

STAND. COM. REP. NO.

978

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 17
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 17, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to prohibit government
contracts under \$5,000,000 for design professional services to
require the design professional to defend the State against all
claims.

Your Committee received testimony in support of this measure
from the Small Business Regulatory Review Board, the American
Council of Engineering Companies, the American Institute of
Architects Hawaii State Council, the Coalition of Hawaii
Engineering and Architectural Professionals, Consulting Structural
Hawaii, Inc., Engineering Concepts, Inc., Engineering Solutions,
Inc., Finance Insurance, Ltd., Kai Hawaii, Inc., the Limtiaco
Consulting Group, Masa Fujioka & Associates, and Shimabukuro, Endo
& Yoshizaki, Inc. The Corporation Counsel of the City and County
of Honolulu opposed this measure. The Attorney General testified
in opposition to this measure and proposed an amendment.

Your Committee finds that many design professionals are small
business owners for whom the requirement to defend the State is
unduly onerous. This bill allows contracts to require the design
professional to indemnify the State and hold the State harmless.



Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 17, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 17, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON HEE, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 17 SD1	TSG, JDL	2/28/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	/			
KOKUBUN, Russell S. (VC)	/			
INOUE, Lorraine R.	/			
NISHIHARA, Clarence K.				/
GABBARD, Mike	/			
TOTAL	4			1
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;">Russell S. Kohl</div>				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes