



International Brotherhood of Electrical Workers
LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

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TESTIMONY SUPPORTING SB1125 SD2 , RELATING TO PROCUREMENT

TO: COMMITTEE ON LABOR & PUBLIC EMPLOYMENT (VIA FAX 586-6331)

For Hearing on Tuesday, March 17, 2009, at 8:30 a.m., in Room 309

RE: SUPPORT FOR SB1125 SD2, RELATING TO PROCUREMENT

Honorable Chair Rhoads, Vice Chair Yamashita, and House Labor Committee members,

My name is **Damien Kim**, and I am the Business Manager / Financial Secretary of the International Brotherhood of Electrical Workers Local Union 1186 representing over 3,500 members of the electrical construction, telecommunication, Oceanic Cable, and civil service employees at Pearl Harbor Shipyard, Kaneohe Marine Base and Hickam. IBEW local 1186 also represents over 120 signatory electrical contractors that perform most of the electrical work in Hawaii.

SB1125 SD2 levels the playing field for state projects by ensuring bidders have met their responsibilities for safety, training, apprenticeship, licensing, compliance and other requirements. These safeguards provide the state procurement process with responsible contractors and quality projects that provide value for our public funds.

Thank you for providing me with this opportunity to testify in strong support for SB1125 SD2.

Mahalo and aloha,

Damien Kim
Business Manager / Financial Secretary
International Brotherhood of
Electrical Workers, Local Union 1186



Testimony in **Support** of
SB 1125, SD2
Relating to Procurement

By Alfred Lardizabal, Director of Government Relations
Laborers' Union Local 368

To the Committee on Labor
Tuesday, March 17, 2009, 8:30 a.m.
Room 309, State Capitol

Honorable Karl Rhoads, Chair; Honorable Kyle T. Yamashita, Vice Chair
and Members of the Committee:

The Laborers' Union is in full **support** of this important measure that attempts to encourage the employment of Hawaii workers in this major downturn of the economy.

Recent reports indicate Hawaii construction workers are the hardest hit by unemployment with hotel and restaurant workers second in unemployment. The March 12, 2009 Honolulu Advertiser reports that unemployment was at 6.1% in December with 4,500 jobless construction workers and increasing.

The recent UHERO report of March 6, 2009 projects that 9,000 construction jobs are to be lost over the next two years. The report also projects that construction spending will fall by \$2 billion over the same period.

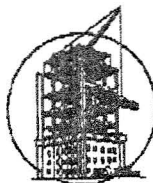
Something must be done to ensure that qualified, trained and committed Hawaii construction workers with family and community ties and commitment to serving the interests of all Hawaii, and local contractors that play be the rules, receive consideration to the planned construction projects coming on-line through the American Recovery and Reinvestment Act of 2009 and the State and Counties CIP plans.

Hawaii residents live, work, play, educate their kids and take care of their families and pay taxes in Hawaii. More so, they spend their hard earned dollars in Hawaii and do not export the monies to other states or foreign countries. This local spending and circulation of monies helps to support Hawaii's economy and create tax revenues and investments.

There are rules to give preference to Hawaii-grown and manufactured products and services. They protect Hawaii industries. Similar preference should be considered for Hawaii's construction workers in these "perilous economic times" to protect Hawaii's workers and local contractors.

Finally, We recommend an amendment to this bill on page 3, line 18 by adding the figure 5%. This applies to the adjustment of the bid amount by contractors that commit to hiring Hawaii residents not less than 80% of the workforce on the project.

On behalf of the thousands of unemployed Hawaii construction workers, we humbly ask that this bill be passed. Thank you for the opportunity to submit this testimony.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

GENTRY PACIFIC DESIGN CENTER, STE. 215A • 580 N. NIMITZ HIGHWAY, #50 • HONOLULU, HAWAII 96817
(808) 524-2249 • FAX (808) 524-6893

NOLAN NORWAKI

President

Bricklayers & Ceramic Tile Setters
Local 1 & Plasterers/Cement
Masons Local 630

March 16, 2009

JOSEPH O'DONNELL

Vice President

Iron Workers Local 625

Honorable Representative Karl Rhoads, Chair
Honorable Representative Kyle T. Yamashita, Vice Chair
Members of the House Committee on Labor & Public Employment
Hawaii State Capital
415 South Beretania Street
Honolulu, HI 96813

DAMIEN T. K. KIM

Financial Secretary

International Brotherhood of
Electrical Workers Local 1188

ARTHUR TOLENTINO

Treasurer

Sheet Metal Workers I.A. Local 293

RE: IN SUPPORT OF SB 1125, SD2
RELATING TO PROCUREMENT
Hearing: Tuesday, March 17th, 2009, 8:30 p.m.

