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# A BILL FOR AN ACT

RELATING TO PROCUREMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the delivery and  
2 award of public works construction projects can be hindered by  
3 bid challenges resulting in a lapse in funding and other  
4 procurement issues. Many times there are communications from a  
5 bidder indicating flaws or technical discrepancies in a low-  
6 bidder's proposal before a determination has been made that the  
7 low bidder is the responsible and responsive bidder. Several  
8 recent informal inquires and bid challenges related to  
9 subcontractor listing and licensing issues have caused major  
10 delays and cost increases for public works construction  
11 projects.

12           The legislature further finds that due to the large number  
13 of licenses available, it has become increasingly difficult for  
14 general contractors to verify whether a subcontractor has the  
15 proper license to perform the type of work that the  
16 subcontractor has been contracted to perform. Ensuring that  
17 subcontractors meet all of the necessary requirements to perform  
18 contracted work on State and county projects will address



1 licensing concerns and greatly minimize bid challenges  
2 pertaining to the verification of subcontractor qualifications  
3 and licensing.

4 The purpose of this Act is to authorize procurement  
5 officers to consider a previously licensed and listed  
6 subcontractor's license as valid; provided that certain  
7 conditions are satisfied, and require the bidding contractor to  
8 submit the name of each joint contractor and subcontractor and  
9 their respective scopes of work to a contracting agency no later  
10 than two hours after the closing of bidding.

11 SECTION 2. Section 103D-104, Hawaii Revised Statutes, is  
12 amended by adding a new definition to be appropriately inserted  
13 and to read as follows:

14 "Ministerial act" means an act that does not involve  
15 judgment or discretion and is required based on established  
16 criteria or a set of adopted requirements as established by  
17 law."

18 SECTION 3. Section 103D-302, Hawaii Revised Statutes, is  
19 amended as follows:

20 1. By amending subsection (b) to read:



1           "(b) An invitation for bids shall be issued, and shall  
2 include a purchase description and all contractual terms and  
3 conditions applicable to the procurement. If the invitation for  
4 bids is for construction, it shall specify that all bids include  
5 the name of each person or firm to be engaged by the bidder as a  
6 joint contractor or subcontractor in the performance of the  
7 contract and the nature and scope of the work to be performed by  
8 each[-]; provided that the bidder shall have two hours after the  
9 closing of the bids to provide the name of each person or firm  
10 to be engaged by the bidder as a joint contractor or  
11 subcontractor in the performance of the contract and the nature  
12 and scope of the work to be performed by each; provided further  
13 that the bids shall be opened pursuant to subsection (d) only  
14 after the close of the two hour period. Construction bids that  
15 do not comply with this requirement may be accepted if  
16 acceptance is in the best interest of the State and the value of  
17 the work to be performed by the joint contractor or  
18 subcontractor is equal to or less than one per cent of the total  
19 bid amount."

20           2. By amending subsection (g) to read:



1           "(g) Correction or withdrawal of inadvertently erroneous  
2 bids before or after award, or cancellation of invitations for  
3 bids, awards, or contracts based on such bid mistakes, shall be  
4 permitted in accordance with rules adopted by the policy board.  
5 After bid opening no changes in bid prices or other provisions  
6 of bids prejudicial to the interest of the public or to fair  
7 competition shall be permitted[-]; provided that the procurement  
8 officer may consider a previously licensed and listed  
9 subcontractor's license as valid if the subcontractor's license  
10 at bid time has been suspended or forfeited due to action taken  
11 pursuant to subsections 444-11.1(b), 444-15, or 444-21 and rules  
12 of the contractors license board associated therewith, and the  
13 subcontractor's license is restored prior to the award.

14           Except as otherwise provided by rule, all decisions to  
15 permit the correction or withdrawal of bids, or to cancel awards  
16 or contracts based on bid mistakes, shall be supported by a  
17 written determination made by the chief procurement officer or  
18 head of a purchasing agency."

19           SECTION 4. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21           SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

Procurement Officers; Competitive Sealed Bidding;  
Subcontractors; Licensing

**Description:**

Provides that a bidding contractor shall provide the name of each joint contractor or subcontractor and the nature or scope of that entity's work no later than two hours after the closing of bidding. Authorizes procurement officers to consider a previously licensed and listed subcontractor's license as valid; provided that certain conditions are satisfied. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*





**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

P.O. Box 119  
Honolulu, Hawaii 96810-0119  
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http://spo.hawaii.gov

TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
ECONOMIC DEVELOPMENT & BUSINESS  
MARCH 14, 2016; 9:00 A.M.

SB3092 SD2 RELATING TO PROCUREMENT

Chair Kawakami, Vice-Chair Kong, and members of the committee, thank you for the opportunity to submit testimony on SB3092 SD2.

The State Procurement Office (SPO) OPPOSES this measure.

This measure amends Hawaii Revised Statutes (HRS) §103D-302(g) by allowing the procurement officer the discretion, after bid opening, to consider a listed subcontractor with a currently defective license as a valid license in order to meet the subcontractor listing requirement of HRS §103D-302(b). The measure also amends HRS §103D-302(b) to allow bidder's submission of the joint contractor/subcontractor list required in this subsection two hours after the bid due date and time. This measure aims to address protests by aggrieved bidders based on defects in the subcontractor listing associated with the lowest-responsive responsible bidder.

HRS §103D-302, Competitive Sealed Proposals, subsection (b) requires all bids for construction include the name of each firm to be engaged by the bidder as a subcontractor in the performance of the contract and the nature and scope of the work to be performed by each. After bids are publicly opened State agencies review each bid for responsiveness and compliance with the bid requirements. Checking that both the general contractor (bidder) and the subcontractors listed are licensed to perform the work is part of due diligence State entities perform after bid opening and prior to award. An additional two hour delay in that process would pervert the traditional sealed bid public opening process and cause even more uncertainty in public procurement.

SPO believes subcontractors whose license has been suspended or forfeited is a serious issue and a situation that is regulated by the Department of Commerce and Consumer Affairs (DCCA) Contractor Licensing Board under HRS §444. SPO's concerns with this measure can be grouped based on our policy considerations as discussed below.

- Responsibility for the integrity of the subcontractor listing required by HRS §103D-302(b) currently rests solely with the Prime Contractor bidding the work.

The Prime contractor bidding on the work is ultimately responsible for the integrity of the subcontractor list submittal and for proposing responsible subcontractors licensed to perform the work in Hawaii. Under the current law the sole responsibility for both the list and the integrity of its contents is squarely on the prime contractor. As such, that prime is responsible for ensuring listed subcontractors are licensed to perform the work proposed and also for identifying subcontractors that have issues with licensing and other responsibility issues. Then, it is the responsibility of the Prime Contractor to decide the effect any defective licensing issues have on whether they utilize that subcontractor's quote as part of their bid to the government. If, in the process of conducting due diligence, a Prime discovers a subcontractor has a defect in their licensing then the Prime needs to decide whether or not to include that subcontractor in their bid and risk any negative determinations a procurement officer makes based on that defect.

- Responsibility for the integrity of the subcontractor listing required by HRS 103D-302(b) would be shifted to the Procurement Officer, by the proposed amendment to subsection (g), and is therefore inappropriate.

This measure would effectively relieve the Prime Contractor from a certain level of due diligence and effectively shift responsibility to the Procurement Officer for both: (1) detecting a potential defect with a subcontractor's license, and (2) researching WHY the subcontractor has a defective license.

This measure would place the onus on the Procurement Officer to then:

- Determine the nature of what caused the license suspension or forfeiture, then
- Determine if the defect or forfeiture is "ministerial", and then determine
  - If so, can the defect be remedied prior to award?
  - If not, weigh the public interests of the state and others bidders submitting bids without defects against delaying an award to allow a subcontractor time to resolve their licensing issues.

While usually Procurement Officer's prefer to have a high level of discretion, in this case the discretion granted to the Procurement Officer could result in an obligation to the subcontractor with a defective license to exercise their discretion to allow the subcontractor to remedy their licensing defect prior to award. This is highly prejudicial to bidders with fully compliant bids who utilize fully licensed subcontractors. It could also be detrimental to the public works projects since HRS §444 allows up to 60 days to resolve some licensing issues.

- The authority to regulate contractor licensing lies with the DCCA – Contractor Licensing Board.

The Contractor Licensing Board has the authority to revoke, suspend, and use other remedies associated with licensing as a means of enforcement of their rules and regulations. SPO is concerned that this measure may compromise the Board's authority. At times agencies and Boards have only so many tools in their tool box to enforce their regulations and SPO is concerned this measure may circumvent, hinder, or belittle Board actions.

For example, SPO is very concerned about allowance to consider an invalid license as valid, even for "ministerial acts," since review of HRS §444 reveals that a contractor is prohibited from even engaging in contracting while they are on inactive status for failure to pay renewal fees,

HRS §444-15(c). While it seems the penalty for failure to pay renewal fees meets the definition of a “ministerial act” under this measure, it must be noted that the DCCA Contractor Licensing Board deems it significant enough to prohibit contractors from contracting until the defect is remedied. This measure would allow HRS §444 to be circumvented at the bid stage.

- Suggested amendments to HRS §103D-310(b) would also effectively shift the responsibility for the integrity of the subcontractor list required by §103D-302(b) from the Prime Contractor to the Procurement Officer by forcing Procurement Officers to (1) receive only partial bids on the required due date and time; (2) wait two hours to receive bidder’s required subcontractor listing; and (3) then once the sublisting is received hold the public bid opening.

