

LINDA LINGLE
GOVERNOR



PROCUREMENT POLICY BOARD
DARRYL W. BARDUSCH
LESLIE S. CHINEN
DARYLE ANN HO
GREGORY L. KING
KEITH T. MATSUMOTO
RUSS K. SAITO
PAMELA A. TORRES

AARON S. FUJIOKA
ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 587-4700 Fax: (808) 587-4703
www.spo.hawaii.gov

**TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE
SENATE COMMITTEE
ON
TOURISM AND GOVERNMENT OPERATIONS**

February 28, 2008

SB 2748

RELATING TO THE PROCUREMENT CODE.

Chair Nishihara, Vice Chair Kim and committee members, thank you for the opportunity to testify on SB 2748. This bill proposes to require a pre-job conference at least thirty (30) days before the contract work begins for projects with an estimated contract value of \$500,000 or more, proposes to allow non-selected offerors of a professional services procurement and the competitive sealed proposal method to request a debriefing after the posting of the contract award, and allows for the protest of an award or proposed award to be submitted five days after a pre-job conference.

The State Procurement Office (SPO) does not believe this bill is necessary. The following is provided for clarification on the applicable procurement code provisions.

- The decision to require a pre-job conference for contractors, their employees, and subcontractors should be the Procurement Officer's determination based on the project's scope, complexity, and other factors of the contract. If appropriate, state and county agencies may include a pre-job conference requirement in their solicitation. Currently, if determined a project's scope needs a meeting, agencies conduct a meeting prior to the start of work with the Contractor, and the contractor is allowed to bring any of its subcontractors;

- HRS §103D-303.5 on pre-bid conferences includes provisions for IFB construction projects with a total estimated value of \$500,000, or design-build projects with a total estimated value of \$100,000 to conduct a pre-bid conference to provide potential bidders and offerors to discuss the solicitation and clarify any concerns on the project scope;
- HRS §§103D-303(h) and 103D-304(k) includes provisions for debriefing of non-selected offerors of competitive sealed proposals and professional service providers, respectively.
- HRS §103D-701, includes provisions for protested solicitations and awards. The current process to file protests for competitive sealed bids and competitive sealed proposals is during the period prior to the due date and within five working days of the posting of the award, and provides up to five working days after a debriefing. It is not practicable to allow for the filing of protests after a pre-job conference as the contract would already have been executed and the contractor entered into commitments with subcontractors. Any issues and concerns on the project scope and work are addressed during the solicitation phase prior to due date.

The SPO recommends this bill be held.

February 27, 2008

Hon. Clarence K. Nishihara, Chair
Senate Committee on Tourism & Government Operations
State Capitol – Room 213
Honolulu, HI 96813

Iron Workers Stabilization Fund – T. George Paris, Managing Director

Hearing Date – February 28, 2008, 3:00 p.m.

Support of SB 2748, Relating to the Procurement Code

The purpose of this bill is to require the appropriate chief procurement officer to hold a pre-job conference at least 30 days prior to the date the contractor plans to begin work, concerning any project with a contract value of \$500,000 or greater.

At this conference, the chief procurement officer will be able to insure that the general contractor and all sub-contractors possess the necessary licenses to properly perform the tasks that they have been contracted for. Additionally, any possible jurisdictional disputes among the crafts could be settled at this conference. It would only stand to reason that better coordination will definitely come about when the officer meets with the contractor, all sub-contractors and any employee representative of workers who will be working on the project to iron out any differences far in advance of work commencing.

This measure also provides an opportunity for all unsuccessful bidders to request for a debriefing from the chief procurement officer within 3 days after the posting of the contract award. Any protest filed by unsuccessful bidders must be submitted in writing prior to the pre-job conference being held.

We urge the committee to pass S.B. 2748. Thank you for this opportunity to testify.

Fax – 586-6659 – Senate Sergeant-At-Arms

HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO
Gentry Pacific Design Center, Suite 215A
560 N. Nimitz Highway, #50
Honolulu, Hawaii 96817
(808) 524-2249 - FAX (808) 524-6893

February 27, 2008

Honorable Senator Clarence K. Nishihara, Chair
Honorable Senator Donna Mercado Kim, Vice Chair
Members of the Senate Committee on Energy and Environment
Hawaii State Capital
415 South Beretania Street
Honolulu, HI 96813

RE: **IN SUPPORT OF SB 2748**
RELATING TO THE PROCUREMENT CODE
Hearing: Thursday, February 28, 2008, 3:00 p.m.

