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## A BILL FOR AN ACT

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RELATING TO PROCUREMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that a well-trained  
2 workforce is essential for Hawaii's economic growth and the  
3 successful construction of public buildings, infrastructure, and  
4 other development projects and that apprenticeship programs help  
5 individuals gain their best knowledge of a particular trade,  
6 especially if those individuals can take the knowledge they  
7 learn and apply their knowledge and skills in public works  
8 construction.

9           Although some bidders for public works projects may have an  
10 apprenticeship agreement in place during the bidding process and  
11 therefore benefit from the advantage conferred under section  
12 103-55.6, Hawaii Revised Statutes, upon bidders who have  
13 apprenticeship agreements in place, upon the awarding of a  
14 contract, some bidders may then use subcontractors or non-  
15 apprentices to actually perform the contracted work. The  
16 legislature further finds that requiring bidders for public  
17 works construction who take advantage of the bidding incentive



1 under existing law to actually use apprentices for the  
2 contracted work is not only fairer but also ensures that quality  
3 workers will help maintain a supply of skilled labor, support  
4 workforce development, and enhance the outcomes of public works  
5 construction.

6 The purpose of this Act is to require a bidder for certain  
7 public works construction contracts to use apprentices if the  
8 bidder is a party to an apprenticeship agreement registered with  
9 the State at the time of general bidding and is awarded the  
10 contract.

11 SECTION 2. Section 103-55.6, Hawaii Revised Statutes, is  
12 amended as follows:

13 1. By amending subsection (a) to read:

14 "(a) A governmental body, as defined in section 103D-104,  
15 that enters into a public works contract under this chapter  
16 having an estimated value of not less than \$250,000, shall  
17 decrease the bid amount of a bidder by five per cent if the  
18 bidder is a party to an apprenticeship agreement registered with  
19 the department of labor and industrial relations for each  
20 apprenticeable trade the bidder will employ and utilize to  
21 construct the public works, and in conformance with chapter



1 372[-]; provided that the bidder shall employ apprentices  
2 pursuant to the apprenticeship agreement for the public works  
3 contract if the bidder is awarded the contract. The lowest  
4 total bid, taking the preference into consideration, shall be  
5 awarded the contract unless the solicitation provides for  
6 additional award criteria. The contract amount awarded,  
7 however, shall be the amount of the price offered, exclusive of  
8 the preference."

9 2. By amending subsection (c) to read:

10 "(c) At the time of submission of a competitive sealed bid  
11 or a competitive sealed proposal by a bidder, the bidder shall  
12 furnish written proof of being a party to a registered  
13 apprenticeship agreement for each apprenticeable trade the  
14 bidder will employ and utilize to construct the public works  
15 and, if awarded the contract, shall continue to certify monthly  
16 in writing that the bidder is a party to a registered  
17 apprenticeship agreement for each apprenticeable trade the  
18 bidder will employ to construct the public works and is  
19 utilizing the registered apprenticeship agreement to employ  
20 apprentices for the entire duration of the bidder's work on the  
21 project. This subsection shall be deemed to be incorporated



1 into a public works contract. A bidder who is awarded a  
2 contract shall be subject to the following sanctions if, after  
3 commencement of work, the bidder at any time during the  
4 construction is no longer a party to a registered apprenticeship  
5 agreement for each apprenticeable trade the bidder will employ  
6 to construct the public works[+] or no longer employs  
7 apprentices through the registered apprenticeship agreement to  
8 construct the public works:

9 (1) Temporary or permanent cessation of work on the  
10 project, without recourse to breach of contract claims  
11 by the bidder; provided that the governmental body  
12 shall be entitled to restitution for nonperformance or  
13 liquidated damages, as appropriate; or

14 (2) Proceedings to debar or suspend under section 103D-  
15 702."

16 SECTION 3. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 4. This Act shall take effect upon its approval.



H.B. NO. 1221

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INTRODUCED BY:

A handwritten signature in black ink, appearing to be "M. L. H.", written over a horizontal line.

JAN 22 2025



# H.B. NO. 1221

**Report Title:**

Procurement; Public Works Contracts; Apprenticeship

**Description:**

Requires a bidder for certain public works construction contracts to utilize apprentices if the bidder receives a bidding advantage for being a party to an apprenticeship agreement registered with the State at the time of general bidding and is awarded the contract.

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