The amendment to HRS §103D-310(b) mandates that subcontractors submit quotes to the Prime Contractor prior to the government bid due date and time. It seems this measure seeks to provide Prime Contractors, via statute, two hours to evaluate the integrity of a subcontractor’s bid and the responsibility of the subcontractor as an entity after submitting their bid by contorting the time honored public bid opening process for sealed bids.

As stated above, under current law is it the sole responsibility of the Prime Contractor to ensure the integrity and responsibility of its listed subcontractors. As such, Prime Contractors can currently, without statute, mandate that quotes from prospective subcontractors be submitted two hours prior to the bid due date and time. Prime Contractors have always had the ability to set any due date and time they want for receipt of subcontractor quotes in order to meet the ultimate government deadline. This measure seems to imply that the only way to make Prime Contractors perform some level of due diligence on their proposed subcontractors is by statute that forces the State to hold essentially two bid due date/times.

It is unclear from the measure exactly what should happen if, even given an additional two hours after the set due date and time, there is still a defect with the subcontractor list. This measure would still put the onus on the Procurement Officer to review the subcontractor list to ensure the Prime Contractor is submitting a subcontractor list consisting of fully licensed subcontractors. In fact it suggests, since the amendment to (g) would allow the Procurement Officer to overlook licensing defects, that this additional two hours would only further complicate and delay the bid process and has no guarantee to remedy the problems with subcontractor listings.

This amendment also does not take into consideration the large number of State jurisdictions that utilize electronic bid submission. On these systems all bids become open to the public on the exact due date and time listed in the solicitation. This measure would require every jurisdiction using electronic bid submission to reprogram their system to track that the bid was received on the due date and time but not release the prices and then track and record when the subcontractor listing is received to ensure it is timely. And finally, after those two deadlines are met to open up the bid prices and associated bid documents for public record. SPO can’t even estimate the cost of such programming changes.

Since this measure suggests it should only take the Prime Contractor one hour (1) and 59 minutes to perform due diligence on their proposed subcontractors prior to the second bid deadline then SPO suggests Prime Contractor’s set a subcontractor bid deadline for bids 1 hour and 59 minutes prior to bid opening. No legislation is needed to accomplish that requirement. The burden on the Prime Contractor to perform due diligence on their subcontractors prior to the proposal due date and time is far less than the burden this measure would have to contort the time honored bid opening process.



This measure's attempt to address protests based on defective subcontractor listings may cause even more uncertainty, administrative burden and more protests based on uncertainties that would be caused by dual bid deadlines and post-bid-opening actions mandated upon the Procurement Officer.

Thank you

**LATE**



DAVID Y. IGE  
GOVERNOR  
SHAN S. TSUTSUI  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
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P.O. Box 541  
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Phone Number: 586-2850  
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CATHERINE P. AWAKUNI COLÓN  
DIRECTOR  
JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**PRESENTATION OF THE  
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION**

TO THE HOUSE COMMITTEE ON  
ECONOMIC DEVELOPMENT & BUSINESS

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2016

Tuesday, March 15, 2016  
9:00 a.m.

**TESTIMONY ON SENATE BILL NO. 3092, S.D. 2, RELATING TO PROCUREMENT.**

TO THE HONORABLE DEREK S.K. KAWAKAMI, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Celia Suzuki, Licensing Administrator for the Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs ("Department"). The Department appreciates the opportunity to submit comments on Senate Bill No. 3092, S.D. 2, Relating to Procurement.

The purpose of Senate Bill No. 3092, S.D. 2, among other things, is to authorize procurement officers to consider a previously licensed and listed subcontractor's license as valid, if the subcontractor's license at bid time has been suspended or forfeited at the time of bid; provided that the subcontractor's license is restored prior to the contract award.

We have concerns regarding this measure because it conflicts with the contractor's licensing laws by allowing contractors with suspended or forfeited licenses to bid on construction projects. Hawaii Revised Statutes ("HRS") section 444-9, requires individuals who act as contractors to be licensed. The definition of "Contractor" in HRS section 444-1 includes any person who offers to undertake, or holds oneself out as being to undertake construction work. Bidding on a construction project requires a contractor's license because the individual is offering to undertake or holding oneself out as being to undertake a construction project.

In addition, the suspension of a contractor's license is the result of a disciplinary action by the Contractors License Board. A contractor with a suspended license is not and should not be permitted to bid for or perform any work on construction projects.

Lastly, the definition of "Ministerial act" in section 2 of the bill should be deleted because it is unclear and the term is not referenced in this measure.

Thank you for the opportunity to provide comments on Senate Bill No. 3092,  
S.D. 2.



**LATE**

Testimony by:  
FORD N. FUCHIGAMI  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
ROSS M. HIGASHI  
EDWIN H. SNIFFEN  
DARRELL T. YOUNG

IN REPLY REFER TO:

STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

March 15, 2016  
9:00 a.m.  
State Capitol, Room 312

**S.B. 3092, S.D. 2  
RELATING TO PROCUREMENT**

House Committee on Economic Development and Business

The Department of Transportation (DOT) **supports** the intent, with reservations of S.B. 3092, S.D. 2. While the government purchasing agency is aware of and understands the intricacies of the procurement code, the DOT is concerned how the public might perceive this proposed bill should it become law.

HRS 103D allows for a bid to be corrected based on clearly defined "mistakes," including those that do not affect price, quantity, quality, or delivery. Having a forfeited or suspended license seems to be a material deviation that may affect at least the quality or delivery of the project. Moreover, HRS 103D-302(g) requires that after the bids are opened, "no changes in bid prices or other provisions of bids prejudicial to the interest of the public or to fair competition shall be permitted." The public interest and the requirement of ethical public procurement for the government agencies to "act as a fiduciary and trustee of public moneys" requires strict compliance and therefore, acceptance of a bid that includes a subcontractor whose license has been suspended or forfeited is not in line with the ethical considerations under the Procurement Code.

Thank you for the opportunity to provide testimony.

**LATE**

**PRESENTATION OF THE  
CONTRACTORS LICENSE BOARD**

**TO THE HOUSE COMMITTEE ON  
ECONOMIC DEVELOPMENT & BUSINESS**

**TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2016**

**Tuesday, March 15, 2016  
9:00 a.m.**

**TESTIMONY ON SENATE BILL NO. 3092, S.D. 2, RELATING TO PROCUREMENT.**

**TO THE HONORABLE DEREK S.K. KAWAKAMI, CHAIR,  
AND MEMBERS OF THE COMMITTEE:**

My name is Peter H.M. Lee, and I am the Chairperson of the Legislative Committee of the Contractors License Board ("**Board**"). Thank you for the opportunity to testify on Senate Bill No. 3092, S.D. 2, which proposes to authorize procurement officers to consider a previously licensed and listed subcontractor's license as valid at the time of bid, provided that the subcontractor's license is restored prior to the award.

The Board has not established an official position on this bill and will be discussing this measure at its next meeting on March 18, 2016. Because the definition of "Contractor" in Hawaii Revised Statutes section 444-1 includes offering to undertake or holding oneself out as being able to undertake construction work, the Board has consistently taken the position in the past that a contractor's license is always required to bid on construction projects. It is the Board's understanding that the parties are continuing to work on this measure.

Thank you for the opportunity to testify on Senate Bill No. 3092, S.D. 2.

# IRONWORKERS STABILIZATION FUND

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March 14, 2016

Derek Kawakami, Chair  
Committee on Economic Development and Business  
House of Representatives  
State Capitol  
415 S. Beretania Street  
Honolulu, Hawaii 96813

Dear Honorable Chair Kawakami and Members of the Committee on Economic Development and Business:

Re: Strong Opposition for SB 3092 – Relating to Procurement

We are in **strong opposition** of SB 3092, Relating to Procurement; that allows a bidder on public work construction project two additional hours after closing bids to engage a bidder.

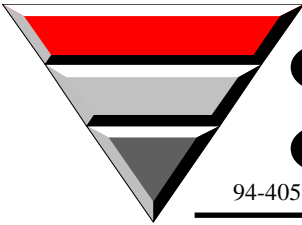
The purpose of this bill strongly goes against HRS Section 103D that the legislature has passed and the State of Hawaii has used to provide a fair and open process to bidding for public funded projects. This bill will not assist in the safety and welfare of the general public. Section 103D was made to allow every contractor the necessary time to provide a reasonable bid for public works job. This will prolong the bidding process and possibly increase the length of time before projects begin

It has also been shown that protest dealing with subcontractor listing has dropped tremendously due to the new bonding requirements for protest. It also has been shown that on average the jobs that has been protested has only taken less than one month to reconcile.

We believe that a solicitor has ample time to obtain the names of the joint contractor or subcontractor for a project. All contractors and subcontractors look at the same bid list and can call each other or request for more information to the procurement officer. Additionally, this research should be performed prior to submitting a bid, not figured out after the bid has been submitted. Prepared and responsible bidders have been able to comply with current procedures.

What we believe this bill allow is for the general contractor to bid shop and make a greater profit. For it will allow the general contractor to get a lower price from his subcontractor or get a new one. This savings is not going to go to the State, but give the general contractor a greater profit margin.

Consequently, we believe to modify the procurement law will jeopardize the integrity of the process and we **strongly oppose** this measure for the working men and women of Hawaii. Thank you for your time and consideration.



