
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that a well-trained
2 workforce is essential for the State's economic growth and the
3 successful construction of public buildings, infrastructure, and
4 other development projects.

5 Therefore, the purpose of this Act is to amend the bid
6 incentive for bidders who participate in an apprenticeship
7 agreement by requiring bidders seeking the bid incentive to
8 ensure that any subcontractor included in the bid also utilize
9 apprentices in available state-registered apprenticeship
10 programs, thereby further incentivizing participation in
11 state-registered apprenticeship programs and ensuring a
12 consistent supply of skilled labor.

13 SECTION 2. Section 103-55.6, Hawaii Revised Statutes, is
14 amended as follows:

15 1. By amending subsection (a) to read:

16 "(a) A governmental body, as defined in section 103D-104,
17 that enters into a public works contract under this chapter



1 having an estimated value of not less than \$250,000, shall
2 [~~decrease the bid amount of a bidder by~~] apply a five per cent
3 bid preference if the bidder [~~is a party to an apprenticeship~~
4 ~~agreement registered with the department of labor and industrial~~
5 ~~relations for each apprenticeable trade the bidder will employ to~~
6 ~~construct the public works, and in conformance with chapter~~
7 ~~372.~~] and the subcontractors utilized by the bidder are parties
8 to registered apprenticeship agreements for all apprenticeable
9 trades utilized to construct the project, pursuant to
10 chapter 372, and approved by the department of labor and
11 industrial relations; provided that this requirement shall not
12 apply to trades or classifications for which no state-approved
13 apprenticeship program exists. The lowest total bid, taking
14 the preference into consideration, shall be awarded the contract
15 unless the solicitation provides for additional award criteria.
16 The contract amount awarded, however, shall be the amount of the
17 price offered, exclusive of the preference."

18 2. By amending subsection (c) to read:

19 "(c) At the time of submission of a competitive sealed bid
20 or a competitive sealed proposal by a bidder, the bidder shall
21 furnish written proof [~~of being a party~~] that the bidder and its



1 subcontractors are parties to a registered apprenticeship
2 agreement for [~~each~~] all apprenticeable [~~trade~~] trades the
3 bidder [~~will employ to construct the public works and, if~~] will
4 utilize to construct the public works project and for which a
5 state-approved apprenticeship program exists. If awarded the
6 contract, and at any time upon request of the governmental body,
7 the bidder, within five calendar days, shall [~~continue to~~]
8 certify [~~monthly~~] in writing that the bidder [~~is a party~~] and
9 the bidder's subcontractors are and will be parties to a
10 registered apprenticeship agreement for [~~each~~] the
11 apprenticeable [~~trade the bidder will employ~~] trades the bidders
12 and subcontractors will utilize to construct the public works for
13 the entire duration of the bidder's work on the project. This
14 subsection shall be deemed to be incorporated into a public
15 works contract. A bidder who is awarded a contract shall be
16 subject to the following sanctions if, after commencement of
17 work, the bidder or the bidder's subcontractors at any time
18 during the construction is no longer a party to a registered
19 apprenticeship agreement for each apprenticeable trade the
20 bidder or the bidder's subcontractors will [~~employ~~] utilize to
21 construct the public works:



- 1 (1) Temporary or permanent cessation of work on the
2 project, without recourse to breach of contract claims
3 by the bidder; provided that the governmental body
4 shall be entitled to restitution for nonperformance or
5 liquidated damages[7] or may find the contractor in
6 default, or both, as appropriate; or
7 (2) Proceedings to debar or suspend under section
8 103D-702."

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2050.



S.B. NO. 1057
S.D. 2

Report Title:

Procurement; Public Works Construction; Apprenticeship
Agreement; Apprenticeable Trade; Utilization; Subcontractors

Description:

Clarifies 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. Requires the bidder and the bidder's subcontractors to be parties to all apprenticeable trades utilized to construct the project for which a state-approved apprenticeship program exists. Effective 7/1/2050. (SD2)

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