



The Senate
State of Hawaii

STATE CAPITOL
HONOLULU, HAWAII 96813

August 1, 2003

Mr. James T. Muratsuchi
Senior Vice President, Residential Group
Chaney, Brooks & Company, Inc.
212 Coral Street
Honolulu, Hawaii 96813

Re: Request for Proposals, On-Call Painting Services; Barbers Point and Iroquois Point/Puuloa

Dear Mr. Muratsuchi:

This is a letter of inquiry about wage rate requirements with regard to the above-referenced construction project (project). It has come to our attention that your firm has decided that there are no wage requirements other than required by federal and state law for normal commercial transactions, on the basis that this is not a government contract. We are not satisfied with your firm's position, without more explanation from your firm or your firm's legal counsel to justify your opinion, nor are we clear on your firm's use of the term, "normal commercial transactions".

The Davis Bacon Act, 40 USC §276a, specifies the rate of wages for laborers and mechanics. The requirements apply to "every contract in excess of \$2,000, to which the United States or the District of Columbia is a party, for construction, alteration, and/or repair, including painting and decorating, of public buildings or public works of the United States". The contract "shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics which shall be based upon the wages that will be determined by the Secretary of Labor to be prevailing for corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the city, town, village, or other civil subdivision of the State in which the work is performed ..."

It seems to us that all of the conditions for the application of Davis Bacon Act pertain to this project. The Navy is the contracting entity of the United States.

If your position is justified by other federal law that exempts this project, such as an appropriations Act, please inform us accordingly. In addition, we would appreciate a clarification on your firm's use of the term "normal commercial transactions", and ask that you provide us with some sample wage scales that your firm plans on exercising on this project.

By copy of this letter to the U.S. Department of Labor, we are asking them to make a wage determination for this project. It is not our intent to jeopardize this project, but to protect the interests of the workers to ensure that they receive just wages.

We would also inquire as to what your firm intends to pay in the manner of fringe benefits, such as prepaid medical coverage, temporary disability insurance, and the like, and whether or not your firm intends on complying with applicable State of Hawaii labor laws.

Your timely response to this inquiry is greatly appreciated.

Sincerely,



CAL KAWAMOTO
Chair, Senate Committee on Transportation,
Military Affairs, and Government Operations



CAROL FUKUNAGA
Chair, Senate Committee on Economic Development



KEN ITO
Chair, House Committee on Public Safety & Military Affairs

C: U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division

Admiral Thomas Fargo, Commander, U.S. Pacific Command
General William J. Begert, Commander, Pacific Air Forces
Lieutenant General James L. Campbell, Commanding General, U.S. Army, Pacific
Admiral Walter F. Doran, Commander, U.S. Pacific Fleet

Mr. Buzzy Hong, Building & Construction Trades Council
Mr. Nolan Moriwaki, Plasterers' and Cement Masons Local 630
Mr. Thad Tomei, Elevator Constructors Local 126
Mr. Alan Parker, Operating Engineers Stabilization Fund
Mr. Ben Saguibo, Laborers' Local 368
Mr. Herbert Kaopua, Sr., Plumbing and Pipe Fitters Local 675
Mr. George Paris, Iron Workers Local 625
Mr. Lynn Kinney, Painters and Allied Trades Local 1791
Mr. Harold Lewis, Operating Engineers Local 3
Mr. Gerald Yuh, Electrical Workers Local 1186
Mr. Bruce Coppa, Pacific Resource Partnership
Mr. Tim Lyons, The Legislative Center
Mr. Glenn Nohara, Koga Engineering
Mr. Ken Takenaka, GCA
Mr. Sheldon Zane, Zane Development Group, Inc.