# Close Construction, Inc.

94-405 Maikoiko Street, Waipahu, Hawaii 96797 ▼ Ph# (808) 678-9493 ▼ Fax (808) 678-0723 ▼ Lic# ABC-20952

**LATE**

Sent via email to [EDBtestimony@capitol.hawaii.gov](mailto:EDBtestimony@capitol.hawaii.gov)

Fax to (808) 586-8459

March 14, 2016

TO: HONORABLE DEREK KAWAKAMI, CHAIR, HONORABLE SAM KONG, VICE CHAIR, HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS

SUBJECT: **SUPPORT OF S.B. 3092, SD2, RELATING TO PROCUREMENT.** Provides that a bidding contractor shall provide the name of each joint contractor or subcontractor and the nature or scope of that entity's work no later than two hours after the closing of bidding. Authorizes procurement officers to consider a previously licensed and listed subcontractor's license as valid; provided that certain conditions are satisfied. (SD2)

#### HEARING

DATE: March 15, 2016  
TIME: 9:00 AM  
PLACE: Conference Room 312

Dear Chair Kawakami and Vice Chair Sam Kong and Members,

**Close Construction, Inc. supports** S.B. 3092, SD2, Relating to Procurement and the General Contractor Association of Hawaii's proposed amendments as they continue to work with parties to address fixing the procurement of public works. This bill attempts to address an area of procurement of public works that has cost taxpayers significantly by paying more for a project due to the disqualification of the lowest prime bidder. The current SD2 version of this measure proposes two solutions: (1) allow the prime bidder to submit its subcontractor list two hours after the bid closes to allow the prime bidder to double check the subcontractor list and (2) prevent a previously list and licensed subcontractor's forfeiture status from disqualifying the prime bidder. At bid time, there is very little time between receiving subcontractor bids for prime bidder's consideration and submission deadlines, these amendments would allow a prime bidder to ensure its submission is accurate.

**This measure continues to be a work in progress and the parties are working toward agreement on the language. We respectfully request this Committee consider GCA's proposed amendments and pass this measure to allow work to continue on the language that would best address how to improve the procurement of public works construction.**

The procurement of public works has been significantly impacted by issues raised by bidders relating to the subcontractor listing requirement and continues to be an area prone to informal inquiries and bid protests. As a result, the subcontractor listing requirement has caused delay in project award, increases to overall costs of project and lapse of project funding. **For these reasons please pass this measure to continue to allow the parties to continue working on this measure that will improve efficiencies of the procurement of public works and ultimately save taxpayers money.**



**LATE**

Sent via email to [EDBtestimony@capitol.hawaii.gov](mailto:EDBtestimony@capitol.hawaii.gov)  
Fax to (808) 586-8459

March 14, 2016

TO: HONORABLE DEREK KAWAKAMI, CHAIR, HONORABLE SAM KONG, VICE CHAIR,  
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS

SUBJECT: **SUPPORT OF S.B. 3092, SD2, RELATING TO PROCUREMENT.** Provides that a bidding contractor shall provide the name of each joint contractor or subcontractor and the nature or scope of that entity's work no later than two hours after the closing of bidding. Authorizes procurement officers to consider a previously licensed and listed subcontractor's license as valid; provided that certain conditions are satisfied. (SD2)

HEARING

DATE: March 15, 2016  
TIME: 9:00 AM  
PLACE: Conference Room 312

Dear Chair Kawakami and Vice Chair Sam Kong and Members,

LYZ, Inc. **supports** S.B. 3092, SD2, Relating to Procurement and the General Contractor Association of Hawaii's proposed amendments as they continue to work with parties to address fixing the procurement of public works. This bill attempts to address an area of procurement of public works that has cost taxpayers significantly by paying more for a project due to the disqualification of the lowest prime bidder. The current SD2 version of this measure proposes two solutions: (1) allow the prime bidder to submit its subcontractor list two hours after the bid closes to allow the prime bidder to double check the subcontractor list and (2) prevent a previously list and licensed subcontractor's forfeiture status from disqualifying the prime bidder. At bid time, there is very little time between receiving subcontractor bids for prime bidder's consideration and submission deadlines, these amendments would allow a prime bidder to ensure its submission is accurate.

**This measure continues to be a work in progress and the parties are working toward agreement on the language. We respectfully request this Committee consider GCA's proposed amendments and pass this measure to allow work to continue on the language that would best address how to improve the procurement of public works construction.**

The procurement of public works has been significantly impacted by issues raised by bidders relating to the subcontractor listing requirement and continues to be an area prone to informal inquiries and bid protests. As a result, the subcontractor listing requirement has caused delay in project award, increases to overall costs of project and lapse of project funding. **For these reasons please pass this measure to continue**



**to allow the parties to continue working on this measure that will improve efficiencies of the procurement of public works and ultimately save taxpayers money.**

Respectfully Submitted.

JAMES N. KURITA  
Vice President, C.O.O.



P.O. Box 4088  
Honolulu, HI 96812-4088  
Phone: (808) 735-3211

**LATE**

March 14, 2016

TO: HONORABLE DEREK KAWAKAMI, CHAIR, HONORABLE SAM KONG, VICE CHAIR,  
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS

SUBJECT: **SUPPORT OF S.B. 3092, SD2, RELATING TO PROCUREMENT.** Provides that a bidding contractor shall provide the name of each joint contractor or subcontractor and the nature or scope of that entity's work no later than two hours after the closing of bidding. Authorizes procurement officers to consider a previously licensed and listed subcontractor's license as valid; provided that certain conditions are satisfied. (SD2)

HEARING

DATE: Tuesday, March 15, 2016  
TIME: 9:00 am  
PLACE: Conference Room 312  
State Capitol  
415 South Beretania Street

Dear Chair Kawakami and Vice Chair Sam Kong and Members,

**Hawaiian Dredging Construction Company, Inc. supports** S.B. 3092, SD2, Relating to Procurement and the General Contractor Association of Hawaii's proposed amendments as they continue to work with parties to address fixing the procurement of public works. This bill attempts to address an area of procurement of public works that has cost taxpayers significantly by paying more for a project due to the disqualification of the lowest prime bidder. The current SD2 version of this measure proposes two solutions: (1) allow the prime bidder to submit its subcontractor list two hours after the bid closes to allow the prime bidder to double check the subcontractor list and (2) prevent a previously list and licensed subcontractor's forfeiture status from disqualifying the prime bidder. At bid time, there is very little time between receiving subcontractor bids for prime bidder's consideration and submission deadlines, these amendments would allow a prime bidder to ensure its submission is accurate.

**This measure continues to be a work in progress and the parties are working toward agreement on the language. We respectfully request this Committee consider GCA's proposed amendments and pass this measure to allow work to continue on the language that would best address how to improve the procurement of public works construction.**

The procurement of public works has been significantly impacted by issues raised by bidders relating to the subcontractor listing requirement and continues to be an area prone to informal inquiries and bid protests. As a result, the subcontractor listing requirement has caused delay in project award, increases to overall costs of project and lapse of project funding. **For these reasons please pass this measure to continue**

**SUPPORT OF S.B. 3092, SD2, RELATING TO PROCUREMENT**

March 14, 2016

Page 2

**to allow the parties to continue working on this measure that will improve efficiencies of the procurement of public works and ultimately save taxpayers money.**

**Sincerely,**



**J. Majkut  
President**



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**Genba Hawaii, Inc.**  
Civil Construction Consulting



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March 14, 2016

TO: HONORABLE DEREK KAWAKAMI, CHAIR, HONORABLE SAM KONG, VICE  
CHAIR, HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND  
BUSINESS

SUBJECT: **SUPPORT OF S.B. 3092, SD2, RELATING TO PROCUREMENT.**

HEARING

DATE: March 15, 2016  
TIME: 9:00 AM  
PLACE: Conference Room 312

Dear Chair Kawakami and Vice Chair Sam Kong and Members,

Genba Hawaii, Inc. **supports** S.B. 3092, SD2, Relating to Procurement and the General Contractor Association of Hawaii's proposed amendments as they continue to work with parties to address fixing the procurement of public works. This bill attempts to address an area of procurement of public works that has cost taxpayers significantly by paying more for a project due to the disqualification of the lowest prime bidder because of subcontractor listing problems. The current SD2 version of this measure proposes two solutions: (1) allow the prime bidder to submit its subcontractor list two hours after the bid closes to allow the prime bidder more time to verify the accuracy of the subcontractor list and (2) prevent a previously listed and licensed subcontractor's forfeiture status from disqualifying the prime bidder.

Attached are two sample bid proposals. Considering that many subcontractor bids come in during the last hour before the prime bids are due, there is often barely enough time to fill in all the subcontractor depend information requested by the proposal documents, let alone check the current licensing status of each subcontractor.

This measure continues to be a work in progress and the parties are working toward agreement on the language. We respectfully request this Committee consider GCA's proposed amendments and pass this measure to allow work to continue on the language that would best address how to improve the procurement of public works construction.

We respectfully ask that the Committee passes this measure to allow the parties to continue working on this measure.

Yours truly,

Glenn M. Nohara  
President

**PROPOSAL TO THE  
STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION**

**PROJECT:** HNL NDWP DH COMMUTER TERMINAL

**PROJECT NO.:** AO1150-04

**COMPLETION TIME:** Four Hundred Seventy Six (476) Calendar days from the date indicated in the Notice to Proceed from the Department.

**LIQUIDATED DAMAGES:** \$5,000.00/Calendar day

**DESIGN PROJECT MANAGER:**

<b>NAME</b>	Lyle Oda
<b>ADDRESS</b>	DOT Airports Division 400 Rodgers Boulevard, Suite 700 Honolulu, HI 96819
<b>PHONE NO.</b>	(808) 838-8831
<b>FAX NO.</b>	(808) 838-8751

Director of Transportation  
869 Punchbowl Street  
Honolulu, Hawaii 96813

Dear Sir:

The undersigned bidder declares the following:

1. It has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with this proposal.
2. It has not been assisted or represented on this matter by any individual who has, in a State capacity, been involved in the subject matter of this contract within the past two years.
3. It has not and will not, either directly or indirectly offered or given a gratuity (i.e. an entertainment or gift) to any State or County employee to obtain a contract or favorable treatment under a contract.

