

STAND. COM. REP. NO.

494

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 573

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committees on Labor & Public Employment and Economic Development & Business, to which was referred H.B. No. 573 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

beg leave to report as follows:

The purpose of this measure is to prohibit bid shopping and bid peddling in the competitive sealed bidding process.

The General Contractors Association of Hawaii, Ironworkers Stabilization Fund, and one individual testified in support of this measure. The Hawaii Laborers-Employers Cooperation and Education Trust testified in support of the intent. The Electrical Contractor's Association of Hawaii, 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, and Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund testified in opposition. The Department of Commerce and Consumer Affairs, State Procurement Office, Department of Accounting and General Services, and Contractors License Board provided comments.

HB573 HD1 HSCR LAB-EDB HMS 2017-1706-1



Your Committees have amended this measure by:

- (1) Prohibiting the bidder from listing more than one subcontractor for each scope of work identified, unless subcontractors vary with bid alternates;
- (2) Allowing the substitution of a listed subcontractor if the listed subcontractor is:
  - (A) Debarred from a purchasing or enforcement agency;  
or
  - (B) Unable or refuses to meet the contractual requirements or agreements of the bidder;
- (3) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 573, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 573, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Labor & Public  
Employment and Economic  
Development & Business,

  
MARK M. NAKASHIMA, Chair

  
AARON LING JOHANSON, Chair





