

NEIL ABERCROMBIE
GOVERNOR



AARON S. FUJIOKA
ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 587-4700 Fax: (808) 587-4703
<http://hawaii.gov/spo>

**TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE
HOUSE COMMITTEE
ON
FINANCE**

April 2, 2012

5:00 P.M.

SB 2030, SD2, HD1

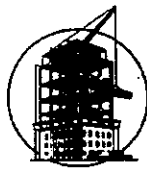
RELATING TO PROCUREMENT.

Chair Oshiro, Vice Chair Lee and committee members, thank you for the opportunity to testify on SB 2030, SD2, HD1. This bill essentially proposes to allow for specific corrections to the bid, 'scope of work for a listed subcontractor to be expanded', as a mistake after bids are received.

Section 103D-302(g) allows for correction or withdrawal of submitted bids. Corrections or mistakes in bids may be corrected if deemed an obvious mistake such as math error in price extensions, or minor informality which does not affect price, quality, quantity, delivery, or contractual conditions. Any correction of bids after contract award requires careful consideration to maintain the integrity of the competitive bidding system, to assure fairness, and to avoid delays or poor contract performance.

This proposed amendment will provide flexibility to the procurement officer to allow a change to the scope of work for a listed subcontractor that was not initially identified in the offer, which currently is not allowed.

Thank you.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO
 Gentry Pacific Design Center, Suite 215A * 560 N. Nimitz Highway, #50 * Honolulu, Hawaii 96817
 (808) 524-2249 - FAX (808) 524-6893

March 30, 2012

REGINALD CASTANARES
 President

Plumbers & Fitters Local 675

DAMIEN T.K. KIM
 Vice President

International Brotherhood of
 Electrical Workers Local 1186

THADDEUS TOMEI
 Treasurer

Elevator Constructors Local 126

GARY AYCOCK
 Sergeant At Arms

Boilermakers, Ironship Builders
 Local 204

DOUGLAS FULP
 Trustee

International Assoc. of Heat & Frost
 Insulators & Allied Workers Local 132

PETER GANABAN
 Trustee

International Union of
 Ironworkers Local 368

NOLAN MORIWAKI

Bricklayers & Ceramic Tile Setters
 Local 1 & Plasterers
 Local 630 Cement Masons

JOSEPH O'DONNELL
 Iron Workers Local 625

ART TOLENTINO

Sheet Metal Workers I.A. Local 293

LYNN KINNEY

District Council 50
 Painters & Allied Trades Local 1791
 Carpet, Linoleum, & Soft Tile
 Local 1926
 Drywall, Tapers & Finishers
 Local 1944
 Glaziers, Architectural Metal &
 Glassworkers Local 1889

PANE MEATOGA

Operating Engineers Local 3

RONAN KOZUMA

Hawaii Teamsters & Allied
 Workers Local 996

VAUGHN CHONG

Waterproofers & Allied
 United Union of Roofers
 Local 221

Honorable Representative Marcus Oshiro, Chair
 Honorable Representative Marilyn Lee, Vice Chair
 Members of the Committee on Finance
 Hawaii State Capital
 415 South Beretania Street
 Honolulu, HI 96813

RE: IN OPPOSITION of SB2030 SD2, HD1, RELATING TO PROCUREMENT
 Hearing: Monday, April 2, 2012, 5:00 p.m. Conference Room 308

Honorable Chair(s), Vice Chair(s) and Committee Members;

The Hawaii Building & Construction Trades Council, AFL-CIO which was originally chartered in October of 1958 is comprised of 16 out of 17 construction trade unions throughout Hawaii. With an estimated membership of 20,000 statewide, our primary mission is to provide employment opportunities and living wages for the many working men and women we represent.

The Council OPPOSES SB2030, SD2, HD1, which allows the procurement officer to expand the scope of work in a bid for a listed subcontractor, with certain conditions, after bid opening.