The undersigned bidder further agrees to the following:

1. If this proposal is accepted, it shall execute a contract with the Department to provide all necessary labor, machinery, tools, equipment, apparatus and any other means of construction, to do all the work and to furnish all the materials specified in the contract in the manner and within the time therein prescribed in the contract, and that it shall accept in full payment therefore the sum of the unit and/or lump sum prices as set forth in the attached proposal schedule for the actual quantities of work performed and materials furnished and furnish satisfactory security in accordance with Section 103D-324, Hawaii Revised Statutes, within 10 days after the award of the contract or within such time as the Director of Transportation may allow after the undersigned has received the contract documents for execution, and is fully aware that non-compliance with the aforementioned terms will result in the forfeiture of the full amount of the bid guarantee required under Section 103D-323, Hawaii Revised Statutes.
2. That the quantities given in the attached proposal schedule are approximate only and are intended principally to serve as a guide in determining and comparing the bids.
3. That the Department does not either expressly or by implication, agree that the actual amount of work will correspond therewith, but reserves the right to increase or decrease the amount of any class or portion of the work, or to omit portions of the work, as may be deemed necessary



or advisable by the Director of Transportation, and that all increased or decreased quantities of work shall be performed at the unit prices set forth in the attached proposal schedule except as provided for in the specifications.

4. In case of a discrepancy between unit prices and the totals in said Proposal Schedule, the unit prices shall prevail.
5. Agrees to begin work within 10 working days after the date of notification to commence with the work, which date is in the notice to proceed, and shall finish the entire project within the time prescribed.
6. The Director of Transportation reserves the right to reject any or all bids and to waive any defects when in the Director's opinion such rejections or waiver will be for the best interest of the public.

The bidder acknowledges receipt of and certifies that it has completely examined the following listed items: the Hawaii Department of Transportation, Air and Water Transportation Facilities Divisions, "General Provisions for Construction Projects, 1977", the Notice to Bidders, the Special Provisions, the Technical Provisions, the Proposal, the Contract and Bond Forms, and the Project Plans.

The undersigned further agrees that if this proposal is accepted and the contract awarded, the bidder shall, prior to payment of the final estimate, execute the attached Certification of Compliance for Final Payment form (SPO Form-22).

In accordance with Section 103D-323, Hawaii Revised Statutes, this proposal is accompanied with a bid security in the amount of 5% of the total amount bid, in the form checked below. (Check applicable bid security submitted with bid.)

\_\_\_\_\_ Surety Bid Bond (Use standard form),

\_\_\_\_\_ Cash,

\_\_\_\_\_ Cashier's Check,

\_\_\_\_\_ Certified Check, or

\_\_\_\_\_  
(Fill in other acceptable security.)

The undersigned bidder acknowledges receipt of any addendum issued by the Department by recording in the space below the date of receipt.

Addendum No. 1 \_\_\_\_\_

Addendum No. 3 \_\_\_\_\_

Addendum No. 2 \_\_\_\_\_

Addendum No. 4 \_\_\_\_\_

In accordance with Section 103D-302, Hawaii Revised Statutes, the undersigned as bidder has listed the name of each person or firm, who will be engaged by the bidder on the project as Joint Contractor or Subcontractor and the nature of work to be done by each. It is understood that failure to comply with the aforementioned requirements may be cause for rejection of the bid submitted.

<u>Name of Subcontractor</u>	<u>Nature and Scope of Work</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____

<u>Name of Joint Contractor</u>	<u>Nature and Scope of Work</u>
1. _____	_____
2. _____	_____
3. _____	_____

("None" or if left blank indicates no Subcontractor or Joint Contractor; if more space is needed, attach additional sheets.)



The undersigned hereby certifies that the bid prices contained in the attached proposal schedule have been carefully checked and are submitted as correct and final.

This declaration is made with the understanding that the undersigned is subject to the penalty of perjury under the laws of the United States and is in violation of the Hawaii Penal Code, Section 710-1063, unsworn falsification to authorities, of the Hawaii Revised Statutes, for knowingly rendering a false declaration.

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Bidder

By \_\_\_\_\_  
Authorized Signature

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Title

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Business Address

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Business Telephone

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Date

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Contact Person and Phone Number  
(If different from above.)

**NOTE:**

If bidder is a CORPORATION, the legal name of the corporation shall be set forth above, the corporate seal affixed, together with the signature(s) of the officer(s) authorized to sign contracts for the corporation. Please attach to this page current (not more than six months old) evidence of the authority of the officer(s) to sign for the corporation.

If bidder is a PARTNERSHIP, the true name of the partnership shall be set forth above, with the signature(s) of the general partner(s). Please attach to this page current (not more than six months old) evidence of the authority of the partner authorized to sign for the partnership.

If bidder is an INDIVIDUAL, the bidder's signature shall be placed above.

If signature is by an agent, other than an officer of a corporation or a partner of a partnership, a POWER OF ATTORNEY must be on file with the Department before opening bids or submitted with the bid. Otherwise, the Department may reject the bid as irregular and unauthorized.

## PREFERENCES

Bidders agree that preferences shall be taken into consideration to determine the low bidder in accordance with said Sections and the rules promulgated, however, the award of contract will be in the amount of the bid offered exclusive of any preferences.

### **A. HAWAII PRODUCTS PREFERENCE**

It is understood that certain Hawaii Products may be acceptable for use in this project and that, pursuant to Sections 103D-1002, HRS, which provides preference for Hawaii Products, a bidder proposing to use such Hawaii products shall so designate in the schedule provided below.

If a bidder proposes to use Hawaii Products, the bidder must so designate in said schedule by entering the cost of such product in the appropriate space provided. Failure on the part of the bidder to designate the use of Hawaii products will automatically void any preference for that product.

Persons desiring to qualify product(s) not currently on the list, shall complete form SPO-38, *Certification for Hawaii Product Preference* in accordance with the Special Provisions of these specifications.

It is understood by the bidder that if the bidder elects to furnish qualified Hawaii Products, and is awarded the contract, then fails to use such products or meet the requirements of such preference, the bidder shall be subject to the statutory penalties, provided in Section 103D-1002, Hawaii Revised Statute, and such other remedies as may be available to the State.

**( ) Yes, I propose to use Hawaii Products and claim the Hawaii Products Preference. I have filled in the table on the following pages as applicable.**

### **B. APPRENTICESHIP PROGRAMS PREFERENCE**

In accordance with ACT 17, SLH 2009 – Apprenticeship Program, a 5% bid adjustment for bidders that are parties to apprenticeship agreements pursuant to Hawaii Revised Statutes (HRS) Section 103-55.6 may be applied to the bidder's price for evaluation purposes

Any bidder seeking this preference must be a party to an apprenticeship agreement registered with the Department of Labor and Industrial Relations at the time the offer is made for each apprenticeable trade the bidder will employ to construct the public works projects for which the offer is being made.

The bidder is responsible for complying with all submission requirements for registration of its apprenticeship program before requesting the preference.

**( ) Yes, I wish to be considered for the Apprenticeship Programs Preference. I have included Certification Form(s) 1 with my bid.**

### **C. RECYCLED PRODUCT PREFERENCE**

Recycled product preference shall not apply to this proposal.

**DESIGNATION OF APPROVED HAWAII PRODUCTS\* TO BE USED  
\*CONSTRUCTION PRODUCTS AND SOIL AMENDMENTS/PRODUCTS**

Product Category	Product Subcategory as applicable	Manufacturer	Cost FOB Jobsite, Unloaded Including Applicable General Excise & Use Taxes (a)	10% (b)	Credit (a) x (b)
Aggregates – Basaltic Termite Barrier		Ameron International Corporation (Oahu)(Maui)	\$		\$
		Ameron International Corporation (Oahu)(Maui)	\$		\$
		CTS Earthmoving, Inc. (Hawaii)	\$		\$
		Delta Construction Corporation (Oahu)	\$		\$
		Edwin Deluz Trucking & Gravel LLC (Hawaii)	\$		\$
		Goodfellow Bros, Inc. (Oahu)	\$		\$
		Grace Pacific (Oahu) (Hawaii) (Kauai)	\$		\$
		GW Construction (Hawaii)	\$		\$
		Hawaiian Cement (Oahu) (Maui)	\$		\$
		Jas. W. Glover, Ltd. (Hawaii) (Kauai)	\$		\$
		Kauai Aggregates (Kauai)	\$		\$
		Puna Rock Co., LTD. (Hawaii)	\$		\$
		Sanford's Service Center, Inc. (Hawaii)	\$		\$
		Sphere, LLC (Oahu)	\$		\$
		Tileco, Inc. (Oahu) (Hawaii) (Maui) (Kauai)	\$		\$
Aggregates – Recycled Asphalt and Concrete		Tri-L Construction (Molokai)	\$		\$
		West Hawaii Concrete (Hawaii)	\$		\$
		Yamada and Sons, Inc. (Hawaii)	\$		\$
		Glover Honsador (Kauai)	\$		\$
		Grace Pacific (Oahu)	\$		\$
		Jas. W. Glover, Ltd. (Hawaii) (Oahu)	\$		\$
		West Oahu Aggregate Co. Inc. (Oahu)	\$		\$

