

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

94-487 Akoki Street
Waipahu, Hawaii 96797

January 26, 2010
Representative Angus McElvey, Chair
Committee on Economic Development, Business
and Military Affairs
State Capitol, Room 312

RE: HB 2213 "Relating to Surety Bonding"

Chair McElvey and Members of the Committee on Economic Development, Business and Military Affairs:

I am Karen Nakamura, Executive Vice President and Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). BIA-Hawaii does not support HB 2213 because we believe it is not needed.


The Small Business Administration already has many established programs, including the Mentor-Protégé program. The Federal Acquisition Regulations also specifically allow for Teaming Agreements of many types. The State also has a Small Business Utilization Council that consists of the State Comptroller/Director of the Department of Accounting and General Services and the Director of the Department of Business, Economic Development and Tourism. This entity seeks to assist small business.

The main issue with bonding is the financial capacity of the small contractor and SBA along with the IA should be looking at educating the many small contractors that are now bidding on State and County Public works projects to understand that process.

Private entities such as BIA-Hawaii sponsor sessions with surety companies to assist their membership with questions about bonding. Other private entities probably do the same for their members.

While we acknowledge the need for technical assistance in helping small businesses become more competitive in bidding for state and federal contracts, we believe this function is best left to private industry and through existing agencies.

Thank you for the opportunity to share our views with you.


Executive Vice President/CEO, BIA-Hawaii