

Honolulu, Hawaii

MAR 03 2017

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Judiciary and Labor and Ways and Means, to which was referred S.B. No. 1070, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide a bidder of a public works construction project with two hours after the closing of a bid to clarify and correct minor technical issues with subcontractor listings; and
- (2) Afford a legal means of redress to subcontractors affected by bid shopping and bid peddling practices in public works.

Your Committees received testimony in support of this measure from BIA-Hawaii; General Contractors Association of Hawaii; Jayar Construction, Inc.; LYZ, Inc.; Nordic PCL Construction, Inc.; Ralph S. Inouye Co., Ltd.; Alan Shintani Inc.; and S & M Sakamoto, Inc. Your Committees received testimony in opposition to this measure from the State Procurement Office; Subcontractors Association of Hawaii; Dorvin D. Leis Co., Inc.; HSI Mechanical, Inc.; and Plumbing and Mechanical Contractors Association of Hawaii. Your Committees received comments on this measure from the Department of Accounting and General Services; Regulated



Industries Complaints Office, Department of Commerce and Consumer Affairs; and Contractors License Board, Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs.

Your Committees find that allowing subcontractor plaintiffs to recover monetary damages from prime contractors and substituted subcontractors would discourage the unscrupulous practice of bid shopping and bid peddling in the competitive sealed bidding process. Your Committees also find that the competitive sealed bidding process can be improved by providing additional time for bidders to clarify and correct subcontractor information, which may minimize bid challenges, costs, and delays of public works projects while maintaining the integrity of the bid process.

Your Committees have amended this measure by:


- (1) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1070, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1070, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Labor and Ways and Means,



JILL N. TOKUDA, Chair



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 1070, SDI	Committee Referral: GVD, JDL/WAM	Date: 2/28/17		
<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
KEITH-AGARAN, Gilbert S.C. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike				✓
KIM, Donna Mercado				✓
THIELEN, Laura H.	✓			
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1070, SDI	GOV, SOL/WAM	2/28/17		
<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
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUE, Lorraine R.	/			/
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			/
TOTAL	9			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:	Original	Yellow	Pink	Goldenrod
	File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy

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