



RALPH S. INOUE CO LTD
GENERAL CONTRACTOR

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March 30, 2012

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

SUBJECT: **SUPPORT OF S.B. 2030, SD2, HD1 RELATING TO PROCUREMENT.**
Allows the chief procurement officer or head of a purchasing agency to expand
the scope of work in a bid for a listed subcontractor, with certain conditions, after
bid opening. Effective 07-01-50. (SD2)

HEARING

DATE: Monday, April 2, 2012

TIME: 5:00 P.M.

PLACE: Conference Room 308

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

My name is Lance Inouye and I am President of Ralph S. Inouye Co., Ltd. (RSI), General Contractor and a member of the General Contractors Association of Hawaii (GCA). RSI **supports** S.B. 2030, SD2, HD1, Relating to Procurement and respectfully suggest making it effective upon approval.

S.B. 2030, SD2, HD1 would alleviate many 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, with certain conditions, to be expanded after bid opening. This measure will also permit a previously licensed and listed subcontractor whose license had been suspended or forfeited at bid time due to a ministerial act, such as, e.g., failure to update required insurance, bond, or failure to pay required fees on time, to be considered a valid listing provided its license is reinstated before award.

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.

RSI supports S.B. 2030, SD2, HD1 and suggests making it effective upon approval.

Leonard K.P. Leong
Vice President

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:

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

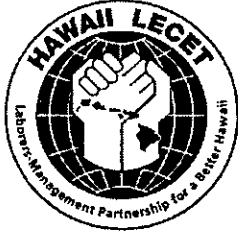
S.B. 2030, SD2, HD1 would alleviate some of the problems associated with the subcontractor listing requirement on public works construction projects.

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.

Royal Contracting Co., Ltd. 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.



Testimony of Maurice Morita
Assistant Director
Hawaii LECET
1617 Palama Street
Honolulu, HI 96817

HOUSE COMMITTEE ON FINANCE
Monday, April 2, 2012
5:00 p.m., Conference Room 312

SB 2030, SD2, HD1 - RELATING TO PROCUREMENT

Aloha Chair Oshiro, Vice Chair Lee, and Members of the Committee:

My name is Maurice Morita and I am the assistant director of Hawaii LECET (Laborers-Employers Cooperation and Education Trust). Hawaii LECET is a partnership between the Hawaii Laborers' Union, Local 368 and our union contractors.

The Hawaii LECET **strongly supports** SB 2030, SD2, HD1, which allows the chief procurement officer or head of a purchasing agency to expand the scope of work in a bid for a listed subcontractor, with certain conditions, after bid opening.

The Hawaii LECET feels SB 2030, SD2, HD1, would alleviate many of the problems associated with the subcontractor listing requirement on public works construction projects.

The bill provides that the chief procurement officer or head of a purchasing agency may allow the scope of work for a listed subcontractor, with certain conditions, to be expanded after bid opening. This measure will also permit a previously licensed and listed subcontractor whose license was suspended or forfeited at bid time to have its license reinstated before award.

SB 2030, SD2, HD1, will reduce the number of potential bid protests relating to clarifications and interpretations of scope of work issues and allow previously licensed subcontractors time to have its license reinstated before disqualifying the bid.

Thank you for the opportunity to submit this testimony.

PLUMBING & MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII



Via Email

March 29, 2012

TELEPHONE: (808) 597-1216
FAX: (808) 597-1409
1314 S. King Street, Suite 961
Honolulu, Hawaii 96814

GREGG S. SERIKAKU
EXECUTIVE DIRECTOR

Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice-Chair
Committee on Finance
House of Representatives
The Twenty-Sixth Legislature, Regular Session of 2012

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

SUBJECT: SB2030 SD2 HD1 - 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.

Our Association has strong concerns on SB2030 SD2-HD1, specifically Section 2 of the bill which amends HRS103D-302(g)(1), to allow the scope of work of a listed subcontractor to be "expanded" for clarification purposes. We believe that unscrupulous bidders will utilize this language to "bid shop" by:

1. listing a multitude of subcontractors with either the same license classification and/or with license classifications that have overlapping scopes of work, then
2. using the 5 day period after bid opening to shop the overlapping scope of work that was not specifically defined in the original sublisting, and finally,
3. once the bidder has chiseled the prices of all the subcontractors for the undefined work, the bidder will "expand" the scope for the subcontractor with the lowest price to now include the undefined work, while disregarding the others.

This insidious practice of bid shopping results in no cost savings to the state and only creates additional profit for the bidder at the expense of the subcontractors.

We feel that Section 2 of the bill must be corrected before we can add our full support.

Thank you for this opportunity to testify and express our concerns.

Respectfully yours,

Gregg S. Serikaku
Executive Director

LATE TESTIMONY

KING & NEEL, INC.

1164 Bishop Street • Suite 1710 • Honolulu, Hawaii 96813
Telephone: (808) 521-8311
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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:

King & Neel, 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.

King & Neel, 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."

Sincerely,

John Bustard
Executive Vice President