We specifically oppose Section 2(g)(1) of this measure and respectfully offer the following amendment for your consideration.

SECTION 2. Section 103D-302, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

"(g) Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of invitations for bids, awards, or contracts based on such bid mistakes, shall be permitted in accordance with rules adopted by the policy board. After bid ~~[opening]~~ due date no changes in bid prices or other provisions of bids prejudicial to the interest of the public or to fair competition shall be permitted~~[-]~~; provided that the procurement officer may:

- (1) Allow the scope of work for a listed subcontractor to be expanded prior to bid due date for clarification purposes only [within five working days of bid opening]; provided further that the listed subcontractor possesses the proper contractor's license to include the expanded work; and

Thank you for the opportunity to provide testimony in OPPOSITION of SB2030, SD2, HD1 in its current form. Mahalo

Respectfully;
 Kika G. Bukoski- Hawaii Building and Construction Trades Council

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii
GENERAL CONTRACTORS ASSOCIATION OF HAWAII
Quality People. Quality Projects.

Uploaded via Capitol Website

April 2, 2012

TO: HONORABLE REPRESENTATIVES MARCUS OSHIRO CHAIR,
MARILYN B. LEE, VICE CHAIR AND MEMBERS OF THE HOUSE
COMMITTEE ON FINANCE

SUBJECT: **STRONG SUPPORT OF S.B. 2030, SD2, HD1 RELATING TO
PROCUREMENT.** Allows the procurement officer to expand the scope
of work in a bid for a listed subcontractor, with certain conditions, after
bid opening. Effective July 1, 2112. (SB2030 HD1)

HEARING

DATE: Monday, April 2, 2012
TIME: 5:00 p.m.
PLACE: Conference Room 312

Dear Chair Oshiro, Vice Chair M. Lee 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; GCA remains the largest construction association in the State of Hawaii whose mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest. GCA **strongly supports** the passage of S.B. 2030, SD2, HD1, Relating to Procurement, and respectfully requests removing the defective date and replacing it with "upon approval."

S.B. 2030, SD2, HD1 amends the current procurement procedure by amending Section 103D-302, Hawaii Revised Statutes (HRS) to allow the procurement officer to expand the scope of work in a bid for a listed subcontractor, with certain conditions after bid opening. This measure also permits the procurement officer to consider a bid valid if a listed subcontractor's license had been suspended or forfeited at bid time due to ministerial reasons, provided the license is reinstated before award.

The GCA believes this measure will increase efficiency in the procurement process by allowing the procurement officer the ability to expand the scope of work of a listed subcontractor within five days of bid opening, eliminating such issue as a reason to protest. This bill will also allow a previously licensed and listed subcontractor whose license was not valid at bid time a period to cure any discrepancies due to ministerial issues under Chapter 444, Hawaii Revised Statutes, prior to the award date. The GCA

believes this measure will reduce the number of bid protests, which often increases costs and delays public works projects.

The GCA **strongly supports** the passage of S.B. 2030, SD2, HD1 and respectfully requests removing the defective date and replacing it with "upon approval."

Thank you for the opportunity to share our views on this matter.

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

Testimony to House Committee on Finance

Monday, April 2, 2012

5:00p.m.

Capitol Room 308

RE: S.B. 2030 SD2 HD1, Relating to Procurement

Dear Chair Oshiro, Vice-Chair M. Lee, and members of the Committee:

My name is Gladys Marrone, Government Relations Director for 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 strongly supports** S.B. 2030, SD2, HD1, Relating to Procurement, and respectfully requests your Committee delete the defective date and replace it with "upon approval."

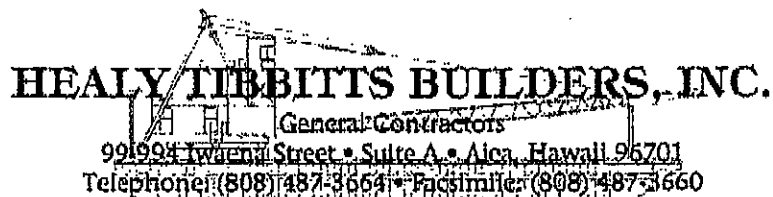
S.B. 2030, SD2, HD1 would alleviate some of the problems associated with the subcontractor listing requirement on public works construction projects.

This bill provides that the procurement officer may allow the scope of work for a listed subcontractor to be expanded after bid opening for clarification purposes and with certain conditions. This measure will also permit a previously licensed and listed subcontractor, whose license was suspended or forfeited at bid time for a ministerial violation, to have his license reinstated before award, thus avoiding bid disqualifications for such technical reasons.

This bill will reduce the number of potential bid protests relating to clarifications and interpretations of scope of work issues and allow a previously licensed subcontractor time to have its license reinstated before disqualifying the bid.

BIA-Hawaii **strongly supports** S.B. 2030, SD2, HD1, recommends its adoption, and respectfully requests deleting the defective date and replacing it with "upon approval."

Thank you for the opportunity to express our views.



Via E-mail: FINTestimony@capitol.hawaii.gov
Facsimile: (808) 586-6001

April 2, 2012

TO: HONORABLE REPRESENTATIVES MARCUS OSHIRO, CHAIR, MARILYN LEE, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON FINANCE

SUBJECT: **STRONG SUPPORT OF S.B. 2030, SD2, HD1, RELATING TO PROCUREMENT.** Allows the procurement officer to expand the scope of work in a bid for a listed subcontractor, with certain conditions, after bid opening. Effective July 1, 2112. (SB2030 HD1)

HEARING

DATE: Monday, April 2
TIME: 5:00 p.m.
PLACE: Conference Room 308

Dear Chair Oshiro, Vice Chair M. Lee and Members of the Committee:

Healy Tibbitts Builders, Inc. strongly supports S.B. 2030, SD2, HD1, Relating to Procurement and respectfully requests deleting the defective date and replacing it with "upon approval."

S.B. 2030, SD2, HD1 would alleviate some of the problems associated with the subcontractor listing requirement on public works construction projects.

This bill provides that the procurement officer may allow the scope of work for a listed subcontractor to be expanded after bid opening for clarification purposes and with certain conditions. This measure will also permit a previously licensed and listed subcontractor whose license was suspended or forfeited at bid time for a ministerial violation, to have its license reinstated before award, thus avoiding bid disqualifications for such technical reasons.

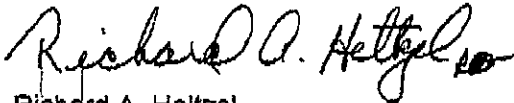
This bill will reduce the number of potential bid protests relating to clarifications and interpretations of scope of work issues and allow a previously licensed subcontractor time to have its license reinstated before disqualifying the bid.

Honorable Angus McKelvey, Chair
House Committee on Economic Revitalization & Business
March 13, 2012
Page 2 of 2

Healy Tibbitts Builders, Inc. strongly supports S.B. 2030, SD2, HD1 and recommends its adoption and respectfully requests deleting the defective date and replacing it with "upon approval."

Thank you for the opportunity to express our strong support of this measure.

Very truly yours,
Healy Tibbitts Builders, Inc.

A handwritten signature in black ink, appearing to read "Richard A. Heltzel", with a stylized flourish at the end.