Asphalt and Paving Materials	Black Maui Rose LLC (Maui)	\$			\$
	Black Plumeria LLC (Oahu)	\$			
	Grace Pacific Corporation (Hawaii) (Oahu) (Kauai)	\$			\$
	Jas. W. Glover, Ltd. (Hawaii) (Kauai)	\$			\$
	Maui Asphalt X-IV, LLC (Maui) (Molokai)	\$			
	Maui Paving LLC (Maui) (Molokai)	\$			\$
	Road and Highway Builders (Oahu)	\$			
	Walker-Moody Pavement Products & Equipment (Oahu) (Hawaii) (Maui) (Kauai)	\$			\$
	Yamada and Sons, Inc. dba YS Rock and Con-Agg of Hawaii (Hawaii)	\$			\$
	Ameron International Corporation (Oahu) (Maui)	\$			\$
Cement and Concrete Products	BOMAT, Ltd. (Oahu)(Hawaii)(Maui)(Kauai)	\$			\$
	Glover Honsador (Kauai)	\$			\$
	Hawaiian Cement (Oahu)(Maui)	\$			\$
	Island Ready Mix Concrete, Inc. (Oahu)	\$			\$
	Jas. W. Glover, Ltd. (Hawaii)(Kauai)	\$			\$
	Kohala Coast Concrete & Precast LLC (Hawaii)	\$			\$
	O. Thronas, Inc. (Kauai)	\$			\$
	Tileco, Inc. (Oahu)(Hawaii)(Maui)(Kauai)	\$			\$
	Tri-L Construction, Inc. (Molokai)	\$			\$
	West Hawaii Concrete (Hawaii)	\$			\$
Yamada and Sons, Inc. (Hawaii)	\$			\$	

Precast Concrete Products	Aloha Precast, Inc. (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
	Ameron International Corporation (Oahu)			\$		\$
	GPRM Prestress LLC (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
	Hawaii Concrete Products, Inc. (Oahu)			\$		\$
	Hawaii Precast, Inc. (Molokai)					
	Kohala Coast Concrete & Precast LLC (Hawaii)			\$		\$
	Ramtek Fabrication Co., Inc. (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
	Walker Hawaii Precast (Molokai)					
	Walker Industries, Ltd. (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
	Environmental Waste Management Systems, Inc. (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
Environmental Sewage – Treatment Innovative System (ESIS)	Ameron International Corporation (Oahu)			\$		\$
	Walker Industries, Ltd. (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
Hot Dip Galvanizing	Universal Associates, Inc. (Oahu)			\$		\$
Metal Roofing and Flashing – Preformed	HPM Building Supply (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
	Ameron International Corporation (Oahu)			\$		\$
Pipes – Aluminum and Galvanized	Pipes – Misc.					
Aluminum Floating Dock – Misc.	Bluewater Marine and Dock Specialties (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
	High Seas Welding LLC dba JS Marine (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
	GP Roadway Solutions, Inc. (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
Signs – Traffic, Regulatory & Construction	Safety Systems and Signs Hawaii, Inc. (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
	Big Rock Manufacturing (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
Veneer	Kauai Nursery & Landscaping, Inc. (Oahu)(Hawaii)(Maui)(Kauai)			\$		\$
Soil Amendments, Mulch, Compost	Sanford's Service Center, Inc. (Hawaii)			\$		\$

Compost Filter	EnviroTech BioSolutions Hawaii, Inc. (Oahu)(Hawaii)(Maui)(Kauai)	\$	\$
	Certified Erosion Control Hawaii LLC (Oahu)(Hawaii)(Maui)(Kauai)	\$	\$
TOTAL		\$	\$

HNL NDWP DH COMMUTER TERMINAL  
HONOLULU INTERNATIONAL AIRPORT  
STATE PROJECT NO. AO1150-04

PROPOSAL SCHEDULE

Item No.	Description	Approx. Quantity	Unit	Unit Price	Total
I.	Basis of Bid for Item No. I shall be the entire work, complete in accordance with the drawings and specifications, but not including the work indicated or specified to be provided under Bid Items No. II, Micro Piles and No. III, Allowances	L.S.			\$ _____
II.	Basis of Bid for Item No. II shall be for Section 02469 – Micro Piles.	6,868	L.F.	\$ ____/lf	\$ _____
III.	Basis of Bid for Item No. III shall be for the following ALLOWANCES (Section 01210):				
	01565.1 - Security Measures	Allow		\$300,000.00	
	02050.1 - Unforeseen Conditions	Allow.		\$1,000,000.00	
	02950.1 - Restoration of Building 214	Allow.		\$300,000.00	
	12930.1 - Site Furnishings and Equip.	Allow.		\$1,000,000.00	
	16140.1 - Wiring Devices and Equip.	Allow.		\$400,000.00	
	<b>TOTAL ALLOWANCES</b>				<u>\$3,000,000.00</u>
	<b>TOTAL AMOUNT FOR COMPARISON OF BIDS</b> (Total Base Bid = Items Nos. I, II and III.)				\$ _____
IV.	Section 01230 - Deductive Alternates:				
	1 – Elevators and Escalators	L.S.		\$ _____	
	2 – Baggage Claim Carousels	L.S.		\$ _____	
	3 – Terminal Signage	L.S.		\$ _____	
	4 – Photovoltaic (PV) System	L.S.		\$ _____	
	5 – Misc. Architectural Items	L.S.		\$ _____	
	6 – Ramp Crew Rest Building	L.S.		\$ _____	



The Contract Base Bid shall include all applicable taxes, fees and bond. The value of the bond shall be equal to one hundred percent of the Contract Base Bid amount including allowances. The prices bid herein shall include all labor, materials, equipment, and incidentals necessary to construct all items in place, including installation and testing of equipment, complete and ready for operation, all in accordance with the plans and specifications.

- Note 1: The State reserves the right to reject any or all Proposals and to waive any defects in the best interest of the State.
- Note 2: Submission of a Proposal is a warranty that the bidder has made an examination of the project site and is fully aware of all conditions to be encountered in performing the work and the requirements of the plans and specifications.
- Note 3: The bidders' attention is directed to Section 2.9 - PROPOSAL GUARANTY and Section 3.5 - REQUIREMENT OF CONTRACT BOND of the "General Provisions" as amended by the Special Provisions.
- Note 4: Bidder shall be paid for actual work performed as directed by the Engineer for allowance items. Bidder will not be paid overhead and profit for unused allowance funds.
- Note 5: Bid to include all Federal, State and local taxes.
- Note 6: To be considered, bidders must bid on all the bid items and TOTAL AMOUNT FOR COMPARISON OF BIDS. Failure to do so may be grounds for rejection of bid.

The TOTAL AMOUNT FOR COMPARISON OF BIDS will be used to determine the lowest responsible bidder.

If the lowest TOTAL AMOUNT FOR COMPARISON OF BIDS is less than, or approximately equal to the funds available for this project, an award will be made to the lowest responsible bidder.

If the lowest TOTAL AMOUNT FOR COMPARISON OF BIDS exceeds the funds available for this project, then the State reserves the right to delete work under Part IV. Deductive Alternates, to be within the funds available. Deductions shall be made **ONLY** from the established low bidder as determined from the TOTAL AMOUNT FOR COMPARISON OF BIDS. Deductions shall be made in numerical order starting from the highest to lowest deductive alternate numbering.

If the project still exceeds the funds available, the State reserves the right to negotiate with the lowest responsible bidder as permitted under Section 103D-302, Hawaii Revised Statutes, to further reduce the scope of work and award a contract thereafter.



**OFFICIAL PROPOSAL**

FOR

DEPARTMENT OF WATER SUPPLY  
COUNTY OF HAWAI'I  
HILO, HAWAI'I

JOB NO. 2008-945

CONSTRUCTION OF THE  
ĀHUALOA – HONOKA‘A TRANSMISSION WATERLINE  
PHASE 2

District of Hāmākua  
County of Hawai‘i - State of Hawai‘i

\_\_\_\_\_, 20 \_\_\_\_

Department of Water Supply  
County of Hawai‘i  
Hilo, HI 96720

Gentlemen:

The undersigned, having carefully examined the local conditions and all available records and information covering conditions which may affect the cost of the work to be performed, and having carefully examined the specifications and other contract documents, hereby proposes to pay for all materials, transportation, machinery, tools, equipment, labor, and other incidental work necessary to construct and install, in place complete, JOB. NO. 2008-945, CONSTRUCTION OF THE ĀHUALOA – HONOKA‘A TRANSMISSION WATERLINE – PHASE 2, District of Hāmākua, County of Hawai‘i, State of Hawai‘i, and all work incidental thereto, required and called for under this Proposal, Plans, Specifications, General Requirements and Covenants and any and all addenda on file in the Office of the Manager-Chief Engineer of the Department of Water Supply, County of Hawai‘i, within the time set forth therein and at the price stated below, for the Total Sum Bid of:

\_\_\_\_\_ Dollars (\$\_\_\_\_\_)

and to complete same within three hundred sixty (360) calendar days from the date of Notice to Proceed.

It is intended that all materials for this project be ordered immediately upon execution of the contract.

The following unit prices and/or lump sum (to be filled in by the bidder) will be used in making monthly estimates and for determining the cost of omissions, deductions, and/or additions due to authorized increase or decrease from the quantities herein given or in adapting the bid to the appropriation.

All extensions must be made by considering the quantities and unit prices as factors and all extensions and the summation must be arithmetically correct.

It is understood and agreed, however, that if the product of the UNIT PRICE bid and the number of units does not equal the total amount stated by the undersigned in the Proposal for any item, it will be assumed that whichever figure (UNIT PRICE or TOTAL AMOUNT) that results in the lower total bid for the Proposal represents the bidder's intention and for the purpose of determining the lowest bidder, the Proposal shall be corrected accordingly.

