

LATE TESTIMONY

NEIL ABERCROMBIE
GOVERNOR



Jan S. Gouveia
Acting Comptroller

Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
JAN S. GOUVEIA, ACTING COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
ECONOMIC REVITALIZATION & BUSINESS
ON
January 26, 2012

H.B. 2247

RELATING TO PROCUREMENT

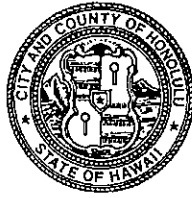
Chair McKelvey and members of the Committee, thank you for the opportunity to testify on H.B. 2247.

The Department of Accounting and General Services opposes H.B. 2247 because it will further complicate the bidding/procurement process for government contracting agencies and add potential items for protest. This goes against all initiatives to streamline the procurement process.

Thank you for the opportunity to submit testimony on this matter.

LATE TESTIMONY

PETER B. CARLISLE
MAYOR



MICHAEL R. HANSEN
DIRECTOR

NELSON H. KOYANAGI, JR.
DEPUTY DIRECTOR

January 25, 2012

Rep. Angus L.K. McKelvey, Chair,
Rep. Isaac W. Choy, Vice Chair,
and Members of Committee on
Economic Revitalization & Business
House of Representatives
The Twenty-Sixth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Chair McKelvey, Vice Chair Choy and Members:

Subject: House Bill No. 2247 Relating to the Hawaii Public Procurement Code

Thank you for the opportunity to testify on H.B. 2247. The City & County of Honolulu opposes H.B. 2247 which provides a bidder on construction contracts two (2) additional days after the closing of bids to provide the names of each person or firm to be engaged by the bidder as a joint contractor or subcontractor.

This bill complicates the bidding process by establishing two (2) bid submittal deadlines and prolongs the bidding process. The added complexity and time provides no benefits to the contracting agency.

Sincerely,

A handwritten signature in black ink that reads "Michael R. Hansen".

Michael R. Hansen, Director
Budget & Fiscal Services

PLUMBING & MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII



PLUMBING AND MECHANICAL
CONTRACTORS ASSOCIATION
OF HAWAII

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GREGG S. SERIKAKU
EXECUTIVE DIRECTOR

Via Email

January 24, 2012

Representative Angus L.K. McKelvey
Committee on Economic Revitalization and Business
House of Representatives
The Twenty-Sixth Legislature, Regular Session of 2012

Chair McKelvey, Vice Chair Choy, and Members of the Committee:

SUBJECT: HB 2247 Relating to Procurement

My name is Gregg Serikaku. I am the Executive Director of the Plumbing and Mechanical Contractors Association of Hawaii. Our Association represents over 40 major plumbing and mechanical contractors who employ over 1,000 mechanics, technicians, managerial staff, and administrative personnel here in Hawaii.

The Association for which I speak is **strongly opposed** to HB2247.

The State Public Procurement Code (Chapter 103D) was developed to provide a fair, open and consistent method of procurement, and is designed to protect public funds.

Allowing bidders two additional days to submit the subcontractor listing and scope of work will not expedite procurement, and will only serve to incite the predatory and unfair practice of bid shopping.

According to data from the Department of Accounting and General Services, less than 6 projects out of 100+ projects in 2010 were protested due to errors in the subcontractor listing or scope of work. This fact clearly shows that errors of this type are actually very low (less than 5%), and that in most cases prime bidders are able to correctly follow the procurement rules.

Furthermore, the State Procurement Office has indicated that much of the delay in construction projects is not necessarily from the actual procurement of the job but from the associated permitting process.

Therefore, while our Association supports an expeditious procurement process, we do not feel that degrading the subcontractor listing requirements is the correct answer.

We propose that representatives from both the prime bidders and subcontractors work together on language that will help to address each parties' concerns, and further minimize future protests.

We therefore respectfully urge the committee to hold this bill.

Respectfully yours,

Gregg S. Serikaku
Executive Director