

STAND. COM. REP. NO.

435

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 1221
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Public Safety, Government Operations, and Military Affairs, to which was referred S.B. No. 1221 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to require the general contractor and subcontractor for construction procurement to file certification of compliance with the eighty percent Hawaii resident workforce requirement with the notice of final completion of the contract. This measure also clarifies that the general contractor shall not be sanctioned for noncompliance by a subcontractor.

Your Committee received testimony in support of this measure from one county department and two entities. Your Committee received testimony in opposition to this measure from one State department and nine entities.

This measure requires that both subcontractors and general contractors be held liable for violating the law. This measure also facilitates compliance and enforcement.

The intent of your Committee is to help reduce the substantial administrative burden on general contractors and subcontractors by requiring them to certify compliance with the statute only once, at final completion, instead of monthly as is currently required.

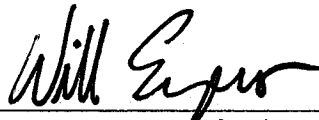


Your Committee has amended this measure by:

- (1) Allowing the contractor to withdraw a bid prior to an award of the contract if the contractor finds it cannot comply with the requirement that eighty percent of the workforce be comprised of Hawaii residents;
- (2) Deleting references to temporary suspension of work on the project and permanent disqualification of the contractor or subcontractor as sanctions for failure to comply;
- (3) Clarifying that it is the final payment on the contract that is to be withheld for noncompliance; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1221, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on
behalf of the members of the
Committee on Public Safety,
Government Operations, and
Military Affairs,



WILL ESPERO, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Public Safety, Government Operations, and
Military Affairs
PGM

Bill / Resolution No.:* SB 1221	Committee Referral: PGM, JDL	Date: 2-17-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	/			
KIDANI, Michelle N. (VC)	/			
BAKER, Rosalyn H.	/			
RYAN, Pohai	/			
SLOM, Sam		/		
TOTAL	4	1	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes