

STAND. COM. REP. NO. 2792

Honolulu, Hawaii

MAR 03 2022

RE: S.B. No. 3034

S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 3034, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to clarify the listing of contractors and subcontractors required for construction bids under section 103D-302, Hawaii Revised Statutes, to facilitate the implementation of competitive sealed bidding procurements of public works construction projects.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and General Contractors Association of Hawaii. Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that existing law, which requires bidders to list joint contractors and specialty subcontractors, including those that are not subject to licensing under chapter 444, Hawaii Revised Statutes, for all public works construction projects may result in unnecessary bid protests, award delays, and increased project costs. This measure, in part, intends to reduce the number of subcontractors that must be listed in a bid for the award of a public works construction project, thereby reducing the number of challenges by unsuccessful bidders based on



subcontractor listing errors, and increasing the efficiency of the competitive sealed bidding process.

According to testimony from the General Contractors Association of Hawaii (GCAH), requiring that the specialties or administrative subclassifications of licensed contractors and subcontractors be included in a competitive sealed bid for a public works construction project, instead of exempting contractors and subcontractors that are not required to be licensed in the performance of the contract, will ensure that there is no unintended consequence if the contractor's license board adds a new profession under chapter 444, Hawaii Revised Statutes, that is not meant to be included in the subcontractor listing. Your Committee notes GCAH's testimony also states that the joint contractor listing requirement is confusing and unnecessary, even for joint venture bidders with subcontractors as the prime contractors.

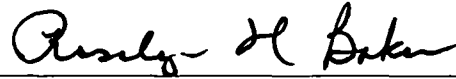
Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have exempted information concerning certain contractors and subcontractors who are not required to be licensed pursuant to chapter 444, Hawaii Revised Statutes, from inclusion in a competitive sealed bid and replacing it with a requirement that the specialty or specialties of a licensed contractor or subcontractor be included in the bid, along with the nature and scope of the work to be performed; and
- (2) Removing references to "joint contractor" to avoid confusion.

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



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
SB3034 SD1	GIVO, CPN	02-23-2022

The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
CHANG, Stanley (VC)	/			
DECOITE, Lynn	/			
NISHIHARA, Clarence K.	/			
RIVIERE, Gil	/			
SAN BUENAVENTURA, Joy A.				/
FEVELLA, Kurt				/
TOTAL	5			2

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Rosalyn H Baker

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*Only one measure per Record of Votes