Richard A. Heltzel
President

 **TOMCO CORP.**
General Contractors

April 2, 2012

TO: HONORABLE REPRESENTATIVES MARCUS OSHIRO, CHAIR, MARILYN LEE, VICE
CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON FINANCE

SUBJECT: **STRONG SUPPORT OF S.B. 2030, SD2, HD1, RELATING TO
PROCUREMENT.** Allows the procurement officer to expand the scope of
work in a bid for a listed subcontractor, with certain conditions, after bid
opening. Effective July 1, 2112. (SB2030 HD1)

HEARING

DATE: Monday, April 2
TIME: 5:00 p.m.
PLACE: Conference Room 308

Dear Chair Oshiro, Vice Chair M. Lee and Members of the Committee:

**TOMCO CORP. strongly supports S.B. 2030, SD2, HD1, Relating to Procurement and
respectfully requests deleting the defective date and replacing it with "upon approval."**

S.B. 2030, SD2, HD1 would alleviate some of the problems associated with the subcontractor
listing requirement on public works construction projects.

This bill provides that the procurement officer may allow the scope of work for a listed
subcontractor to be expanded after bid opening for clarification purposes and with certain
conditions. This measure will also permit a previously licensed and listed subcontractor whose
license was suspended or forfeited at bid time for a ministerial violation, to have its license
reinstated before award, thus avoiding bid disqualifications for such technical reasons.

This bill will reduce the number of potential bid protests relating to clarifications and
interpretations of scope of work issues and allow a previously licensed subcontractor time to
have its license reinstated before disqualifying the bid.

**TOMCO CORP. strongly supports S.B. 2030, SD2, HD1 and recommends its adoption and
respectfully requests deleting the defective date and replacing it with "upon approval."**

Thank you for the opportunity to express our strong support of this measure.

**500 Ala Kawa St., Suite #100A Honolulu, Hawaii 96817
Telephone #: (808) 845-0755 Fax #: (808) 845-1021
Lic# ABC 16941**



general contractor license #ABC 21576

Via E-mail: FINTestimony@capitol.hawaii.gov
Facsimile: (808) 586-6001

April 2, 2012

TO: HONORABLE REPRESENTATIVES MARCUS OSHIRO, CHAIR, MARILYN LEE,
VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON FINANCE

SUBJECT: **STRONG SUPPORT OF S.B. 2030, SD2, HD1, RELATING TO PROCUREMENT.**
Allows the procurement officer to expand the scope of work in a bid for a
listed subcontractor, with certain conditions, after bid opening. Effective July
1, 2112. (SB2030 HD1)

HEARING

DATE: Monday, April 2
TIME: 5:00 p.m.
PLACE: Conference Room 308

Dear Chair Oshiro, Vice Chair M. Lee and Members of the Committee:

LYZ, Inc. strongly supports S.B. 2030, SD2, HD1, Relating to Procurement and respectfully requests deleting the defective date and replacing it with "upon approval."

S.B. 2030, SD2, HD1 would alleviate some of the problems associated with the subcontractor listing requirement on public works construction projects.

This bill provides that the procurement officer may allow the scope of work for a listed subcontractor to be expanded after bid opening for clarification purposes and with certain conditions. This measure will also permit a previously licensed and listed subcontractor whose license was suspended or forfeited at bid time for a ministerial violation, to have its license reinstated before award, thus avoiding bid disqualifications for such technical reasons.

This bill will reduce the number of potential bid protests relating to clarifications and interpretations of scope of work issues and allow a previously licensed subcontractor time to have its license reinstated before disqualifying the bid.

LYZ, Inc. strongly supports S.B. 2030, SD2, HD1 and recommends its adoption and respectfully requests deleting the defective date and replacing it with "upon approval."

Thank you for the opportunity to express our strong support of this measure.

A handwritten signature in black ink, appearing to read 'James N. Kurita', is written over a circular stamp or seal.

