

STAND. COM. REP. NO.

784

Honolulu, Hawaii

FEB 21, 2023

RE: H.B. No. 542
H.D. 2

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

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 542, H.D. 1, 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 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 Subcontractors Association of Hawaii, General Contractors Association of Hawaii, and Hawaii Operating Engineers Industry



Stabilization Fund Political Action Committee. Your Committee received testimony in opposition to this measure from the State Procurement Office; 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; Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund; and Hawaii Building & Construction Trades Council. Your Committee received comments on this measure from the Department of Accounting and General Services and Contractors License Board.

Your Committee finds that this measure is intended to permit the bidder to ensure that all subcontractors who have submitted bids to the general contractor have met all of the requirements to perform work on state and county projects, including licensing, bonding, and insurance requirements, as applicable. By providing a modest amount of time after bid closing, this measure will reduce the likelihood of errors that can increase the cost of public works projects for the State.

Your Committee has amended this measure by:

- (1) Changing the repeal date to June 30, 2026; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 542, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 542, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



State of Hawaii
House of Representatives
The Thirty-second Legislature

HSCR 784

Record of Votes of the Committee on Judiciary & Hawaiian Affairs

Bill/Resolution No.: HB 542, HD 1	Committee Referral: LGO, JHA	Date: 2/16/2023		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	✓			
2. TAKAYAMA, Gregg (VC)	✓			
3. GANADEN, Sonny		✓		
4. HOLT, Daniel	✓			
5. HASHIMOTO, Troy N.	✓			
6. ICHIYAMA, Linda	✓			
7. ILAGAN, Greggor	✓			
8. KONG, Sam Satoru		✓		
9. MIZUNO, John M.	✓			
10. SOUZA, Kanani	✓			
TOTAL (10)	8	2	-	-
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				