

Honolulu, Hawaii

FEB 12 2025

RE: S.B. No. 1057
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Labor and Technology and Government Operations, to which was referred S.B. No. 1057 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to clarify that the bid incentive given to bidders for public works construction projects who are parties to an apprenticeship agreement is based on apprenticeable trades utilized, rather than employed, to construct the public works.

Your Committees received testimony in support of this measure from the State Procurement Office; IBEW Local Union 1260; Goodfellow Bros.; and International Brotherhood of Electrical Workers Local Union 1186, AFL-CIO.

Your Committees received testimony in opposition to this measure from the General Contractors Association of Hawaii.

Your Committees received comments on this measure from the Department of Accounting and General Services.

Your Committees find that the current language regulating the use of bid incentives only allows bid preference for general contractors whose own employees participate in the apprenticeship agreement. Contractors utilizing subcontractors are therefore



disqualified, limiting the pool of skilled trades available and the training opportunities for the local workforce. This measure remedies this oversight by amending the language to apply the bid incentive for apprenticeable trades "utilized" in the project.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, 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 Labor and Technology and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1057, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1057, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Labor and
Technology and Government
Operations,



ANGUS L.K. MCKELVEY, Chair



HENRY J.C. AQUINO, Chair



