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**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
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Late Testimony

WRITTEN TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
LABOR & PUBLIC EMPLOYMENT
ON
February 6, 2009

H.B. 1280

RELATING TO PROCUREMENT

Chair Rhoads and members of the Committee, thank you for the opportunity to testify on H.B. 1280.

The Department of Accounting and General Services (DAGS) opposes H.B. 1280 because it will limit the number and type of construction contractors that can bid for DAGS construction projects and will unnecessarily increase the administration and/or oversight responsibilities of government contracting agencies.

There are currently over 18 State-certified apprentice programs. These are aimed at workforce development, and are certified by the Department of Labor and Industrial Relations. However, all of these programs, except one, are based on trade groups that have collectively bargained contracts. If solicitations of public works contracts are limited to contractors with certified apprentice programs, the State's ability to have an open bidding process would be jeopardized and bidding on public works projects would be restricted to only those companies that employ a "unionized labor workforce" and will

effectively eliminate the smaller and other construction firms that employ a “non-unionized labor workforce”.

Thank you for the opportunity to testify on this matter.