MALCOLM K. AHLO

Sergeant-At-Arms

Carpet, Linoleum, & Soft Tile
Local 1298

Dear Chair Rhoads, Vice Chair Yamashita and the House Committee on
Labor & Public Employment:

REGINALD CASTANARES

Trustee

Plumbers & Fitters Local 675

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.

THADDEUS TOMEI

Elevator Constructors Local 129

The Council **SUPPORTS** the passage of SB 1125, SD2 that enacts
the responsible construction contractor law for government
procurements of construction projects. Provides procurement
preference to contractors who are party to a registered
apprenticeship agreement..

JOSEPH BAZEMORE

Drywall, Tapers, & Finishers
Local 1944

Thank you for the opportunity to submit this testimony in support
of SB 1125, SD2.

RICHARD TAGGERE

Glaziers, Architectural Metal &
Glassworkers Local Union 1889

VAUGHN CHONG

Roofers, Waterproofers & Allied
Workers United Union of Roofers
Local 221

Sincerely,

GARY AYCOCK

Boilermakers, Ironship Builders
Local 627

W. Hong/dg

LYNN KINNEY

District Council 50
Painters & Allied Trades
Local 1791

William "Buzz" Hong
Executive Director

GALANI MAHOE

Operating Engineers Local 3

WBH/dg

EDWARD SEBRESOS

International Assoc. of
Ceiling & Frost Insulators
Allied Workers Local 132

The Twenty-Fifth Legislature
Regular Session of 2009

HOUSE OF REPRESENTATIVES
Committee on Labor & Public Employment
Rep. Karl Rhoads, Chair
Rep. Kyle T. Yamashita, Vice Chair

State Capitol, Conference Room 309
Tuesday, March 17, 2009; 8:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 1125, SD2
RELATING TO PROCUREMENT**

The ILWU Local 142 supports S.B. 1125, SD2, which enacts the responsible construction contractor law for government procurement of construction projects and provides for preference to contractors who are party to a registered apprenticeship agreement.

With a stalled economy, all eyes are turning to public works projects in the near term to revitalize the economy. Construction in the private sector is stagnating as companies find it more and more difficult to secure financing for their projects. S.B. 1125, SD2 will provide for fairness in the competitive bid process, keep construction jobs in the hands of legal Hawaii residents, and ensure that construction workers are paid prevailing wages and receive good benefits. Responsible contractors should have no problem with this bill.

S.B. 1125, SD2 further provides for a preference to contractors who enter into registered apprenticeship agreements. Apprenticeship programs ensure that those working on public works projects are qualified and trained in their respective trades. This provision will give taxpayers the best value for their dollar and build a qualified workforce for the future.

The ILWU urges passage of S.B. 1125, SD2. Thank you for considering our testimony.

yamashita1- Kathy

From: Neil Dietz [neildietz@msn.com]
Sent: Monday, March 16, 2009 4:06 PM
To: LABtestimony
Subject: re: SB 1125 SD2 (support)

TO: Senate Labor Committee
FROM: Hawaii Ports Maritime Council
RE: SB 1125 SD2

On behalf of the Hawaii Ports Maritime Council I am writing to express our support for SB 1125 SD2.

As you know the original intent of the "responsible contractor" initiative is to provide local construction firms in Hawaii an even chance to bid on a level playing field.

It's purpose is also to provide incentives for companies to hire local workers and not import ineligible workers to Hawaii who fear to complain about workplace abuses. If an employer from outside of Hawaii knows that enforcement is lacking in Hawaii, they could bid low (pricing-in illegally low wages paid to imported workers) and win bids, while local contractors and local workers that play by the rules lose out on desperately needed contracts and employment.

The federal government and many other states have "responsible contractor" provisions because a company that complies with the laws (all laws in taxes, employment laws, etc)) makes a more reliable partner in providing quality services to the government and proper use of our tax dollars.

In the rush by state and county government to use federal funds because there is a "use it or lose it" provision, and with the hundreds of projects coming on line (1,500 by the state), proper enforcement by DLIR will be an issue.

Consequently we urge your favorable consideration of SB 1125 SD2.

Sincerely,

Neil Dietz, Secretary-Treasurer
Hawaii Ports Maritime Council
606 Kalihi Street
Honolulu, HI 96819

phone: 845-5222

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

March 17, 2009

Honorable Karl Rhoads, Chair
Committee on Labor & Public Employment
State Capitol, Room 309
Honolulu, HI 96813

RE: SB 1125, SD2 "Relating to Procurement"

Chair Rhoads and Members of the Committee on Labor & Public Employment:

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii strongly opposes SB1125, SD2 "Relating to Procurement". While we concur that we need a well-trained, construction trades work force for both private and public construction, we oppose the preference for a bidder for a public works project who is a party to an apprenticeship agreement. We are opposed to giving a five per cent preference to any contractor who bids on public works projects of \$250,000 or more who is a party to an apprenticeship agreement registered with the state department of labor.

