

STAND. COM. REP. NO.

1329

Honolulu, Hawaii

March 24, 2017

RE: S.B. No. 1070
S.D. 2
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 S.B. No. 1070, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Provide a bidder on a public works construction project with two hours after the closing of an invitation for bids to clarify and correct certain information regarding subcontractors; and
- (2) Prohibit bid shopping and bid peddling for the competitive sealed bidding process.

The General Contractors Association of Hawaii; Healy Tibbitts Builders, Inc.; Ralph S. Inouye Co, Ltd; Alan Shintani, Inc.; Jayar Construction, Inc.; LYZ, Inc.; S & M Sakamoto, Inc.; and Hawaiian Dredging Construction Company, Inc. testified in support of this measure. Hawaii Laborers-Employers Cooperation and Education Trust supported the intent of this measure. The State Procurement Office, Plumbing and Mechanical Contractors Association of Hawaii, Subcontractors Association of Hawaii,

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Electrical Contractor's Association of Hawaii, Hawaii Iron Workers Stabilization Fund, Sheet Metal Contractors Association, 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 Accounting and General Services, Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Contractors License Board, and Steel Fabricators and Erectors of Hawaii provided comments.

Your Committees have amended this measure by:

- (1) Limiting bid clarifications and corrections to minor entity name corrections and the validity of a listed subcontractor's license;
- (2) Clarifying that a listed subcontractor may be substituted by the prime contractor due to the inability of the listed subcontractor to perform the contractual requirements of the proposed contract or the project consistent with the terms and written understandings of the parties at the time of the bid; and
- (3) 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 S.B. No. 1070, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1070, S.D. 2, 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



