

SB145

Proposed SD1

Date: 02/11/2009

Committee: Senate Education and Housing

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent of Education

Title of Bill: SB 0145,SD1Proposed RELATING TO EDUCATION.

Purpose of Bill: Clarifies the transfer of responsibility for repair and maintenance of equipment and fixtures in school facilities from the department of accounting and general services to the department of education.

Department's Position: The Department of Education (DOE) supports S.B. 145, S.D.1, with amendments.

The responsibility for construction and the repair and maintenance of facilities was transferred from the Department of Accounting and General Services to the DOE effective July 1, 2005 pursuant to the requirements of Act 51, Session Laws of Hawaii 2004. This bill amends two sections, Section 302A-1501 and Section 302A-1503, Hawaii Revised Statutes, which should have been amended by Act 51 but were overlooked.

However, in Section 2 of the bill, we recommend that 302A-1501(b) be repealed rather than amended. If repealed, it will not affect our current practice or prevent DOE from charging schools for electricity and maintenance of school-installed air conditioning.

Likewise, in Section 3, we recommend that 302A-1503(b) be repealed. A repeal will not affect our current practice or prevent DOE from requiring schools to maintain donated equipment and fixtures, if DOE deems them superfluous.

We also believe that Part II, Sections 4 and 5 are not necessary at this time. Currently DOE is using the Hawaii Electronic Procurement System and the Superintendent as the Chief Procurement Officer has raised the

limit to \$150,000 and could further raise the limit. In addition, DOE policies and procedures relating to procurement can be streamlined without passage of these sections.

Thank you for the opportunity to testify.

SAH - Subcontractors Association of Hawaii

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February 11, 2009

Testimony To: Senate Committee on Education and Housing
Senator Norman Sakamoto, Chair

Presented By: Tim Lyons, President

Subject: S.B. 145, Proposed SD 1 – RELATING TO EDUCATION

Chair Sakamoto and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii. SAH is represented by the following eight separate and distinct contracting associations who have combined their testimony in the interest of saving time and resources.

HAWAII FLOORING ASSOCIATION

ROOFING CONTRACTORS ASSOCIATION OF HAWAII

HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION

TILE CONTRACTORS PROMOTIONAL PROGRAM

PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII

SHEETMETAL CONTRACTORS ASSOCIATION OF HAWAII

PAINTING AND DECORATING CONTRACTORS ASSOCIATION

PACIFIC INSULATION CONTRACTORS ASSOCIATION

We are **opposed** to this bill as it is written.

We are definitely in favor of expediting work, not only for the benefit of the schools, but as well for the benefit of the contractors and their employees to continue to have job opportunities. We do however, strongly disagree that the way to achieve that is by providing for an exemption from the procurement code.

The procurement code was established for a reason and every time we make an exemption to that code, we are "belittling" the reasons and providing for less transparency. We do not however, object to raising the threshold for small purchases or extending the time frame for when small purchase provisions apply. Unfortunately there have been too many different occasions where departments clearly did not know what they were doing nor did they practice good construction management rules. We certainly don't mean to implicate the Department of Education because we think they have actually handled their expenditures quite well however, an overall and blanket exemption in the procurement code is not the way to go.

Based on the above, we oppose this bill as written.

Thank you.

PLUMBING & MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII



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EXECUTIVE DIRECTOR

Via Facsimile: 586-6659

February 10, 2009

Senator Norman Sakamoto, Chair
Committee on Education and Housing
The Senate
The Twenty-Fifth Legislature, Regular Session of 2009
State Capitol
Honolulu, HI 96813

Chair Sakamoto, Vice Chair Kidani and Members of the Committee:

SUBJECT: S.B. 145 Proposed SD1 Relating to Education

My name is Gregg Serikaku, Executive Director of the Plumbing and Mechanical Contractors Association of Hawaii.

The Association for which I speak is **opposed to S.B. 145 Proposed SD1**, specifically the provision which exempts the Department of Education from the procurement rules of Chapter 103 and 103D of the Hawaii Revised Statutes.

We believe that the current procurement procedures outlined in Chapter 103D provides an effective, reliable, and transparent method for the procurement of goods, services and construction. Chapter 103-D was specifically enacted to create a fair and open procurement procedure that eliminates favoritism, ensures competitive bids, and prevents those contractors who do not have the required licenses, tax clearances, insurance coverage, etc., from bidding on public projects, all of which potentially saves thousands in tax payer money.

Furthermore, the creation of separate procurement procedures for different entities will generate confusion among potential contractors and will certainly lead to many hours of lost time and efficiency.

In conclusion, the current Hawaii Procurement Code already provides a single, comprehensive method for procurement which should be followed by all agencies to insure a fair playing field for everyone.

We therefore respectfully urge the committee to hold this bill.

Thank you very much for this opportunity to testify.

Respectfully yours,

Gregg S. Serikaku
Executive Director