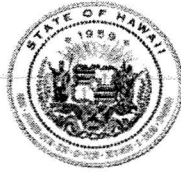


LINDA LINGLE
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ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE
HOUSE COMMITTEE
ON
ECONOMIC REVITALIZATION, BUSINESS & MILITARY AFFAIRS

March 11, 2010

8:30 AM

SB 2831, SD1

RELATING TO THE PROCUREMENT CODE.

Chair McKelvey, Vice Chair Choy, and committee members, thank you for the opportunity to testify on SB 2831, SD1.

The State Procurement Office supports the proposed bill amendment that will make the requirements of §103-32.1 permanent, as amended by Act 175, SLH 2009. The Act 175 amendment for contract provisions for subcontractor retainage deleted unnecessary language and clarified the requirement to provide written notice to subcontractor.

Thank you.

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Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

March 9, 2010

TO: THE HONORABLE REPRESENTATIVE L. K. MCKELVEY, CHAIR AND
MEMBERS OF THE COMMITTEE ON ECONOMIC REVITALIZATION,
BUSINESS, & MILITARY AFFAIRS

SUBJECT: S.B. 2831, SD1 RELATING TO PROCUREMENT CODE.

NOTICE OF HEARING

DATE: Thursday, March 11, 2010
TIME: 8:30 AM
PLACE: Conference Room 312

Dear Chair and Members of the Committee:

The General Contractors Association (GCA), an organization comprised of over five hundred and seventy (570) general contractors, subcontractors, and construction related firms, **strongly supports** the passage of S.B. 2831, SD1 Relating To The Procurement Code.

S.B. 2831, SD1 would amend a portion of Act 175, SLH, 2009 to make permanent the changes made to Section 103-32.1, HRS, by Act 175.

The Act 175 (2009) amendment to Section 103-32.1 edited subsection (e) (2) to eliminate a confusion concerning the procedure and amount of retainage that may be held by the state procurement officer. The GCA believes that the retainage procedure as amended by Act 175 of 2009 is working as intended and should be made permanent.

The GCA strongly supports the passage of S.B 2831, SD1 Relating To The Procurement Code.

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



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GENERAL CONTRACTOR

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Founded in 1962

March 10, 2010

To: The Honorable Representative Angus L. K. McKelvey, Chair and Members
of the Committee on Economic Revitalization, Business & Military Affairs

Subject: SB 2831, SD1 Relating to the Procurement Code
Hearing Date & Time – March 11, 2010 at 8:30 A.M.
Conference Room 312
Testimony in **Support**

Dear Chair McKelvey and Members of the Committee:

My name is Lance Inouye and I am the president of Ralph S. Inouye Co., Ltd., General Contractor and member of the General Contractors Association of Hawaii. We have been in business in Hawaii since 1962. We support SB 2831, SD1 Relating to the Procurement Code.

This measure would make permanent the provisions of Section 8 of Act 175 (2009) relating to HRS 103-32.1 Contract provisions for retainage; subcontractors. Act 175 edited a subsection of HRS 103-32.1 to eliminate a confusion concerning the procedure and amount of subcontractor retention that may be held by the procurement officer on a public works project. Section 8 of Act 175 clarified the intent of the modifications made to HRS 103-32.1 in 2009. After one year, it appears Act 175 is working as intended and should be made permanent.

We **strongly support** SB 2831, SD1 and respectfully ask that the bill be passed out of the committee.

Thank you for the opportunity to testify.

Sincerely,

RALPH S. INOUE CO., LTD.

Lance M. Inouye
President & CEO

LMI:ma