

LATE TESTIMONY

IRONWORKERS STABILIZATION FUND

February 28, 2010

Wil Espero, Chair
Committee on Public Safety, Government Operations and Military Affairs
Senate
State Capitol
415 S. Beretania Street
Honolulu, Hawaii 96813

Dear Honorable Chair Espero and Members of the Committee on Public Safety, Government Operations and Military Affairs:

Re: Strong Opposition for SB 264 – Relating to Procurement

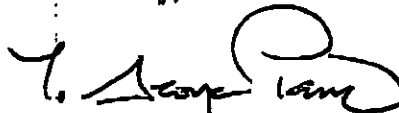
We are in strong opposition of SB 264, Relating to Procurement; that clarifies that bidders must list subcontractors in sealed bids only if the amount of the bid is \$1,000,000 or more and only if a subcontractor's value of work comprises five per cent or more of total bid amount.

The purpose of this bill strongly goes against HRS Section 103D that the legislature has passed and the State of Hawaii has used to provide a fair and open process to bidding for public funded projects. Section 103D was created to ensure the safety and welfare of the general public. This bill will allow bidders the ability to use non-licensed individuals and firms for public works projects. We believe that any public works project must have only licensed contractors. If this bill passes, it will have the ability to have non trained individuals to do the job. We strongly believe that the public's safety will be at risk.

Consequently, we believe to modify the procurement law will jeopardize the safety of the people in Hawaii.

We strongly oppose this measure for the working men and women of Hawaii. Thank you for your time and consideration.

Sincerely,

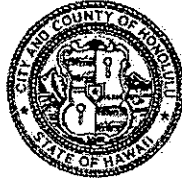


T. George Paris
Managing Director

LATE TESTIMONY

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
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PETER B. CARLISLE
MAYOR



MICHAEL R. HANSEN
DIRECTOR

February 28, 2011

The Honorable Will Espero, Chair
and Members
The Senate
Committee on Public Safety, Government Operations, and Military Affairs
The Twenty-Sixth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Chair Espero and Members:

Subject: Senate Bill No. 264 Relating to Procurement, Competitive Sealed Bidding Requirements

The City and County of Honolulu strongly supports this bill because it simplifies the competitive sealed bidding process by waiving the requirement of naming subcontractors for bid amounts less than \$1,000,000 and by limiting the requirement for the naming of subcontractors to work equal to five percent or more of the total amount of the bid.

The listing of subcontractors is the most frequent subject of bid protests. Therefore, we would also request an amendment to the bill that would move the requirement of the naming of subcontractors from being submitted with the bid to being required upon award. This would remove a recurrent source of bid protests while continuing to discourage subcontractor "bid shopping".

We respectfully request your support on the passage of S.B. 264 along with the proposed amendment. Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Hansen".

Michael R. Hansen, Director
Budget & Fiscal Services

LATE TESTIMONY

From: Debbie [DB-MSM@Hawaii.rr.com]
Sent: Tuesday, March 01, 2011 11:09 AM
To: PGM Testimony
Subject: SB 263 & SB 264

To whom it may concern,

Master Sheet Metal, Inc. is a subcontractor and is opposed to SB 264 and SB 264. Subcontractor listing is a fairer way to ensure a level playing field between subcontractors and generals.

Thank you very much,
Debra Botelho
Master Sheet Metal, Inc.
1648 Auiki St.
Honolulu, HI 96819
Ph. 847-2128
Fax 847-0378
db-msm@hawaii.rr.com



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LATE TESTIMONY



Century Square-1188 Bishop St., Ste. 1003
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March 1, 2011

Testimony To: Senate Committee on Public Safety, Government Operations, and Military Affairs
Senator Will Espero, Chair

Presented By: Leilani Olinger
President

Subject: S.B. 263 – RELATING TO PROCUREMENT
S.B. 264 – RELATING TO PROCUREMENT

Chair Espero and Members of the Committee:

I am Leilani Olinger, President of the Hawaii Flooring Association and we are opposed to these bills.

The subcontractor listing clause exists in order to ensure that there is fairness in bid practices. This is an area that does not need government intervention except to the extent of requiring the subcontractor listing clause. The subcontractor listing clause exists in order to ensure that there is fairness in bid practices. With reference to S.B. 263, the additional two (2) day period that is suggested in this case only allows general contractors to go bid shopping for an additional two (2) days to see how successfully they can get the price down for the same work. In fact, their bargaining power between one subcontractor and another subcontractor is only to the detriment of those subcontractors, not to the benefit of the general public or the taxpayers.

Based on the above, we cannot endorse these bills.

Thank you.



LATE TESTIMONY ROOFING CONTRACTORS ASSOCIATION OF HAWAII

Century Square-1188 Bishop St., Ste. 1003 Honolulu, HI 96813-3304
Phone (808) 537-1224*Fax: (808) 533-2739

March 1, 2011

Testimony To: Senate Committee on Public Safety, Government Operations, and Military Affairs
Senator Will Espero, Chair

Presented By: Charlie Beeck
President

Subject: S.B. 263 – RELATING TO PROCUREMENT
S.B. 264 – RELATING TO PROCUREMENT

Chair Espero and Members of the Committee:

I am Charlie Beeck, President of the Roofing Contractors Association of Hawaii and we are in strong opposition of these bills.

We believe that these two (2) bills will only increase "bid-shopping" so general contractors may see how successfully they can leverage the subs. In fact, their bargaining power between one subcontractor and another subcontractor is only to the detriment of those subcontractors, not to the benefit of the general public or the taxpayers.

Based on the consequences of this bill, we cannot endorse it.

Thank you.



LATE TESTIMONY HAWAII PEST CONTROL ASSOCIATION

Century Square - 1188 Bishop St., Ste. 1003**Honolulu, HI 96813-3304

Phone: (808) 533-6404**Fax: (808) 533-2739

March 1, 2011

Testimony To: Senate Committee on Public Safety, Government Operations, and Military Affairs
Senator Will Espero, Chair

Presented By: Jonathan Montalbo
President

Subject: S.B. 263 - RELATING TO PROCUREMENT
S.B. 264 - RELATING TO PROCUREMENT

Chair Espero and Members of the Committee:

I am Jonathan Montalbo, President of the Hawaii Pest Control Association. The HPCA represents over 90% of all pest control companies in the State of Hawaii. We are strongly opposed to both these bills.

These bills would carve out an exemption for the listing of subcontractors. We are not sure that we understand the reasoning for that other than the fact that that general contractors do not want to list subcontractors because it gives them flexibility to leverage one subcontractor against another subcontractor. The amount of the bid is irrelevant. We either have fairness or we don't; we either have cheating or we don't.

Based on the above, we cannot endorse this bill and cannot recommend its passage.

Thank you.



LATE TESTIMONY

Century Square
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PACIFIC INSULATION CONTRACTORS ASSOCIATION

March 1, 2011

Testimony To: Senate Committee on Public Safety, Government Operations, and Military Affairs
Senator Will Espero, Chair

Presented By: Ronald Labanon
President

Subject: S.B. 263 - RELATING TO PROCUREMENT
S.B. 264 - RELATING TO PROCUREMENT

Chair Espero and Members of the Committee:

I am Ronald Labanon, President of the Pacific Insulation Contractors Association and we oppose these bills.

These particular bills would carve out an exemption for the listing of subcontractors. We are not sure that we understand the reasoning for that other than the fact that it is obvious that general contractors do not want to list subcontractors because it provides them flexibility and the opportunity to leverage one subcontractor against another subcontractor.

Based on the above, we cannot endorse this bill and cannot recommend its passage.

Thank you.