It is also understood and agreed that, should the total amount stated be adopted or if the bidder fails to state a UNIT PRICE, the UNIT PRICE shall be the amount arrived at by dividing the total amount by the number of units.

It is further understood that the Department of Water Supply reserves the right to award the project to the lowest responsible bidder and not necessarily to the bidder submitting the overall lowest bid.

**OFFICIAL PROPOSAL**

JOB NO. 2008-945  
CONSTRUCTION OF THE  
ĀHUALOA – HONOKA ‘A TRANSMISSION WATERLINE  
– PHASE 2

The Contractor shall include furnishing and installing the following items, complete in place, including all clearing, grubbing, removal of excess and unsuitable material, excavation, trench excavation, grading, pipe cushion materials, backfill, compaction testing, pipe brackets, concrete thrust blocks, joint restraints, fittings, valves, pipes, nipples, testing, paving, pavement repair, temporary trench patching, temporary pavement markers, reconstruction of road facilities, all driveway repairs, shoulder repairs, landscaping repairs, pavement re-stripping and marking, concrete, carpentry, miscellaneous metals, instrumentation, conduits, planting, site work, and all incidentals, in place complete and operable per plans and specifications. All pipes shall be ductile iron pipe Class 52, push-on joints, unless otherwise specified. All fittings shall be ductile iron or cast iron, mechanical joints, Class 250, unless otherwise specified. All valves 8” or smaller shall be gate valves, resilient wedge, Class 200, mechanical joint unless otherwise specified. All valves 12” or larger shall be butterfly valves, mechanical joint, Class 250, unless otherwise specified. All work shall be according to the Plans, Specifications, and Water System Standards, dated 2002 as amended, in place complete and ready for use.

**WATERLINES “A”, “D” and “E”**

Item No.	Approx. Quantity	Unit	Description	Unit Price	Total Price
1.	9,900	L.F.	12” D.I. Pipe, Class 52, including trench backfill and pipe cushion, in place complete.	\$	\$
2.	10	L.F.	8” D.I. Pipe, Class 52, including trench backfill and pipe cushion, in place complete.	\$	\$
3.	24	Each	12” 45° D.I. Bend, M.J., with horizontal conc. block, including all incidentals, in place complete.	\$	\$
4.	6	Each	12” 45° D.I. Bend, M.J., with bottom vertical conc. block, including all incidentals, in place complete.	\$	\$
5.	2	Each	12” 45° D.I. Bend, M.J., with top vertical conc. block, including all incidentals, in place complete.	\$	\$

**OFFICIAL PROPOSAL**

JOB NO. 2008-945  
CONSTRUCTION OF THE  
ĀHUALOA – HONOKA ‘A TRANSMISSION WATERLINE  
– PHASE 2

Item No.	Approx. Quantity	Unit	Description	Unit Price	Total Price
6.	2	Each	12” 90° D.I. Bend, M.J., with horizontal conc. block, including all incidentals, in place complete.	\$	\$
7.	14	Each	12” 22 1/2° D.I. Bend, M.J., with horizontal conc. block, including all incidentals, in place complete.	\$	\$
8.	8	Each	12” 22 1/2° D.I. Bend, M.J., with bottom vertical conc. block, including all incidentals, in place complete.	\$	\$
9.	6	Each	12” 22 1/2° D.I. Bend, M.J., with top vertical conc. block, including all incidentals, in place complete.	\$	\$
10.	15	Each	12” 11 1/4° D.I. Bend, M.J., with horizontal conc. block, including all incidentals, in place complete.	\$	\$
11.	3	Each	12” 11 1/4° D.I. Bend, M.J., with bottom vertical conc. block, including all incidentals, in place complete.	\$	\$
12.	4	Each	12” 11 1/4° D.I. Bend, M.J., with top vertical conc. block, including all incidentals, in place complete.	\$	\$
13.	2	Each	12” D.I. Cap, with 2” Cleanout, including all incidentals, in place complete.	\$	\$
14.	2	Each	12”x12” D.I. Tee, M.J., with conc. block, including all incidentals, in place complete.	\$	\$

**OFFICIAL PROPOSAL**

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CONSTRUCTION OF THE  
ĀHUALOA – HONOKA ‘A TRANSMISSION WATERLINE  
– PHASE 2

Item No.	Approx. Quantity	Unit	Description	Unit Price	Total Price
15.	4	Each	12"x8" D.I. Tee, M.J., with conc. block, including all incidentals, in place complete.	\$	\$
16.	6	Each	12"x6" D.I. Tee, M.J., with conc. block, including all incidentals, in place complete.	\$	\$
17.	10	Each	1" Air Relief Valve Unit, with ARV box, including all incidentals, in place complete.	\$	\$
18.	7	Each	12" Butterfly Valve, M.J., Class 250, with valve box, including all incidentals, in place complete.	\$	\$
19.	4	Each	8" Gate Valve, M.J., Class 200, with valve box, including all incidentals, in place complete.	\$	\$
20.	Lump Sum		Fire Hydrant Assembly at Sta. 233+20 (WL "A"), (excluding trench excavation) including backfill, valves, fittings, concrete blocks, trench restoration, and all incidentals as shown on the plans, in place complete.		\$
21.	Lump Sum		Fire Hydrant Assembly at Sta. 238+62 (WL "A"), (excluding trench excavation) including backfill, valves, fittings, concrete blocks, trench restoration, and all incidentals as shown on the plans, in place complete.		\$
22.	Lump Sum		Fire Hydrant Assembly at Sta. 243+68 (WL "A"), (excluding trench excavation) including backfill, valves, fittings, concrete blocks, trench restoration, and all incidentals as shown on the plans, in place complete.		\$

**OFFICIAL PROPOSAL**

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ĀHUALOA – HONOKA ‘A TRANSMISSION WATERLINE  
– PHASE 2

Item No.	Approx. Quantity	Unit	Description	Unit Price	Total Price
23.	Lump Sum		Fire Hydrant Assembly at Sta. 250+23 (WL “A”), (excluding trench excavation) including backfill, valves, fittings, concrete blocks, trench restoration, and all incidentals as shown on the plans, in place complete.		\$
24.	Lump Sum		Fire Hydrant Assembly at Sta. 255+15 (WL “A”), (excluding trench excavation) including backfill, valves, fittings, concrete blocks, trench restoration, and all incidentals as shown on the plans, in place complete.		\$
25.	Lump Sum		Fire Hydrant Assembly at Sta. 261+20 (WL “A”), (excluding trench excavation) including backfill, valves, fittings, concrete blocks, trench restoration, and all incidentals as shown on the plans, in place complete.		\$
26.	4	Each	Remove existing fire hydrant assembly including ground restoration and salvaging of items indicated on the plans, and all incidentals, in place complete.	\$	\$
27.	160	L.F.	Standard reinforced concrete jacket for 12” D.I. Pipe, including all incidentals in place complete.	\$	\$
28.	802	L.F.	Modified reinforced concrete jacket for 12” D.I. Pipe, including all incidentals in place complete.	\$	\$
29.	99	L.F.	Standard reinforced concrete jacket for 8” Sewer Pipe, including all incidentals in place complete.	\$	\$

**OFFICIAL PROPOSAL**

JOB NO. 2008-945  
CONSTRUCTION OF THE  
ĀHUALOA – HONOKA ‘A TRANSMISSION WATERLINE  
– PHASE 2

Item No.	Approx. Quantity	Unit	Description	Unit Price	Total Price
30.	Lump Sum		Sta. 179+25± (WL “A”) - Install connection to existing 12” D.I. water main, including fittings, concrete blocks, and all incidentals as shown on the plans, in place complete.		\$
31.	Lump Sum		Sta. 267+24± (WL “A”) - Install connection to existing 8” D.I. water main, including fittings, concrete blocks, and all incidentals as shown on the plans, in place complete.		\$
32.	Lump Sum		Drainage Crossing #17 at Sta. 188+30 to 188+86 (WL “A”), including 12” D.I. water main, valves, fittings, concrete blocks, structural supports, and all incidentals as shown on the plans, in place complete.		\$
33.	Lump Sum		Drainage Crossing #19 at Sta. 208+75 to 209+14 (WL “A”), including 12” D.I. water main, fittings, concrete blocks, concrete jackets, structural supports, and all incidentals as shown on the plans, in place complete.		\$
34.	Lump Sum		Drainage Crossing #22 at Sta. 228+25 to 228+75 (WL “A”), including 12” D.I. water main, fittings, concrete blocks, concrete jackets, structural supports, and all incidentals as shown on the plans, in place complete.		\$
35.	Lump Sum		Culvert and headwall replacement at Sta. 224+23 (WL “A”), as shown on the plans, including all incidentals, in place complete.		\$
36.	26	S.Y.	6” thick concrete apron at Sta. 196+43 to 196+72 (WL “A”), including all incidentals, in place complete.	\$	\$

