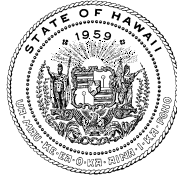


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



KEITH A. REGAN  
COMPTROLLER  
KA LUNA HO'OMALU HANA LAULĀ  
  
MEOH-LENG SILLIMAN  
DEPUTY COMPTROLLER  
KA HOPE LUNA HO'OMALU HANA LAULĀ

**STATE OF HAWAII | KA MOKU'ĀINA O HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ**  
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY  
OF  
KEITH A. REGAN, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
**COMMITTEE ON LABOR**

FEBRUARY 13, 2025, 9:00 A.M.  
CONFERENCE ROOM 309 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.B. 1221

RELATING TO PROCUREMENT

Chair Sayama, Vice Chair Lee, and Members of the Committee, thank you for the opportunity to submit testimony on H.B. 1221.

The Department of Accounting and General Services (DAGS) supports the intent of this measure which seeks to strengthen the efficacy of the apprenticeship bidding preference by revising the language of HRS 103-55.6. The department also offers the following **comments**.

The department notes that H.B. 1221 is similar in intent to S.B. 1057, there are differences in how the language of HRS 103-55.6 is revised in each measure. To avoid unnecessary confusion in implementation, the department humbly requests that only one version of the language be advanced to passage.

The department also notes that the existing language of subsection (c)(1) sets

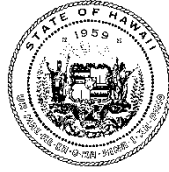
forth sanctions for a contractor's noncompliance with the requirements of HRS 103-55.6 and permits the contracting agency to temporarily or permanently cease the work on the project. Unfortunately, temporary cessation of the contractor's work will not serve to advance completion of the project, and permanent cessation will cause the project to be incomplete. To address this, the department suggests that the language of subsection (c)(1) be amended to read:

"... shall be entitled to restitution for nonperformance or liquidated damages, and/or to find the contractor in default, as appropriate".

This amendment will allow the contracting agency to call the non-compliant contractor's performance bond for the purpose of completing the project.

Thank you for the opportunity to provide testimony on this measure.

JOSH B. GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



BONNIE KAHAKUI  
ADMINISTRATOR

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII  
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TESTIMONY  
OF  
BONNIE KAHAKUI, ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEES  
ON  
LABOR

FEBRUARY 13, 2025, 9:00 AM

HOUSE BILL 1221  
RELATING TO PROCUREMENT

Chair Sayama, Vice Chair Lee, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1221. The State Procurement Office (SPO) supports the intent of this bill, which requires a bidder for certain public works construction contracts to utilize apprentices if the bidder is a party to an apprenticeship agreement registered with the State at the time of general bidding and is awarded the contract.

The current language in Section 103-55.6, Hawaii Revised Statutes (HRS), allows the bid preference for bidders if the bidder is a party to an apprenticeship agreement registered with the Department of Labor and Industrial Relations for each apprenticeable trade that the bidder will **employ** to construct the public works. If a bidder is taking advantage of the incentive, the apprentice must be utilized on the job for which the bidder was awarded.

To conform with the language provided in Section 2, page 2, line 20; and in Section 2, page 3, line 20, the SPO recommends to amend

- Section 2, page 3, lines 1-3, to read as follows:

... provided that the bidder shall employ and utilize apprentices pursuant to the apprenticeship agreement for the public works contract if the bidder is awarded the contract.

- Section 2, page 3, lines 18-20, to read as follows:

... and is utilizing the registered apprenticeship agreement to employ and utilize apprentices ...

Thank you for the opportunity to submit testimony on this measure.



February 13, 2025

TO: HONORABLE JACKSON D. SAYAMA, CHAIR, HONORABLE MIKE LEE, VICE CHAIR, COMMITTEE ON LABOR

SUBJECT: **OPPOSITION TO H.B. 1221, RELATING TO PROCUREMENT.** Requires a bidder for certain public works construction contracts to utilize apprentices if the bidder receives a bidding advantage for being a party to an apprenticeship agreement registered with the State at the time of general bidding and is awarded the contract.

HEARING

DATE: Thursday, February 13, 2025  
TIME: 9:00 a.m.  
PLACE: Capitol Room 309

Dear Chair Sayama, Vice Chair Lee and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred (500) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. Our mission is to elevate Hawaii's construction industry and strengthen the foundation of our community.

GCA **OPPOSES** H.B. 1221, which requires a bidder for certain public works construction contracts to utilize apprentices if the bidder receives a bidding advantage for being a party to an apprenticeship agreement registered with the State at the time of general bidding and is awarded the contract.

