

STAND. COM. REP. NO.

656

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 1221  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Labor, to which was referred H.B. No. 1221  
entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to require a bidder for certain public works contracts to utilize apprentices if they received a bidding advantage and were awarded the contract for being a party to an apprenticeship agreement registered with the Department of Labor and Industrial Relations.

Your Committee received testimony in support of this measure from the State Procurement Office; Department of Accounting and General Services; and Goodfellow Bros. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii and International Brotherhood of Electrical Workers Local 1260.

Your Committee finds that a well-trained workforce is essential for Hawaii's economic growth and the successful construction of public buildings, infrastructure, and other development projects. Apprenticeship programs help individuals gain their best knowledge of a particular trade, especially if those individuals can take the knowledge they learn and apply their knowledge and skills in public works construction. Your

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Committee also finds that under existing law, the bid preference for bidders when the bidder is a party to an apprenticeship agreement registered with the Department of Labor and Industrial Relations bidder, does not require the bidder to utilize those apprentices, and therefore bidders can hire subcontractors to complete the work for the public works contract. Your Committee also finds that the apprentices in registered programs with the State are losing out on opportunities to get hands-on experience on the State's own projects which is not what the Hawaii Apprenticeship Law was intended to do. Your Committee believes that requiring bidders and their subcontractors for public works construction who take advantage of the bidding incentive under existing law to actually use apprentices for the contracted work is not only fairer but also ensures that quality workers will help maintain a supply of skilled labor, support workforce development, and enhance the outcomes of public works construction.

Your Committee has amended this measure by:

- (1) Inserting legislative findings to clarify that the intent of this measure is to further provide an incentive for bidders to host apprentices who are in registered apprenticeship programs with the Department of Labor and Industrial Relations;
- (2) Clarifying that the requirements under this measure also apply to the bidder's subcontractors and provide for a five percent bid preference;
- (3) Inserting language to allow contractors to be found in default of the contract award;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1221, H.D. 1, and be referred to your Committee on Finance.



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

  
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JACKSON D. SANIAMA, Chair