**OFFICIAL PROPOSAL**

JOB NO. 2008-945  
CONSTRUCTION OF THE  
ĀHUALOA – HONOKA ‘A TRANSMISSION WATERLINE  
– PHASE 2

Item No.	Approx. Quantity	Unit	Description	Unit Price	Total Price
37.	Lump Sum		Guardrail repair as shown on the plans, including all incidentals, in place complete.		\$
38.	3,415	C.Y.	Unclassified Trench Excavation, including saw cutting and removal of A.C. pavement in place complete.	\$	\$
39.	3,550	S.Y.	2” Thick (minimum) A.C. Pavement (Mix No. 4), including aggregate base course and subbase course for repaving all trenches within the County roads.	\$	\$
40.	45	S.Y.	2-1/2” Thick (minimum) A.C. Pavement (Mix No. 4), including A.C. base course, aggregate base course, and aggregate subbase course for repaving all trenches within State Highways.	\$	\$
41.	3,665	S.Y.	1” Thick (minimum) A.C. Pavement (Mix No. 4) for pavement (lane) restoration, including cold planing, tack coat, adjustment of existing utility frames and covers, and all incidentals, in place complete.	\$	\$
42.	Lump Sum		Pavement Striping as shown on the plans, including all incidentals, in place complete.		\$
43.	Lump Sum		Raised Pavement Markers (exclusive of fire hydrant pavement markers), including all incidentals, in place complete.		\$
44.	Lump Sum		Testing and Chlorination of water mains and appurtenances, including all incidentals, in place complete.		\$



**OFFICIAL PROPOSAL**

JOB NO. 2008-945  
CONSTRUCTION OF THE  
ĀHUALOA – HONOKA ‘A TRANSMISSION WATERLINE  
– PHASE 2

Item No.	Approx. Quantity	Unit	Description	Unit Price	Total Price
45.	Lump Sum		Furnish and install PRV Station No. 2 at Sta. 194+90 (WL “A”), including excavation, structural fill, base course, concrete box and hatch, AC pavement, ground restoration and all incidentals, as shown on the plans, in place complete.		\$
46.	Lump Sum		Furnish and install PRV Station No. 3 at Sta. 250+92 (WL “A”), including excavation, structural fill, base course, concrete box and hatch, AC pavement, ground restoration and all incidentals, as shown on the plans, in place complete.		\$
47.	Lump Sum		Provide independent testing laboratories for all tests including, soil compaction tests and reports, materials, and concrete tests as specified in the plans and specifications.		\$
48.	Lump Sum		Provide, a construction log listing dates and changes to plans, and “As Built” plan on reproducible Mylar showing project as actually constructed. Deliver to DWS Engineering.		\$
49.	Lump Sum		Provide Record Drawings and Instruction, Maintenance, and Parts List Manuals. Deliver to DWS Engineering.		\$
50.	450	Hours	Archeological Monitoring during construction at various as described in the approved Archeological Monitoring Plan.	\$	\$
<b>TOTAL LUMP SUM BID (Items 1 through 50, Inclusive)</b>				<b>\$</b>	<b>_____</b>

The undersigned understands and agrees that the Department reserves the right to reduce or increase the scope of the project depending on the conditions encountered and on the funds available for this project as it deems to be in the best interest of the Department of Water Supply.

The undersigned further understands and agrees that the quantities given herewith are approximate only and are subject to increase or decrease and hereby proposes to perform all quantities of work, as either increased or decreased, in accordance with the provisions of the specifications.

The undersigned also understands and agrees that there shall be no claims for anticipated profit or loss of profit because of a difference between the quantities of the work done or the materials and equipment actually installed and the estimated quantities in this Proposal. On UNIT PRICE bids, payment will be made only for the actual number of units incorporated into the finished project at the contract UNIT PRICE.

The undersigned also understands that the Department of Water Supply reserves the right to award the contract to the lowest responsible bidder after an engineering analysis is made of all bids received and not necessarily to the bidder submitting the lowest bid.

Upon the acceptance of the Proposal and the award of the Contract by the Department, the undersigned hereby agrees to accept the award and will enter into and execute the contract in accordance with the provisions of Chapter 103 and 103D, Hawai‘i Revised Statutes, as amended, and any other laws and rules applicable thereto.

The undersigned also agrees that he has carefully read and understands the Invitation to Bidders for this Contract and that the Department reserves the right to reject any and all bids submitted or to waive any irregularities.

It is understood and agreed that the liquidated damages shall be as stated in the "Schedule of Liquidated Damages" of Section 8.11 of the "General Requirements and Covenants," for each and every calendar day the contractor shall delay the completion of the project.

The bidder agrees that this bid shall be good and may not be withdrawn for a period of sixty (60) calendar days after the bid opening date.

Enclosed herewith find legal tender, certificate of deposit, certified check or surety bond made payable at sight to the Department of Water Supply, County of Hawai‘i, for the sum of (five percent (5%) of the amount of the bid):

---

\_\_\_\_\_ **DOLLARS (\$** \_\_\_\_\_ **)**

as required by Section, 103D-323 and 103D-325, Hawai‘i Revised Statutes.

The undersigned represents: **(check one only)**

- A **Hawai'i business** incorporated or organized under the laws of the State of Hawai'i; **OR**  
 A **Compliant Non-Hawai'i business** not incorporated or organized under the laws of the State of Hawai'i, but registered at the State of Hawai'i, Department of Commerce and Consumer Affairs, Business Registration Division to do business in the State of Hawai'i.

State of incorporation: \_\_\_\_\_

Offeror is:  Sole Proprietor     Partnership     Corporation     Joint Venture  
 Other \_\_\_\_\_

Federal I.D. No.: \_\_\_\_\_

Hawai'i General Excise Tax License I.D. No.: \_\_\_\_\_

Payment Address (other than street address below): \_\_\_\_\_  
\_\_\_\_\_

Respectfully submitted,

\_\_\_\_\_  
Authorized Original Signature                      Date

\_\_\_\_\_  
Name and Title (Please Print or Type)

\_\_\_\_\_  
**Exact Legal Name of Company (Bidder)\***

**\*If Bidder is a "dba" or a "division" of a corporation, furnish the exact legal name of corporation under which the awarded contract will be executed:** \_\_\_\_\_  
\_\_\_\_\_

Business Address (Street Address):  
\_\_\_\_\_  
\_\_\_\_\_

Phone No. \_\_\_\_\_

Facsimile No. \_\_\_\_\_

Contractor's License No. \_\_\_\_\_

E-mail Address \_\_\_\_\_

**LISTING OF SUBCONTRACTORS**

In compliance with the provisions of the Hawai‘i Revised Statutes and Hawai‘i Administrative Rules, the bidder shall include in his bid the names of each person or firm to be engaged by the bidder as a joint contractor or subcontractor in the performance of the public work construction contract. The bid shall also indicate the nature and scope of the work to be performed by such joint contractor or subcontractor.

Name/Address of Joint Contractor or Subcontractor	Nature and Scope of Work	Contractor License No.
Telephone: Fax:		
Telephone: Fax:		
Telephone: Fax:		
Telephone: Fax:		
Telephone: Fax:		
Telephone: Fax:		
Telephone: Fax:		
Telephone: Fax:		
Telephone: Fax:		
Telephone: Fax:		

**SUPPLIERS**

The suppliers of major equipment and categories of equipment shall be indicated below. The Bidder shall indicate the equipment used as a basis of his bid for writing the manufacturer's name in the appropriate space. Such supplier designation shall be limited to one supplier only.

Major Equipment/instrumentation and categories of equipment include:

Equipment	Instrumentation
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

## HAWAI'I PRODUCT PREFERENCE

In accordance with Section 103D-1002, Hawai'i Revised Statutes, the Hawai'i Products Preference is applicable to this bid. Hawai'i products may be available for certain work required for construction of this project. The Hawai'i products list is available on the State Procurement Office's ("SPO") website at <http://hawaii.gov/spo> (under 'Toolbox/QuickLinks' click on 'For Vendors, Contractors & Service Providers,' under 'Other Information' click on 'Preferences for Goods, Services and Construction,' under 'Hawai'i Products' click on 'Preference for Hawai'i Products,' under 'Hawai'i Products List Product Categories' click on 'Construction Products and Soil Amendment Products' to view the category. To view the Hawai'i Products, click on the appropriate link for each categories. For further information about the manufacturer(s), click on the manufacturer(s) that is/are listed.) To view directly use <http://hawaii.gov/spo/goods-services-construction/preferences-103d-pt-x/hi-products/hawaii-product-preferences>.

Bidders' attention is directed to the Instructions to Bidders, Section 21 (Preferences), Subsection A (Preference for Hawai'i Products).

Bidders intending to include in their bids products that are NOT on the State Procurement Office's Hawai'i Products List ("HPL") are directed to the section of these specifications titled "NOTICE TO PROVIDERS AND PROSPECTIVE PROVIDERS OF HAWAI'I PRODUCTS."

Determination of the low bidder will be based on the preference in effect at the time of bid opening. As of October 1, 2010, a ten percent (10%) preference is established for Class I Hawai'i products (provided that Hawai'i input exceeds 50%) and a fifteen percent (15%) preference is established for Class II Hawai'i products. The total bid, taking this preference into consideration and providing for additional bid criteria or preferences applicable to the project, shall be utilized in determining the apparent low bidder on the project. However, the contract amount shall be the amount of the bid offered exclusive of the preference.

Bidders shall completely fill-in the following SCHEDULE OF HAWAI'I PRODUCT PREFERENCE CLAIMS in accordance with the following instructions:

- (1) "Cost" shall be the total cost of furnishing the Hawai'i product F.O.B. jobsite, unloaded, including applicable general excise tax and use taxes.
- (2) "Credit" shall be the quotient of the "Cost" and "%" values for each Hawai'i product on this schedule. Where necessary, round up to the nearest penny.
- (3) Meanings of all other terms appearing on the Schedule shall be consistent with the SPO's HPL.
- (4) Fill-in all information neatly, legibly and completely. Abbreviations are acceptable provided no ambiguity is created by their use.

Bidders may copy the attached schedule and attach additional sheets as necessary.