James N. Kurita
Vice President/ Chief Operating Officer



Hawaii General Contractor - BC 23231

HubZone, 8(a), SDB, SB

Via E-mail: FINTestimony@capitol.hawaii.gov
Facsimile: (808) 586-6001

April 2, 2012

TO: HONORABLE REPRESENTATIVES MARCUS OSHIRO, CHAIR, MARILYN LEE, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON FINANCE

SUBJECT: **STRONG SUPPORT OF S.B. 2030, SD2, HD1, RELATING TO PROCUREMENT.** Allows the procurement officer to expand the scope of work in a bid for a listed subcontractor, with certain conditions, after bid opening. Effective July 1, 2112. (SB2030 HD1)

HEARING

DATE: Monday, April 2
TIME: 5:00 p.m.
PLACE: Conference Room 308

Dear Chair Oshiro, Vice Chair M. Lee and Members of the Committee:

HEARTWOOD PACIFIC LLC strongly supports S.B. 2030, SD2, HD1, Relating to Procurement and respectfully requests deleting the defective date and replacing it with "upon approval."

S.B. 2030, SD2, HD1 would alleviate some of the problems associated with the subcontractor listing requirement on public works construction projects.

This bill provides that the procurement officer may allow the scope of work for a listed subcontractor to be expanded after bid opening for clarification purposes and with certain conditions. This measure will also permit a previously licensed and listed subcontractor whose license was suspended or forfeited at bid time for a ministerial violation, to have its license reinstated before award, thus avoiding bid disqualifications for such technical reasons.

This bill will reduce the number of potential bid protests relating to clarifications and interpretations of scope of work issues and allow a previously licensed subcontractor time to have its license reinstated before disqualifying the bid.

HEARTWOOD PACIFIC LLC strongly supports S.B. 2030, SD2, HD1 and recommends its adoption and respectfully requests deleting the defective date and replacing it with "upon approval."

Thank you for the opportunity to express our strong support of this measure.

F. Michael Singer

Digitally signed by F. Michael Singer
DN: cn=F. Michael Singer, o=Heartwood Pacific
LLC, ou=Email Signer, email=fmsinger@heartwoodpacific.com,
c=US
Date: 2012.04.01 11:22:03 -1000

Heartwood Pacific LLC
P.O. Box 1719, Keaau, Hawaii 96749
Bus: (808)327-6700

Email: fmsinger@hawaiiantel.net
Cell: (808) 960-7854
Fax: (808)982-5283



S & M SAKAMOTO, INC.
GENERAL CONTRACTORS

Via E-mail: FINTestimony@capitol.hawaii.gov
Facsimile: (808) 586-6001

April 2, 2012

TO: HONORABLE REPRESENTATIVES MARCUS OSHIRO, CHAIR, MARILYN LEE, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON FINANCE

SUBJECT: **STRONG SUPPORT OF S.B. 2030, SD2, HD1, RELATING TO PROCUREMENT.** Allows the procurement officer to expand the scope of work in a bid for a listed subcontractor, with certain conditions, after bid opening. Effective July 1, 2112. (SB2030 HD1)

HEARING

DATE: Monday, April 2
TIME: 5:00 p.m.
PLACE: Conference Room 308

Dear Chair Oshiro, Vice Chair M. Lee and Members of the Committee:

S&M Sakamoto, Inc. strongly supports S.B. 2030, SD2, HD1, Relating to Procurement and respectfully requests deleting the defective date and replacing it with "upon approval."

S.B. 2030, SD2, HD1 would alleviate some of the problems associated with the subcontractor listing requirement on public works construction projects.

This bill provides that the procurement officer may allow the scope of work for a listed subcontractor to be expanded after bid opening for clarification purposes and with certain conditions. This measure will also permit a previously licensed and listed subcontractor whose license was suspended or forfeited at bid time for a ministerial violation, to have its license reinstated before award, thus avoiding bid disqualifications for such technical reasons.

This bill will reduce the number of potential bid protests relating to clarifications and interpretations of scope of work issues and allow a previously licensed subcontractor time to have its license reinstated before disqualifying the bid.

S&M Sakamoto, Inc. strongly supports S.B. 2030, SD2, HD1 and recommends its adoption and respectfully requests deleting the defective date and replacing it with "upon approval."

Thank you for the opportunity to express our strong support of this measure.