

STAND. COM. REP. NO.

314

Honolulu, Hawaii

, 2023

**FEB 13**

RE: H.B. No. 542

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred H.B. No. 542 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to minimize bid challenges, costs, and delays of public works construction projects for five years by:

- (1) Allowing a bidder of a public works construction project to clarify and correct immaterial or technical issues with subcontractor listings for up to twenty-four hours after the bid submission deadline, which shall be complementary and in addition to the time allowed by the Procurement Policy Board to correct or withdraw inadvertently erroneous bids;
- (2) Requiring that bids for construction be publicly opened no sooner than twenty-four hours after the bid submission deadline; and
- (3) Defining "immaterial or technical information".

Your Committee received testimony in support of this measure from the General Contractors Association of Hawaii and

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Subcontractors Association of Hawaii. Your Committee received testimony in opposition to this measure from the State Procurement Office; Department of Accounting and General Services; Painting Industry of Hawaii Labor Management Cooperation Trust Fund; Hawaii Tapers Market Recovery Trust Fund; Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund; and Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund. Your Committee received comments on this measure from the Department of Transportation.

Your Committee finds that this measure is intended to increase efficiency in the procurement process by allowing contractors to verify the information that subcontractors provide and reduce the likelihood of errors.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "immaterial or technical information" by specifically excluding the identity of a subcontractor from the term;
- (2) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 542, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



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Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Government  
Operations,



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SCOT Z. MATAYOSHI, Chair