The GCA has concerns that this measure effectively eliminates the apprenticeship preference with language that states "if the bidder is a party to an apprenticeship agreement registered with the department of labor and industrial relations for each apprenticeable trade the bidder will employ and utilize to construct the public works". Since only the general contractor (GC) can be the bidder, this amendment would require the GC to be signatory themselves to all the trades used on the job, not just that their subcontractors have to be. The GC is typically signatory to only those they employ. This amendment would have the effect of eliminating the apprenticeship preference because GC's are not signatory to all trades utilized on a job.

Second, even if language is added to not require GC's to be signatory to all trades utilized, this measure will require the general contractor to rely on information provided by the subcontractors that every trade utilized is covered by an apprenticeable trade. The general contractor will then be liable for the information that they are provided (usually at the last minute) and for which the penalties are extremely harsh. This measure does not account for instances where the information provided to the general contractor may not be accurate or not provided at all.



# INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL UNION 1260 EMPOWERING THE PACIFIC

**THIRTY-THIRD LEGISLATURE, 2025 House Committee on Labor**

**HEARING DATE:** Thursday, February 13, 2025

**TIME:** 9:00 a.m.

**PLACE:** House Committee Room 309

**RE:** House Bill 1221 - **STRONG OPPOSITION**

Aloha Honorable Chair Sayama, Vice-Chair Lee, and Committee Members;

The International Brotherhood of Electrical Workers Local 1260 (IBEW 1260) would like to offer the following testimony in **STRONG OPPOSITION** to House Bill 1221.

IBEW Local 1260, is comprised of approximately 3,000 members throughout Hawaii and Guam and consists of a diverse and highly-skilled workforce that supports the electric utility infrastructure across our state as well as government service contracts and broadcasting. It's our duty to serve and to protect the well-being of our members, but beyond that, it is incumbent upon all of us to serve and protect the well-being of our island home.

HB1221 requires a bidder for certain public works construction contracts to utilize apprentices if the bidder receives a bidding advantage for being a party to an apprenticeship agreement registered with the State at the time of general bidding and is awarded the contract.

This measure "attempts" clarify a long-standing misapplication of policies that was intended to promote the use of all apprenticeable trade programs that perform work on public projects throughout the state by providing a preference to bidders of public works projects who agree to use and/or contract with all apprenticeable trades required to perform and complete the work on that public works project.

However well intended, this bill does not accomplish its objective. Rather, this bill will allow the continued misinterpretation and misapplication of ACT 17, running counter to the intent of incentivizing all apprenticeable trades and growing a local workforce, in exchange for a significant advantage in bidding.

HB1221 does not resolve concerns raised by many building and construction trades unions. In a time of worsening financial hardship, outmigration, housing unaffordability, and rising cost of living, it is vital to ensure policies like ACT17 are maximized to their fullest potential, and serves the greater community and not just a few.

For the reasons above, we respectfully request that you defer this measure indefinitely. Thank you for considering this important measure.

House Committee on Labor

DATE: February 13, 2025

TIME: 9:00 am

PLACE: Conference Room 309 via Videoconference

TESTIMONY IN STRONG SUPPORT OF HB1221

Aloha Chair Sayama, and Vice Chair Lee:

Thank you for the opportunity to provide testimony. There is a loophole in Hawaii's Apprenticeship Preference Law. To close that loophole, Goodfellow Bros. is in strong support of HB1221.

As currently drafted, Hawaii's Apprenticeship Law, Hawaii Revised Statutes section 103-55.6, has been used by contractors to receive a 5% bid discount, even if apprentices are not used on a public works project. The method used to circumvent the purpose of Hawaii's Apprenticeship Law has been through the use of workers who are not directly employed by the contractor and who are not trained under the Hawaii Department of Labor and Industrial Relations apprenticeship training program to perform work. To correct the error in Hawaii's Apprenticeship Preference Law, the following changes should be made:


1. Change the phrase "will employ" to "will employ and utilize" in HRS 103-55.6 b) and c).
2. Add the following provisions: "provided that the bidder shall employ apprentices pursuant to the apprenticeship agreement for the public works contract if the bidder is awarded the contract" in HRS 103-55.6 a) and add the phrase "and is utilizing the registered apprenticeship agreement to employ apprentices" in HRS 103-55.6 c).

Those changes would clarify Hawaii's Apprenticeship Preference Law. By making those changes, the legislative purpose of the law will be met: To have the State of Hawaii "have a well-trained workforce skilled in various construction trades." See Senate Journal, Conference Committee Reports, 2009.

To make Hawaii's Apprenticeship Preference Law clear and to have a fair and equitable procurement process, Goodfellow Bros. LLC supports the passage of House Bill 1221.

Thank you,

GOODFELLOW BROS, LLC

  
J. Stephen Goodfellow  
Chairman

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