



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

February 2, 2012

8:30 a.m.

HB 2767

RELATING TO PROCUREMENT.

Chair McKelvey, Vice-Chair Choy, and committee members, thank you for the opportunity to testify on HB 2767. This bill creates a temporary new Part for a procurement process separate from HRS chapter 103D, the Hawaii Public Procurement Code (Code), limited to construction.

Any agency conducting construction procurements should follow one process, the Code. There is no advantage with using the provision of this bill. This bill will create confusion, resulting in mistakes to implement and use a new process. Allowing state agencies to adopt their own rules will add to the chaos with inconsistent rules to implement this measure.

Public procurement's primary objective is to provide a single source of guidance everyone follows to compete for government contracts, to prevent favoritism, collusion or fraud in awarding of contracts. There is nothing unique or special in the awarding of these funds that cannot be accommodated in the Code.

The State Procurement Office opposes this bill.

BIA-HAWAII LATE TESTIMONY

BUILDING INDUSTRY ASSOCIATION

"Building Better Communities"

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Testimony to the House Committee on Economic Revitalization & Business
Thursday, February 2, 2012
8:30 a.m.
State Capitol, Room 312

RE: H.B. 2767, Relating to Procurement

Good morning Chair McKelvey, Vice Chair Choy, and members of the committee:

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, BIA-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 intent behind H.B. 2767, which temporarily modifies the Procurement Code for state construction projects.

BIA-Hawaii applauds and supports the Legislature's effort to temporarily revamp the procurement code. Our procurement code, since its inception in 1993, has gone through many revisions and additions that give rise to the many problems it currently has.

The issue that has caused the most problems with procurement delays over the years relate to the sub-listing provision. BIA-Hawaii recommends that §103 D-K be **removed** from the language of the bill. The current subcontractor listing requirement is the single most used source of protests in construction procurement, causing procurement agencies to not only spend its valuable resources to handle the protests, but has also resulted in delays in delivering projects out to the construction industry work force in a timely manner.

The Legislature has expressed its desire to streamline the permitting and procurement processes in an effort to get construction projects moving so that our economy can bounce back and the people of Hawaii can get back to work.

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



EVP/CEO
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LATE TESTIMONY GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

February 2, 2012

TO: THE HONORABLE REPRESENTATIVES ANGUS MCKELVEY, CHAIR,
ISAAC CHOY, VICE CHAIR AND MEMBERS OF THE COMMITTEE ON
ECONOMIC REVITALIZATION & BUSINESS

SUBJECT: **COMMENTS & RECOMMENDATIONS REGARDING H.B. 2767,
RELATING TO PROCUREMENT.** Temporarily modifies the Procurement
Code for state construction projects. Sunsets December 31, 2015.

NOTICE OF HEARING

DATE: Thursday, February 2, 2012
TIME: 8:30 AM
PLACE: Conference Room 312

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

The General Contractors Association (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is celebrating its 80th anniversary this year; it remains the largest construction association in the State of Hawaii. GCA is submitting **comments and recommendations** regarding H.B. 1676, Relating to Procurement.

GCA applauds the legislature's effort to address some of the problems that the procurement code presents for construction projects on a trial basis for three years. The Procurement Code has presented numerous problems since its inception in 1993. GCA supports efforts to streamline the procurement process and make it more efficient and more cost effective to taxpayers.

However, **GCA would recommend the following amendment, deletion in its entirety of Section 103D-K, entitled Bids; listing of subcontractors** because this provision, which currently exists in Chapter 103D, HRS has caused the most problems with bid protests and procurement delays over the years.

GCA believes the listing of subcontractors have resulted in the number one delay in projects due to bid protests based on the subcontractor listing requirement.

H.B. 2767 proposes to temporarily modify the Procurement Code for state construction projects to address some of the delays in the award of public works projects by adding a new section to Chapter 103D, Hawaii Revised Statutes. This measure would be applicable for three years and allows corrections to the bids once submitted, sets conditions for low tie-bids, and also sets forth conditions of releasing information before and after bid.

Thank you for the opportunity to testify on this measure.