increasing the efficiency of the bid process.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1229, H.D. 1, S.D. 1, and recommend that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Labor and Ways and Means,



JILL N. TOKUDA, Chair



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

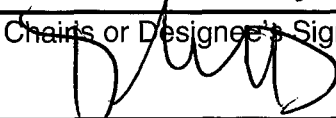
Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB 1229, HDI, SDI	Committee Referral: GVO, JDL/WAM	Date: 3/30/17		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
THIELEN, Laura H.	✓			
TOTAL	5	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1229, HD1, SD1	GVO, SDL/WAM	3/30/17		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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)	/			
ENGLISH, J. Kalani				/
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i				/
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.				/
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	8			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chairs or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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