

# SCR92 / SR58

Requesting the comptroller to establish a task force to study the state procurement code and identify amendments that would increase the economy, efficiency, effectiveness, and impartiality in the procurement of public works construction projects.

NEIL ABERCROMBIE  
GOVERNOR



KATHRYN S. MATAYOSHI  
SUPERINTENDENT

STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Date:** 03/25/2013

**Committee:** Senate Economic Development,  
Government Operations and Housing

**Department:** Education

**Person Testifying:** Kathryn S. Matayoshi, Superintendent of Education

**Title of Resolution:** SCR 092/SR 058 REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY THE STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS CONSTRUCTION PROJECTS.

**Purpose of Resolution:** State Procurement Code; Identify Amendments

**Department's Position:**

The Department of Education (DOE) supports the intent of this resolution. The DOE agrees that the State Procurement Code should be periodically reviewed to improve efficiency and effectiveness and that, given the numerous issues that have arisen recently, this would be a fortuitous time to undertake such a review. The DOE looks forward to participating in this effort.

Thank you for this opportunity to testify.

NEIL ABERCROMBIE  
GOVERNOR



Dean H. Seki  
Comptroller

Maria E. Ziellinski  
Deputy Comptroller

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

TESTIMONY  
OF  
DEAN H. SEKI, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEE  
ON  
ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING  
ON  
March 25, 2013

S.C.R. 92 / S.R. 58

REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY THE  
STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD  
INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND  
IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS CONSTRUCTION  
PROJECTS

Chair Dela Cruz and members of the Committee, thank you for the opportunity to testify  
on S.C.R. 92 / S.R. 58.

The Department of Accounting and General Services (DAGS) supports the intent of  
S.C.R. 92 / S.R. 58, provided its passage does not replace or adversely impact priorities indicated  
in the Executive Budget, and offers the following comment:

DAGS does not have the resources needed to establish a Task Force that will develop  
recommendations for submittal to the Legislature no later than twenty days prior to the  
convening of the Regular Session of 2015. An indeterminate amount of funding will need to be

appropriated to DAGS to reimburse expenses, including travel expenses, necessarily incurred by Task Force participants.

Thank you for the opportunity to testify on this matter.



**SCR92/SR58**

**REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY  
THE STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS  
THAT WOULD INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS,  
AND IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS  
CONSTRUCTION PROJECTS**

Senate Committee on Economic Development, Government Operations and  
Housing

March 25, 2013

3:30 p.m.

Room 16

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SCR92 and SR58, which call for the establishment of a task force, including OHA and other agencies, to identify amendments to improve the State's procurement process.

As an agency that conducts extensive procurement activities, OHA would welcome the opportunity to share our procurement experiences and to help shape improvements. The procurement process is indeed complex, with many detailed and demanding laws and regulations to follow. Perhaps we can work with all parties concerned to find the right regulatory balance to keep procurements moving along effectively and efficiently while fostering the desired competition. If this concurrent resolution is adopted, OHA looks forward to participating on the task force.

Mahalo for the opportunity to testify on this measure.

# ***SAH - Subcontractors Association of Hawaii***

***1188 Bishop St., Ste. 1003\*\*Honolulu, Hawaii 96813-2938***

***Phone: (808) 537-5619 ★ Fax: (808) 533-2739***

March 25, 2013

Testimony To: Senate Committee on Economic Development, Government Operations  
and Housing  
Senator Donavan M. Dela Cruz, Chair

Presented By: Tim Lyons  
President

Subject: SCR 92/SR 58 - REQUESTING THE COMPTROLLER TO ESTABLISH A TASK  
FORCE TO STUDY THE STATE PROCUREMENT CODE AND IDENTIFY  
AMENDMENTS THAT WOULD INCREASE THE ECONOMY, EFFICIENCY,  
EFFECTIVENESS, AND IMPARTIALITY IN THE PROCUREMENT OF PUBLIC  
WORKS CONSTRUCTION PROJECTS.

Chair Dela Cruz and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii. The Subcontractors Association of Hawaii represents the following nine separate and distinct construction trade organizations.

Those organizations are:

HAWAII FLOORING ASSOCIATION  
ROOFING CONTRACTORS ASSOCIATION OF HAWAII  
HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION  
TILE CONTRACTORS PROMOTIONAL PROGRAM  
PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII  
SHEETMETAL CONTRACTORS ASSOCIATION OF HAWAII  
PAINTING AND DECORATING CONTRACTORS ASSOCIATION  
PACIFIC INSULATION CONTRACTORS ASSOCIATION  
ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII

We support the intent of this Resolution; however it has some faults which we believe need to be corrected if this Resolution is going to move forward.

First and foremost, the wording is obviously prejudiced and biased towards the elimination of the subcontractor listing clause. We believe that on page 2, paragraph 3, 5, and 6 should be entirely eliminated from the Resolution as they are prejudicial. Additionally, paragraph 6 regarding a cost of over \$1,000,000 lacks any empirical evidence. This is merely a "guess figure" by the authors. We would also believe that the last paragraph on page 2 regarding Okada Trucking should be eliminated inasmuch as that is the "law of the land" as interpreted by the courts and while the cost impact of that decision certainly is irrelevant, it is not a proper area of investigation any more so than determining the cost of freedom of speech.

We also object to the composition of the task force. First, we are not sure why the University of Hawaii would be on the task force since there are measures moving this session to eliminate them from procurement code oversight. We also see the task force as overly weighted for government. More importantly, whereas the Subcontractors Association of Hawaii is listed as one entity, when in fact it represents nine (9) entities and whereas the general contractors are one entity but they are listed in two (2) separate entities, the Building Industry Association and the General Contractors Association, is blatantly unfair and biased.

In summary, we do think the Resolution has some merit however, it has been obviously created with a bias towards general contractors and we think in all fairness, it should be straightened out in order to approach this subject matter with a level playing field.

Thank you.

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**GCA of Hawaii**

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 25, 2013

TO: HONORABLE DONOVAN DELA CRUZ, CHAIR, HONORABLE SAM SLOM, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING

SUBJECT: **STRONG SUPPORT OF SCR92/SR58 REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY THE STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS CONSTRUCTION PROJECTS.**

Hearing

DATE: Monday, March 25, 2013  
TIME: 3:30 p.m.  
PLACE: Capitol Room 016

Dear Chair Dela Cruz, Vice Chair Slom and Members of the Committee:

The General Contractors Association of Hawaii (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 the largest construction association in the State of Hawaii. The GCA's 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 is in **strong support** of SCR 92/SR 58 which is requesting the Comptroller to establish a Task Force to Study the State Procurement Code and identify amendments that would increase and improve the economy, efficiency, effectiveness, and impartiality in the procurement of public works construction projects.

In an effort to improve overall cost-efficiency of public works construction projects, this Resolution calls for the formation of a Task Force to identify ways in which the procurement code can better improve the economy, efficiency, effectiveness and impartiality under Chapter 103D, Hawaii Revised Statutes (HRS). The Procurement law of Hawaii is codified under Hawaii's Public Procurement Code, Chapters 103D and 103F, HRS, which governs the procurement practice of state and county goods, services or construction. For competitive sealed bids (low-bid procurement), the law currently requires all bids to list the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor in its bid proposal. The Task Force will be tasked with identifying solutions to ensure that construction contracts are awarded fairly to the most qualified and responsible bidder, to alleviate delays and cancellation



of construction projects, and to address the added cost to the agencies as well as Hawaii taxpayers.

The procurement process involves various methods for the purchase of goods and services, including but not limited to, Competitive Sealed bidding process, Multi-Step Invitations for Bids or other processes. Upon submission of bids, bidders have the right to protest to the agency first – within five working days of the posting of the award. Upon a bid protest to the respective agency, the agency will issue a decision as to the protesting party's accusations. During this period there will be a stay of procurement until the procuring officer has delivered its opinion as to the protest. Upon receipt of the procuring officer's decision, the protestor can accept the decision or appeal to the Department of Commerce and Consumer Affairs, Office of Administrative Hearings. These appeal procedures can result in lengthy delays and added costs when the contract is awarded. The expeditious award of construction contracts especially those that involve potential health and safety issues are paramount to a cost effective public procurement system.

Some recent bid protests were based solely on subcontractor listing and licensing issues, whereby a losing bidder files a protest based on the winning bidders list of subcontractors and whether or not they may meet the scope of work and licensing criteria that the project's specifications required. These protests and others result in major increase in costs for public works construction projects. Since the Hawaii Supreme Court's Decision in Okada Trucking Co., Ltd. v. Board of Water Supply, et. al., 97 Haw. 450 (2002), an 'A' general engineering contractor and 'B' general building contractors are prohibited from undertaking any work, solely or as a part of a larger project, which would require the general contractor to act as a specialty contractor in any area where the general contractor has no license. GCA believes that the Okada Trucking Decision together with the subcontractor listing requirement have increased bid protests, resulted in awards to the non-low bidders, and most notably, have increased costs to public works construction projects. This Resolution forming such a Task Force will request that members propose changes to the procurement code, specifically how to amend the procurement code and mitigate causes for bid protests.

GCA is in support of both SCR 92/SR 58 and its goal to improve efficiency in procurement, identify solutions, and overall save costs to the public and ensure projects go out on a timely and fair manner while stimulating the economy. Accordingly, GCA requests that this Committee pass these Resolutions to provide a forum to address solutions to improve efficiency. Thank you for the opportunity to provide our support of these Resolutions.



ELECTRICAL CONTRACTOR'S ASSOCIATION OF HAWAII

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March 24, 2013

To: House Committee on Economic Development, Government Operations and Housing  
The Honorable Representatives Donovan M. Dela Cruz and Sam Sloan, Chairs

From: Al Itamoto, Executive Director  
Electrical Contractors Association of Hawaii  
*National Electrical Contractors Association, Hawaii Chapter*

*Subject: SCR 92, Requesting the Comptroller to Establish a Task Force To Study The State Procurement Code*

Notice of Hearing

Date: Monday, March 25, 2013  
Time: 3:30 PM  
Place: Conference Room 16  
State Capitol  
415 South Beretania Street

Dear Chairs Dela Cruz, Sloan and Committee members:

The Electrical Contractors Association of Hawaii (ECAH) is a non-profit association consisting of electrical contractors doing business in the State of Hawaii. ECAH opposes to the current version of SCR92. While the intent of SCR92 may serve a general good, the current language is not completely factual and it appears to serve as a means for general contractors to get rid of sub listings and an attempt to overturn the decision of *Okada Trucking, Co. v. Board of Water Supply*, 97 Haw. 450 (2002). The basic objective of the subsisting is to insure fair play in various public works jobs by identifying the sub-contractors the general or prime contractor used in their bid for the project. Once a job is awarded, the sub-contractor listing prevents generals or prime contractors from bid shopping a better price from the subcontractors in an attempt to increase their profit margin. Bid shopping **does not** benefit the procuring agency or the taxpayers as none of the additional profits is passed on to the procuring office.

The various "Whereas" stated in the current version has some myths and unsubstantiated information.

1. It states that many recent bid protest have been solely based on subcontractor listing and licensing issues, resulting in major delays and cost increases. While there have been bid protests, this statement assumes that the sub-contractor was at fault whereas, some issues are the fault of the general contractor not doing their proper due diligence in their submittal of their bids.

2. It states that since the *Okada* decision the number of bid protests based solely on a sub-contractor listing has cost the state tax payers over \$1,000,000. This should be stricken from this resolution as this has not been factually determined as well as who was at fault, the subcontractor or the general contractor.

3. This resolution requests that representatives from various entities serve on a task force including the University of Hawaii. In recent discoveries, the University of Hawaii Procurement Office has been implied in various improprieties supported by facts that deem their office incompetent. Why then should they serve on such task force to recommend potential amendments to the state procurement code? The task force makeup list two organizations, the General Contractors Association and the Building Industry Association, favoring the general contractors while only one, the Subcontractors Association of Hawaii. This gives the generals an advantage in any voting.

4. This resolution asks to determine the administrative rules governing the scope of work for the three contractor classifications in order to eliminate construction trade dispute. This is the function of the State Contractors License Board not the State Procurement Office; therefore this should also be stricken from this resolution.

5. This resolution states that the federal government does not require the listing of subcontractors on any bid proposal. In fact, there is an effort to introduce legislation to include this procedure for federal projects as recognition of the improprieties going on.

While SCR92 has some merits, it's obvious that the current version's objective is an effort is to undo the requirement of a subsisting to the financial benefit of the general or prime contractor at the expense of the state agency and ultimately the taxpayers of the State of Hawaii. The myth is that the subcontractor listing is the root cause of bid protests.

Thank you for the opportunity to provide testimony on SCR 92.

### List of Licenses

#### "A" License

1. C-3 asphalt, paving and surfacing;
2. C-9 cesspool;
3. C-10 scaffolding;
4. C-17 excavating, grading and trenching;
5. C-24 building, moving and wrecking;
6. C-31 cement concrete;
7. C-32 ornamental guardrail and fencing;
8. C-35 pile driving, pile and caisson drilling and foundation;
9. C-37a sewer and drain line;
10. C-37b irrigation and lawn sprinkler systems;
11. C-38 post tensioning;
12. C-43 sewer, sewage disposal, drain and pipe laying
13. C-49 swimming pool;
14. C-56 welding;
15. C-57a pumps installation;
16. C-57b injection wells;
17. C-61 solar energy systems

#### "B": License

1. C-5 cabinet, millwork and carpentry remodeling and repairs;
2. C-6 carpentry;
3. C-10 scaffolding;
4. C-12 drywall;
5. C-24 building moving and wrecking;
6. C-25 institutional and commercial equipment;
7. C-31a cement concrete;
8. C-32a wood and vinyl fencing;
9. C-42a aluminum and other metal shingles;
10. C-42b wood shingles and wood stakes

# PLUMBING & MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII



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GREGG S. SERIKAKU  
EXECUTIVE DIRECTOR

March 22, 2013

Senator Donovan M. Dela Cruz, Chair  
Senator Sam Slom, Vice-Chair  
Senate Committee on Economic Development, Government Operations and Housing  
The Twenty-Seventh Legislature, Regular Session of 2013

Chair Dela Cruz, Vice Chair Slom, and Members of the Committee:

## **SUBJECT: SCR92 Relating to Procurement Task Force**

My name is Gregg Serikaku, Executive Director of the Plumbing and Mechanical Contractors Association of Hawaii, and we represent plumbing, air conditioning, refrigeration, and fire sprinkler contractors in Hawaii, and are the management representatives for the largest certified training programs for each of these trades.

The Association for which I speak **opposes** SCR92.

The State Procurement Code HRS 103 was established to provide an open and fair process for the procurement of goods, services, and construction and serves to assure the public that tax dollars are spent responsibly by state government agencies.

This bill seeks to create a task force to evaluate the current procurement process on State of Hawaii public works construction projects, and in particular to address the requirement for bidders to list their subcontractors and scope of work at time of bid.

There have been numerous attempts in past legislative sessions to amend the procurement code to either remove or dilute the sublisting and scope of work requirement, and time after time, the legislature has recognized that the sublisting/scope requirement represents an important protection for subcontractors against unscrupulous prime contractors who seek to increase their own profit by bid-shopping subcontractor prices after award of a contract. This bid shopping harms honest subcontractors who invest significant time and money into pricing their services to the bidder and creates a multitude of problems for the customer. In fact it has been shown that bid shopping causes the replacement subcontractor (who agreed to a lower price) to cut corners on materials, compromise workmanship, and under staff the project, which ultimately results in a lower quality of service and products as well as costly project delays and changes.

Further, the proponents of this resolution have implied that the sublisting and scope of work requirement is complex and difficult to understand, however, in actuality the requirement is very straight forward and simply states:

"If the invitation for bids is for construction, it shall specify that all bids include the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor in the performance of the contract and the nature and scope of the work to be performed by each."

The proponents also argue that this one basic requirement is what causes the majority of bid protests and delays, but as you can see there should be no difficulty for a bidder to understand and comply with the requirement. In reality, the problem is not the listing requirement itself, but in fact, it is the carelessness of the bidder who either forgets to list their subcontractors or does not properly prepare another aspect of their bid.

For these reasons we oppose SCR92.

Thank you for this opportunity to testify.

Respectfully yours,



Gregg S. Serikaku  
Executive Director



HOUSE OF REPRESENTATIVES  
THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2013

TESTIMONY BY PETER LEE OF HAWAII LECET  
SCR 92 / SR 58

COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS, AND HOUSING

Senator Donovan Dela Cruz, Chair  
Senator Sam Slom, Vice Chair

NOTICE OF HEARING

DATE: Monday, March 25, 2013  
TIME: 3:30pm  
PLACE: Conference Room 16  
State Capitol  
415 South Beretania Street

TO THE HONORABLE DONOVAN DELA CRUZ, CHAIR, AND MEMBERS OF THE ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS, AND HOUSING COMMITTEE:

Good afternoon,

My name is Peter Lee, and I am the Construction Compliance Officer for Hawaii Laborers Employers Cooperation and Education Trust (LECET). Hawaii LECET is the labor-management trust fund between the Hawaii Laborers Union, Local 368, and its unionized contractors.

Hawaii LECET **SUPPORTS** SCR 92 / SR 58. This resolution requests the Comptroller to establish a task force to study the State Procurement Code and identify amendments that would increase the economy, efficiency, effectiveness, and impartiality in the procurement of public works construction.

We hope that this task force will develop propose amendments to the state procurement code that will increase efficiency and mitigate causes for bid protests in public works construction projects; and determine whether administrative rules governing contractors reflect the intent of the Legislature and chapter 103D, Hawaii Revised Statutes, particularly as to the scope of work for the three contractor classifications, in order to eliminate construction trade disputes and diminish the number of bid protests.

Mahalo for this opportunity to testify in support of SCR 92 / SR 58.



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**GENERAL CONTRACTOR**

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Via Fax: (808) 586-6091

March 25, 2013

TO: HONORABLE DONOVAN DELA CRUZ, CHAIR, HONORABLE SAM SLOM, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING

SUBJECT: **STRONG SUPPORT OF SCR92/SR58 REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY THE STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS CONSTRUCTION PROJECTS.**

Hearing

DATE: Monday, March 25, 2013  
TIME: 3:30 p.m.  
PLACE: Capitol Room 016

Dear Chair Dela Cruz, Vice Chair Slom and Members of the Committee:

Ralph S. Inouye Co., Ltd. (RSI), General Contractor and member of the General Contractors Association of Hawaii (GCA), **supports** the passage of resolutions SCR 92 and SR 58, which requests the DAGS Comptroller to establish a Task Force made up of state and county chief procurement officers and stakeholders to Study the State Procurement Code, particularly 103D and identify amendments that would increase the economy, efficiency, effectiveness, and impartiality in the procurement of public works construction projects.

This Resolution requests that a Task Force of procurement officers and stakeholders identify ways in which the procurement code can better improve the economy, efficiency, effectiveness and impartiality under Chapter 103D, Hawaii Revised Statutes (HRS). The Procurement law of Hawaii is codified under Hawaii's Public Procurement Code, Chapters 103D and 103F, HRS, which governs the procurement practice of state and county goods, services or construction. The Task Force will provide solutions to ensure that construction contracts are awarded fairly to the most qualified and responsible bidder, to alleviate delays and cancellation of construction projects, and to address the added cost to the agencies as well as Hawaii taxpayers.

This Resolution will provide a good forum for state and county agencies together with stakeholders to identify problems and provide solutions to improving procurement. **Accordingly, RSI supports SCR 92 and SR 58 and recommends that this Committee pass these resolutions.**





# S & M SAKAMOTO, INC.

GENERAL CONTRACTORS

Via E-mail: [EGHTestimony@capitol.hawaii.gov](mailto:EGHTestimony@capitol.hawaii.gov)

Via Fax: (808) 586-6091

March 25, 2013

TO: HONORABLE DONOVAN DELA CRUZ, CHAIR, HONORABLE SAM SLOM, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING

SUBJECT: **STRONG SUPPORT OF SCR92/SR58 REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY THE STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS CONSTRUCTION PROJECTS.**

Hearing

DATE: Monday, March 25, 2013  
TIME: 3:30 p.m.  
PLACE: Capitol Room 016

Dear Chair Dela Cruz, Vice Chair Slom and Members of the Committee:

**S&M Sakamoto, Inc. strongly supports** the passage of resolutions SCR 92 and SR 58, which requests the DAGS Comptroller to establish a Task Force made up of state and county chief procurement officers and stakeholders to Study the State Procurement Code, particularly 103D and identify amendments that would increase the economy, efficiency, effectiveness, and impartiality in the procurement of public works construction projects.

This Resolution requests that a Task Force of procurement officers and stakeholders identify ways in which the procurement code can better improve the economy, efficiency, effectiveness and impartiality under Chapter 103D, Hawaii Revised Statutes (HRS). The Procurement law of Hawaii is codified under Hawaii's Public Procurement Code, Chapters 103D and 103F, HRS, which governs the procurement practice of state and county goods, services or construction. The Task Force will provide solutions to ensure that construction contracts are awarded fairly to the most qualified and responsible bidder, to alleviate delays and cancellation of construction projects, and to address the added cost to the agencies as well as Hawaii taxpayers.

This Resolution will provide a good forum for state and county agencies together with stakeholders to identify problems and provide solutions to improving procurement. **Accordingly, S&M Sakamoto, Inc. supports SCR 92 and SR 58 and recommends that this Committee pass these resolutions.**