

STAND. COM. REP. NO. 1452-22

Honolulu, Hawaii

MAR 24 , 2022

RE: S.B. No. 3034
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred
S.B. No. 3034, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO JOINT CONTRACTOR OR
SUBCONTRACTOR LISTING,"

begs leave to report as follows:

The purpose of this measure is to clarify the listing
information of contractors and subcontractors required for
construction bids in a competitive sealed bid, including the
specialty or specialties of the work to be performed by each.

Your Committee received testimony in support of this measure
from the Department of Budget and Fiscal Services of the City and
County of Honolulu. Your Committee received testimony in
opposition to this measure from the Department of Accounting and
General Services. Your Committee received comments on this
measure from the General Contractors Association of Hawaii.

Your Committee finds that existing law allows protests to a
bid when a bid fails to list subcontractors who are not required
to be licensed, which causes delays in the construction
procurement process and may result in the award going to the
protestor at a higher price. This measure is intended to clarify

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the information related to contractors and subcontractors that must be included in a competitive sealed bid.

However, your Committee has heard concerns that certain aspects of this measure may cause additional confusion or make it more difficult for contractors to comply with the law.

Accordingly, your Committee has amended this measure by:


- (1) Reverting to the contents of this measure as it was introduced, which specifies that invitations for construction bids under the competitive sealed bidding process must include the name and information of the joint contractors or subcontractors who are engaged in the performance of the contract and required to be licensed under the Contractor License Law;
- (2) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Consumer Protection & Commerce, should it choose to deliberate on this measure, to examine the issue of whether the inclusion of joint contractors in this measure, as amended by your Committee, would be problematic, as joint contractors is not defined under the Contractor License Law.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3034, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3034, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Government Reform,



ANGUS L.K. MCKELVEY, Chair



Record of Votes of the Committee on Government Reform

| Bill/Resolution No.: SB 3034 SD2 | Committee Referral: GVR, CPC | Date: 3-23-22 | | |
|--|--|-------------------------|------|---------|
| <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) | | | | |
| GVR Members | Ayes | Ayes (WR) | Nays | Excused |
| 1. McKELVEY, Angus L.K. (C) | ✓ | | | |
| 2. WILDBERGER, Tina (VC) | ✓ | | | |
| 3. COSTALES, Luella | ✓ | | | |
| 4. ELI, Stacelynn K.M. | ✓ | | | |
| 5. ICHIYAMA, Linda | ✓ | | | |
| 6. MIZUNO, John M. | | | | ✓ |
| 7. WOODSON, Justin H. | | | | ✓ |
| 8. YAMASHITA, Kyle T. | ✓ | | | |
| 9. WARD, Gene | ✓ | | | |
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| TOTAL (9) | 7 | 2 | 2 | 2 |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| If joint referral, _____ did not support recommendation. committee acronym(s) | | | | |
| Vice Chair's or designee's signature: | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | |