

1065 Ahua Street  
Honolulu, HI 96819  
Phone: 808-833-1681 FAX: 839-4167  
Email: [info@gcahawaii.org](mailto:info@gcahawaii.org)  
Website: [www.gcahawaii.org](http://www.gcahawaii.org)



# GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

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April 14, 2014

TO: HONORABLE DAVID IGE, CHAIR, HONORABLE MICHELLE KIDANI,  
VICE CHAIR AND COMMITTEE ON WAYS AND MEANS

SUBJECT: **COMMENTS REGARDING HCR 176, REQUESTING THE STATE  
PROCUREMENT OFFICE TO CONDUCT A STUDY ON THE FEASIBILITY,  
NECESSARY PROCESSES, AND COSTS RELATIVE TO REQUIRING THE  
CONSIDERATION OF PAST PERFORMANCE AS A FACTOR IN  
AWARDING PUBLIC CONTRACTS, INCLUDING LOW BID CONTRACTS.**

PUBLIC DECISION MAKING

DATE: Thursday, April 17, 2014  
TIME: 10:55 a.m.  
PLACE: Capitol Room 211

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

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately 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.

House Concurrent Resolution 176 is requesting that the State Procurement Office conduct a study on the feasibility, necessary processes, and costs relative to requiring the consideration of past performance as a factor in awarding public contracts, including low bid contracts. **This Resolution may be premature as the Procurement Task Force created last session is scheduled to report to the 2015 Legislature and will be addressing issues related to bad performing contractors. Furthermore, the State Procurement Office has testified that this Resolution is not necessary as their office is already conducting a study on past performance.**

While GCA supports the intent of this Resolution, it finds that this legislation is unnecessary because such qualification criteria, or past performance is already permitted under 103D-302(f) under the invitation for bid process. Under Section 103D-302(f), HRS an invitation for bid may set the requirements to determine qualifications and criteria for a project. In other words, the agency may set the criteria and qualifications for the bidder in its bid specifications, which could include such criteria as past performance, recent project history and any other qualifications an agency may find necessary. It appears that this Resolution is attempting to address contractors that may not be performing up to par.

**2013 Procurement Task Force pursuant to SCR 92, SD2 (2013)**

GCA is actively participating in the ongoing Procurement Task Force convened by the legislature last year pursuant to SCR 92, SD2 (2013). The Resolution Requests the Comptroller to Establish a Task Force to Study the State Procurement Code and Identify Amendments that Would Increase Economy, Efficiency, Effectiveness, and Impartiality in the Procurement of Public Works Construction Projects. The Task Force is scheduled to report to the legislature next session, but has since met a number of times and has preliminarily identified items of concern. The areas of concerns identified include the subcontractor listing law, preferences, bid protests and the elimination of bad contractors.

Thank you for this opportunity to share our comments about this measure.

# **BIA-HAWAII**

**BUILDING INDUSTRY ASSOCIATION**

THE VOICE OF THE CONSTRUCTION INDUSTRY

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## **TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS**

**Thursday, April 17, 2014**

**10:55 a.m.**

**State Capitol - Room 211**

**RE: HCR 176/H.R. 134, ESTABLISH A TASK FORCE TO STUDY THE STATE  
PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD  
INCREASE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND IMPARTIALITY  
IN THE PROCUREMENT OF PUBLIC WORKS CONSTRUCTION PROJECTS,  
AND HCR 213, REQUESTING THE DEPARTMENT OF ACCOUNTING AND  
GENERAL SERVICES TO CONDUCT A COMPREHENSIVE REPORT  
IDENTIFYING THE COMMON REASONS FOR DELAY IN THE  
PROCUREMENT, PLANNING, DESIGN, PERMITTING, AND CONSTRUCTION  
OF PUBLICLY FUNDED CONSTRUCTION PROJECTS.**

Dear Chair Ige, Vice-Chair Kidani, and members of the Committee,

My name is Gladys Marrone, Government Relations Director for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

During the 2013 Legislative session, this Legislature passed S.C.R. 92, which requested the Comptroller to establish a task force to study the State Procurement Code and identify amendments that would increase economy, efficiency, effectiveness, and impartiality in the procurement of public works construction projects.

We request this Committee hold H.C.R. 176, until the Task Force is required to submit its report on findings and proposed legislation to the Legislature in 2015.

We appreciate the opportunity to share with you our views.