

Honolulu, Hawaii February 17, 2017

RE: H.B. No. 573 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committees on Labor & Public Employment and Economic Development & Business, to which was referred H.B. No. 573 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

beg leave to report as follows:

The purpose of this measure is to prohibit bid shopping and bid peddling in the competitive sealed bidding process.

The General Contractors Association of Hawaii, Ironworkers Stabilization Fund, and one individual testified in support of this measure. The Hawaii Laborers-Employers Cooperation and Education Trust testified in support of the intent. The Electrical Contractor's Association of Hawaii, Subcontractors Association of Hawaii, 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 testified in opposition. The Department of Commerce and Consumer Affairs, State Procurement Office, Department of Accounting and General Services, and Contractors License Board provided comments.



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Your Committees have amended this measure by:

- Prohibiting the bidder from listing more than one subcontractor for each scope of work identified, unless subcontractors vary with bid alternates;
- (2) Allowing the substitution of a listed subcontractor if the listed subcontractor is:
  - (A) Debarred from a purchasing or enforcement agency; or
  - (B) Unable or refuses to meet the contractual requirements or agreements of the bidder;
- (3) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 573, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 573, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committees on Labor & Public Employment and Economic Development & Business,

MARK M. NAKASHIMA, Chair

ANON ING CHANSON, Chair



## State of Hawaii House of Representatives The Twenty-ninth Legislature

## Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 57.3	Committee Referral: L9b /EDB, F	Date:	02FEB2	2017				
$\theta$ The committee is reconsidering its previous decision on the measure.								
The recommendation is to: $\theta$ Pass, unamended (as is)Pass, with amendments (HD) $\theta$ Hold $\theta$ Pass short form bill with HD to recommit for future public hearing (recommit)								
LAB Members	Ayes	Ayes (WR)	Nays	Excused				
1. JOHANSON, Aaron Ling (C)								
2. HOLT, Daniel (VC)								
			NGREERIU THAN Landelian ( ) ( )					
3. KEOHOKALOLE, Jarrett								
4. NAKASHIMA, Mark M.			NE TENEDE DE TENES (ESTENSES)					
5. TAKUMI, Roy M.								
6. YAMASHITA, Kyle T.								
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7. MATSUMOTO, Lauren Kealohi	llani 🗸							
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TOTAL (7)	/							
The recommendation is:    Adopted $\theta$ Not Adopted      If joint referral,								
Vice Chair's or designee's signature:								
Distribution:      Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO								

## State of Hawaii House of Representatives The Twenty-ninth Legislature

## Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 573 LAP	tee Referral:	=IN Date:	2/2/2	2017			
$\theta$ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: $\theta$ Pass, unamended (as is)Pass, with amendments (HD) $\theta$ Hold $\theta$ Pass short form bill with HD to recommit for future public hearing (recommit)							
EDB Members	Ayes	Ayes (WR)	Nays	Excused			
1. NAKASHIMA, Mark M. (C)							
2. KEOHOKALOLE, Jarrett (VC)							
3. HOLT, Daniel							
4. JOHANSON, Aaron Ling							
5. TAKUMI, Roy M.			an a	en bei einen einen helten bei den eine helten geschyten halten eine			
6. YAMASHITA, Kyle T.				and the second second			
7. MATSUMOTO, Lauren Kealohilani							
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TOTAL (7)	17						
The recommendation is:  Adopted  θ  Not Adopted    If joint referral,							
Vice Chair's or designee's signature:							
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