
SENATE RESOLUTION

REQUESTING A STUDY ON PUBLIC CONTRACTS.

1 WHEREAS, a general principle under the public procurement
2 code is that contracts shall be awarded by process of
3 competitive sealed bidding to the lowest responsible and
4 responsive bidder whose bid meets the requirements and criteria
5 set forth in the invitation for bids; and
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7 WHEREAS, the bidding process is open to all contractors,
8 regardless of their principal place of business such that they
9 may be either local contractors or out-of-state contractors; and
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11 WHEREAS, there is concern that local contractors have
12 difficulty competing for awards against out-of-state contractors
13 because the high costs of doing business in Hawaii forces the
14 bids of local contractors to be higher than the bids of out-of-
15 state contractors; and
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17 WHEREAS, a significant cost driver that raises the bid
18 amounts of local contractors may be the cost of workers'
19 compensation premiums; and
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21 WHEREAS, the Director of Labor and Industrial Relations
22 notes on the department's website that in a survey conducted
23 recently by the Pacific Business News, seventy-three per cent of
24 local businesses responded that their number one issue was the
25 soaring costs of workers' compensation (along with rising
26 premiums for prepaid healthcare insurance); now, therefore,
27

28 BE IT RESOLVED by the Senate of the Twenty-fourth
29 Legislature of the State of Hawaii, Regular Session of 2007,
30 that the Attorney General and the Department of Accounting and
31 General Services are respectfully requested to conduct a study
32 on whether costs incurred due to prepaid healthcare coverage
33 plans, Hawaii general excise tax requirements, unemployment
34 insurance premiums, workers' compensation premiums, and any
35 other relevant factors negatively impact the competitiveness of
36 in-state contractors in comparison to out-of-state contractors;
37 and



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2 BE IT FURTHER RESOLVED that the Attorney General and the
3 Department of Accounting and General Services are further
4 requested to submit findings and recommendations, including any
5 proposed legislation, to the Legislature not later than twenty
6 days prior to the convening of the Regular Session of 2008; and

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8 BE IT FURTHER RESOLVED that certified copies of this
9 Resolution be transmitted to the Attorney General and the
10 Department of Accounting and General Services.