Not all trades have apprenticeship programs. Further, many smaller specialty contractors who do not have a need for apprentices may not be a party to any apprenticeship agreements and thereby precluded from bidding on some state and county public works projects.

We are all trying to find the best ways to get money into our economy through construction, but measures such as SB1125, SD2 will make it more difficult for contractors who are not affiliated with apprenticeship programs to secure the award for a public works project, thereby discouraging competition for the low bid.

Thank you for the opportunity to comment on this bill.



Chief Executive Officer
BIA-Hawaii

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

March 13, 2009

TO: THE HONORABLE REPRESENTATIVE KARL RHOADS, CHAIR AND
MEMBERS OF THE COMMITTEE ON ECONOMIC REVITALIZATION,
BUSINESS, & MILITARY AFFIARS

SUBJECT: S.B. 1125, SD2, RELATING TO PROCUREMENT

NOTICE OF HEARING

DATE: Tuesday, March 17, 2009
TIME: 8:30 A.M.
PLACE: Conference Room 309

Dear Chair Rhoads and Members of the Committee:

The General Contractors Association (GCA), an organization comprised of over five hundred and sixty (560) general contractors, subcontractors, and construction related firms, is **opposed** to the passage of S.B. 1125 SD2, Relating To Procurement.

Although the GCA believes that the apprenticeship program is a vital and integral part of our construction industry, we are opposed to giving a five per cent preference to any contractor who bids on public works projects of \$250,000 or more who is a party to an apprenticeship agreement registered with the state department of labor. Not all trades have apprenticeship programs. Further, many smaller specialty contractors who do not have a need for apprentices may not be a party to any apprenticeship agreements and thereby precluded from bidding on some state and county public works projects.

Apprentices should be given work on projects that will enable them to acquire the skills and knowledge necessary to attain journeyman status and sent to work on projects based not on whether it is a private job or a public works project or the size of the project

The proposed requirement will impose unnecessary and unintended consequences for the contractor and the state and therefore, we recommend that this bill not be approved by the committee.

The GCA is **opposed** to the passage of S.B. 1125, SD2 and recommends that this bill not be passed.

Thank you for the opportunity to provide our views on this issue.



Associated Builders and Contractors of Hawaii
80 Sand Island Access Road, M-119
Honolulu, Hawaii 96819

March 16th, 2009

TESTIMONY to be PRESENTED to the
SENATE COMMITTEE on LABOR
For HEARING on Tuesday, March 17, 2009, 0830, Room 309

by

Karl F. Borgstrom, President
ASSOCIATED BUILDERS & CONTRACTORS OF HAWAII

OPPOSITION TO

SENATE BILL 1125 SD2
RELATING TO PROCUREMENT

CHAIR AND MEMBERS OF THE COMMITTEE:

The Associated Builders and Contractors is a professional trade association representing Merit Shop construction contractors, suppliers and service providers throughout the State of Hawaii.

SB 1125 SD2 would grant a 5% bid cost preference on state projects over \$250,000 to contractors that are “a party to” a DLIR recognized Apprentice Program, as a component of what the legislature is defining as a “responsible contractor.” While we at ABC Hawaii appreciate the changes that have been made since the original draft of the bill came forward, we continue to have concerns that:

1. The competitive bidding process by state-licensed contractors is being messed with to promote a peripheral issue that may result in more bid protests and subsequent delays, as well as less competition among fewer bidders that will ultimately mean less construction value delivered to the taxpayers of the state.
2. SB 1125 will likely add additional and unnecessary costs to contractors who may already have apprentice-trained and licensed journeymen in their workforce to do the quality and scope of work required.
3. The additional administrative cost to the state and to the contractors of reporting on a monthly basis and processing by the contracting officers will add to the costs of public projects. Such a requirement ignores the fact that apprentices enroll on a semester basis and their performance and completion of their programs are recorded annually.
4. SD2 grants the 5% bidding preference to contractors that are “a party to” a DLIR recognized Apprentice Program (this language replaces earlier references to “participation”). Does this

mean, as we would hope, that contractors must be certified as having apprentices enrolled and registered with DLIR in either a union or ABC approved program, OR does it mean that each company is to maintain its own DLIR-approved apprentice program, none of which currently exist in the state?

Because of these concerns, Associated Builders and Contractor of Hawaii continues in its opposition to SB 1125 SD2.

Thank you for your consideration; should the need arise, ABC Hawaii will respond to any requests of the Committee for additional information regarding this matter.