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STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

March 1, 2011

**LATE TESTIMONY**

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

SENATE BILL NO. 1221 S.D.1, RELATING TO PUBLIC  
CONTRACTS

COMMITTEE ON JUDICIARY AND LABOR

The Department of Transportation ("DOT") opposes this bill as it is currently amended. The governmental contracting agencies will be burdened with the responsibilities for compliance monitoring of subcontractors and for pursuing sanctions against non-compliant subcontractors.

The DOT believes that the general contractor should be the responsible party for compliance monitoring since the contract will only be between the governmental contracting agencies and the general contractor.

Additionally, the responsibilities of this bill will require additional resources to enforce, for which the DOT currently does not have.

**BIA-HAWAII**  
BUILDING INDUSTRY ASSOCIATION

**LATE TESTIMONY**

March 1, 2011

Senator Clayton Hee, Chair  
Committee on Judiciary and Labor  
State Capitol, Room 016  
Honolulu, Hawaii 96813

RE: SB 1221, SD1 "Relating to Procurement"

Chair Hee and Members of the Committee on Judiciary and Labor:

I am **Karen Nakamura**, Executive Vice President and 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 **supports the passage of SB1221**, SD1 "Relating to Procurement".

**Act 68, SU -I 20 I O. was legislation intended to promote the economic well being of the state of Hawaii and increase the resident employment on state and county construction projects by requiring a minimum of eighty per cent of the workforce on these project be "local residents". Act 68 requires, among other things, monthly certificates of compliance filed by the general contractor. However, the eighty per cent requirement is to be calculated on the total hours worked on the project. Thus, while a contractor may not be in compliance on a given month. he may be in compliance when the project is completed. The bill therefore, eliminates the requirement to file monthly reports and only one report will be required at the completion of a project,**

**Another part of the amended bill removes the penalty of temporary suspension since, non compliance can only be determined at the completion of subcontractors are responsible for violation of the law. It also helps to**

**alleviate the administrative burdens on general contractors and subcontractors by requiring them to certify compliance with the statute only once, at final completion.**

**For these reasons, BIA-Hawaii supports the passage of SB1221, SD1.**

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

A handwritten signature in black ink that reads "Karen I. Nakamura". The signature is written in a cursive style with a large initial 'K' and a long, sweeping underline.

**Chief Executive Officer**

**BIA-Hawaii**

# LATE TESTIMONY

TO THE SENATE COMMITTEE JUDICIARY AND LABOR  
TWENTY-SIXTH STATE LEGISLATURE  
REGULAR SESSION, 2011

TIME/DATE: 9:00 A.M., TUESDAY, MARCH 1, 2011

TESTIMONY IN SUPPORT OF SENATE BILL NO. 1221, S.D. 1  
"RELATING TO PROCUREMENT."

TO THE HONORABLE CLAYTON HEE, CHAIR  
AND MEMBERS OF THE SENATE COMMITTEE JUDICIARY AND LABOR:

The International Union of Painters and Allied Trades, District Council 50, appreciates the opportunity to testify in strong support to Senate Bill No. 1221, SD1. My name is Nathaniel Kinney, International Union of Painters and Allied Trades, District Council 50 (IUPAT, DC50), an organization comprised of four (4) local unions – the Painters, Local Union 1791; the Glaziers Architectural and Glass Metal Workers, Local Union 1889; the Carpet Linoleum and Soft Tile, Local Union 1926; and the Drywall, Tapers Finishers, Local Union 1944, representing approximately 2000 members throughout the State of Hawaii.

IUPAT, DC50, strongly supports Senate Bill No. 1221, SD1. This legislation stipulates that at least eighty percent of the workforce on public works projects must employ Hawaii residents. The amendments set forth in SB1221, SD1, clarify that general contractors will not be responsible for non-compliance by a subcontractor. It requires that both sub-contractors and general contractors be held accountable for violation of the law. These amendments will also reduce the administrative issues on the sub-contractors and general contractors by requiring them to certify compliance once the project is completed. Thank you for the opportunity to testify in support of this measure and I humbly request that the committee support the passage of Senate Bill No. 1221, SD1.

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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

**LATE TESTIMONY**

February 28, 2011

TO: THE HONORABLE SENATOR CLAYTON HEE, CHAIR AND MEMBERS  
OF THE COMMITTEE ON JUDICIARY AND LABOR

SUBJECT: S.B.1221, SD1 RELATING TO PROCUREMENT.

NOTICE OF HEARING

DATE: Tuesday, March 1, 2011  
TIME: 9:00 a.m.  
PLACE: Conference Room 016

Dear Chair Hee and Members of the Committee:

The General Contractors Association (GCA), an organization comprised of over five hundred and eighty (580) general contractors, subcontractors, and construction related firms, **supports** the intent of S.B. 1221, SD1 and recommends its passage.

Act 68, SLH 2010, was legislation intended to promote the economic well being of the state of Hawaii and increase the resident employment on state and county construction projects by requiring a minimum of eighty per cent of the workforce on these project be "local residents". Act 68 requires among other things monthly certificate of compliance filed by the general contractor. However, the eighty per cent requirement is to be calculated on the total hours worked on the project. Thus while a contractor may not be in compliance on a given month, he would be when the project is completed. The bill therefore, eliminates the requirement to file monthly reports and only one report will be required at the completion of a project,

One amendment incorporated in SD1 correctly removes the penalty of temporary suspension since, noncompliance can only be determined at the completion of the contract.

Finally, the bill makes it clear that the general contractor will not be sanctioned for noncompliance by a subcontractor who, for example, may have submitted inaccurate payroll documentation.

The GCA recommends one additional amendment to clarify that any bidder who discovers that he cannot comply with the 80% requirement shall be permitted to withdraw his bid prior to award without penalty.

The GCA believes that the proposed amendment to S.B. 1221, SD1 will strengthen Section 103B by making the filing requirements internally consistent while complying with the intent of the original legislation.

The GCA recommends the passage of S.B. 1221, SD1.

Thank you for the opportunity to comment on S.B. 1221, SD1.