Dear Chair Nishihara, Vice Chair Mercado Kim and the Senate Committee on
Tourism and Government Operations:

For the Record my name is Buzz Hong the Executive Director for the Hawaii
Building & Construction Trades Council, AFL-CIO. Our Council is comprised
of 16-construction unions and a membership of 26,000 statewide.

The Council supports the passage of SB2748, which requires chief
procurement officer to hold a pre-job conference at least 30 days before
contract work begins. Allows unselected offerors of professional services and
in competitive sealed proposals to ask for a debriefing. Requires any
subsequent protest to be submitted before a pre-job conference.

Thank you for the opportunity to submit this testimony in support of SB2748.

Sincerely,

William "Buzz" Hong
Executive Director

WBH/dg

testimony

See Attached Letter

From: Gladys Hagemann [Gladys@GCAHawaii.Org]
Sent: Wednesday, February 27, 2008 5:08 PM
To: testimony
Cc: Johnny Higa; lance@rsinouye.com; gnohara@kogaeng.com; loke@royalcontracting.com; rwilki94@aol.com; kentakenaka@clearwire.net
Subject: RE: TESTIMONY FOR BILL SB 2718
Attachments: S.B. 2748, Relating To The Procurement Code.pdf

TO: THE HONORABLE SENATOR CLARENCE K. NISHIHARA, CHAIR AND MEMBERS OF COMMITTEE ON TOURISM AND GOVERNMENT OPERATIONS

SUBJECT: S.B. 2748, RELATING TO THE PROCUREMENT CODE

DATE: Thursday, February 28, 2008
TIME: 3:00 P.M.
PLACE: Conference Room 229

*Best Regards,
Gladys*

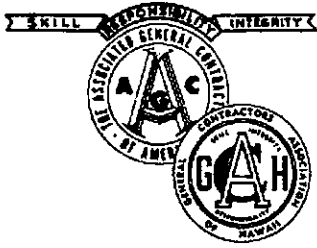
Gladys Hagemann
GCA of Hawaii
1065 Ahua Street
Honolulu, HI 96819

Phone: 808-833-1681 ext 24
FAX: 808-839-4167

Website: www.gcahawaii.org

[2008 Holiday Schedule](#)

[2007 Holiday Schedule](#)



GENERAL CONTRACTORS ASSOCIATION OF HAWAII

1065 AHUA STREET • HONOLULU, HAWAII 96819-4493 • PHONE 808-833-1681 • FAX 808-839-4167

E-MAIL ADDRESS: gca@gcahawaii.org • WEBSITE: www.gcahawaii.org

February 27, 2008

TO: THE HONORABLE SENATOR CLARENCE K. NISHIHARA, CHAIR AND
MEMBERS OF COMMITTEE ON TOURISM AND GOVERNMENT
OPERATIONS

SUBJECT: S.B. 2748, RELATING TO THE PROCUREMENT CODE

DATE: Thursday, February 28, 2008
TIME: 3:00 P.M.
PLACE: Conference Room 229

Dear Chair Nishihara and members of the Committee:

The General Contractors Association of Hawaii (GCA), an organization comprised of over five hundred and forty (540) general contractors, subcontractors, and construction related firms, is **opposed** to the passage of S.B. 2748, Relating To The Procurement Code.

The bill would require the Chief Procurement Officer hold a pre-job conference at least thirty days before the contract work begins and permit unselected bidders to ask for a debriefing.

Construction contractors currently follow statutory and regulatory rules promulgated by the state and county bodies that insure that all responsible bids are carefully scrutinized before any award can be made. The current procedures already provide for contest of bid awards. The sealed bid procedure and departmental review prior to award of the contract is already a lengthy process.

The GCA does not believe a mandatory pre-job conference is necessary and will only lengthen an already long process without any real improvement to the process. State and County agencies are not prevented from holding these conferences if they feel that they are necessary on case by case basis. The GCA believes that any pre-job conference should not be mandatory.

We believe the current bid system is adequate and the proposed changes are not necessary. We urge the committee to defer passage of this bill.

Thank you for the opportunity to testify on this bill.