The Manager-Chief Engineer reserves the right to disqualify individual line item preferences claimed by the Bidder on the attached schedule due to use of non-certified Hawai'i products; provision of inaccurate or incomplete information; or any other inconsistency or omission that may affect the award of the contract. The Bidder will be notified by the Manager-Chief Engineer of any such disqualifications prior to award.

SCHEDULE OF HAWAI'I PRODUCT PREFERENCE CLAIMS									
CERTIFIED HAWAI'I PRODUCT							PREFERENCE		
Product Category	Class (I or II)	Manufacturer	Product & Description	Quantity	Unit	Cost (A)	% (B)	Credit (A x B)	
						\$ _____	_____	\$ _____	_____
						\$ _____	_____	\$ _____	_____
						\$ _____	_____	\$ _____	_____
						\$ _____	_____	\$ _____	_____
						\$ _____	_____	\$ _____	_____
						\$ _____	_____	\$ _____	_____
						\$ _____	_____	\$ _____	_____
<b>TOTAL:</b>									\$ _____

**HAWAI‘I APPRENTICESHIP PREFERENCE**

Section 103-55.6, Hawai‘i Revised Statutes, as enacted by S.B. 19, Act 17, SLH 2009, provides for a Hawai‘i Apprenticeship Preference for public works construction projects with estimated values of \$250,000.00 or greater. The preference shall be in the form of a five percent (5%) bid adjustment applied to the Bidder’s bid amount.

Any Bidder seeking the Hawai‘i Apprenticeship Preference for the purpose of this bid shall:

- (1) be a party to an apprenticeship program registered with the State Department of Labor and Industrial Relations (DLIR) at the time of its bid for each apprenticeable trade the Bidder will employ to construct the public works project for which the bid is made; and
- (2) completely fill-in the Schedule of Project Apprenticeship Trades attached here to attesting to the trades the Bidder will employ to perform the work; and
- (3) for each apprenticeable trade the Bidder will employ for this project, submit with its bid fully executed and authorized CERTIFICATION OF BIDDER’S PARTICIPATION IN APPROVED APPRENTICESHIP PROGRAM UNDER ACT 17 (FORM 1) form(s) issued by the DLIR verifying participation in apprenticeship program(s) registered with DLIR; and
- (4) fully execute the certification below.

Failure to comply with ALL of the conditions noted above, without exception, shall disqualify the Bidder from qualifying for, and thus receiving, benefit of the Hawai‘i Apprenticeship Preference.

Subcontractors do not have to be a party to an apprenticeship agreement for the Bidder to obtain the preference.

Upon successful verification of the Bidder’s executed Form I documents submitted with its bid, the Manager-Chief Engineer will apply the Hawai‘i Apprenticeship Preference and decrease the Bidder’s total bid amount by five percent (5%) for evaluation purposes only. The Hawai‘i Apprenticeship Preference will apply in conjunction with other statutory preferences (i.e., Hawai‘i Products Preference).

While preference for Hawai‘i Apprenticeship will be taken into consideration to determine the low bidder, the contract awarded shall be in the amount of the bid, exclusive of any preferences.

Upon applying for the Hawai‘i Apprenticeship Preference, the Contractor shall certify each month that work is being conducted on the project, that it continues to be a participant in the relevant apprenticeship program for each trade it employs. Said monthly certification shall be made on MONTHLY REPORT OF CONTRACTOR’S PARTICIPATION IN APPROVED APPRENTICESHIP PROGRAM UNDER ACT 17 (FORM 2) form issued by the DLIR. Failure or refusal of the contractor to submit its monthly certification forms, or at any time during the construction of the project, cease to be a party to a registered apprenticeship agreement for each apprenticeable trade the contractor employs, the contractor will be subject to the sanctions afforded by law, as determined by the Manager-Chief Engineer.

This preference shall not apply if it will be in conflict with any Federal Law or if it would disqualify any County Agency from receiving federal funds or aid. FORM 1 and FORM 2 (referenced above) and the List of Construction Trades in Registered Apprenticeship Program and the List of Persons Authorized to Certify Contractor Participation in Apprenticeship Programs (Act 17) are available on DLIR’s Workforce Development Division’s website at:

<http://labor.hawaii.gov/wdd/home/employers/apprenticeship/resources/>

**I do hereby attest that it is our intention to apply for the Hawai‘i Apprenticeship Preference, that we satisfy all of the requirements to qualify for the preference, and that we shall comply with all applicable requirements conferred upon us by receiving this preference for the duration of the contract; and**

**I do hereby state that all of the information provided in the attached Schedule of Project Apprenticeship Trades is true and accurate:**

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_



**SCHEDULE OF PROJECT APPRENTICESHIP TRADES**

<b>APPRENTICEABLE TRADES</b> (as of 03/20/13)  Refer to: <a href="http://labor.hawaii.gov/">http://labor.hawaii.gov/</a>	Bidder intends to employ a person or persons of the following trades in the performance of this project: (Initial below accordingly)	
	<b>YES</b>	<b>NO</b>
Boilermaker		
Bricklayer-Mason		
Carpenter		
Cement Finisher		
Construction Craft Laborer		
Construction Equipment Operator		
Drywall		
Electrical Wireperson		
Electrician		
(Electrician) Wireperson		
Elevator Constructor		
Fire Sprinkler Fitter		
Floor Layer		
Glazier		
Heat and Frost Asbestos Insulator		
Heavy Duty Repairman and Welder		
Ironworker Shop Fabricator/Welder		
Ironworker (Reinforcing)		
Ironworker (Structural)		
Painter		

~continued on next page~

**SCHEDULE OF PROJECT APPRENTICESHIP TRADES (cont'd)**

<b>APPRENTICEABLE TRADES</b> (as of 03/20/13)  Refer to: <a href="http://labor.hawaii.gov/">http://labor.hawaii.gov/</a>	Bidder intends to employ a person or persons of the following trades in the performance of this project: (Initial below accordingly)	
	<b>YES</b>	<b>NO</b>
Paving Equipment Operator		
Plasterer		
Plumber		
Pointer-Caulker-Weatherproofer		
Refrigeration Air-Conditioning		
Roofer		
Sheet Metal Worker		
Steamfitter/Welder		
Stone Mason		
Taper		
Telecommunication/CATV Installer Technician		
Tile Setter		
Truck Operator and Driver		

**NOTE:** The above listed trades are provided for the convenience of the Bidder and are based on the information available as of the date noted in the schedule's header. It shall be the Bidders responsibility to add, delete or appropriately amend the list to reflect the apprenticeable trades recognized by the State Department of Labor and Industrial Relations at the time Bidder's bid is made. Blank rows are provided in the above for this purpose.

## **NOTICE TO PROVIDERS AND PROSPECTIVE PROVIDERS OF HAWAI'I PRODUCTS**

In accordance with Section 103D-1002, Hawai'i Revised Statutes, the Hawai'i Products Preference is applicable to this bid. Hawai'i products may be available for certain work required for construction of this project. The Hawai'i products list is available on the State Procurement Office's ("SPO") website at <http://hawaii.gov/spo> (under 'Toolbox/QuickLinks' click on 'For Vendors, Contractors & Service Providers,' under 'Other Information' click on 'Preferences for Goods, Services and Construction,' under 'Hawai'i Products' click on 'Preference for Hawai'i Products,' under 'Hawai'i Products List Product Categories' click on 'Construction Products and Soil Amendment Products' to view the category. To view the Hawai'i Products, click on the appropriate link for each category. For further information about the manufacturer(s), click on the manufacturer(s) that is/are listed.) To view directly use <http://hawaii.gov/spo/goods-services-construction/preferences-103d-pt-x/hi-products/hawaii-product-preferences>.

Any offeror desiring a Hawai'i product preference for a product not on the SPO's list shall submit an original, completed form SPO-38, *Certification for Hawai'i Product Preference* to the Manager-Chief Engineer, Department of Water Supply, County of Hawai'i specifically for this project:

**NO LATER THAN 4:30 P.M., MONDAY, OCTOBER 6, 2014.**

Certification application form SPO-38, *Certification for Hawai'i Product Preference* is available from the SPO's website at <http://hawaii.gov/spo> (under 'Toolbox/QuickLinks' click on 'For Vendors, Contractors & Service Providers' then under 'Other Information' click on 'Preferences for Goods, Services and Construction' under 'Hawai'i Products' click on 'Preferences for Hawai'i Products' and under 'Forms' click on 'Hawai'i Products', then click on 'Certification for Hawai'i Product Preference (Form SPO-38)' to view and download a fillable form in pdf format). Please note that the final link provided for the form may have a 'revised date' included in the title; use the latest version.

Form SPO-38 shall be completed, signed and submitted by the company that is producing or manufacturing the product in Hawai'i and one form shall be submitted for each individual product – no exceptions. Certification applications received after the date stated above will NOT be considered; incomplete or inaccurate forms shall be rejected.

The Manager-Chief Engineer shall review all submitted applications for *Certification for Hawai'i Product Preference* and determine, at his sole discretion, if the product qualifies for the preference. The Manager-Chief Engineer may request additional information deemed necessary to render said determination and it shall be the offeror's responsibility to provide such in a timely manner. Failure to adequately provide sufficient information in a timely manner prior to the bid shall result in rejection of the product.

The Manager-Chief Engineer will issue an addendum upon certification of any Hawai'i products for this Bid. The Manager-Chief Engineer will also notify the SPO of the approved *Certification for Hawai'i Product Preference* for inclusion on its Hawai'i Products List. If a product is disapproved by the Manager-Chief Engineer, he will notify the offeror in writing of his determination.

The provider of any certified Hawai'i Product is solely responsible to notify the Manager-Chief Engineer of any change(s) in the availability of its product(s). The Manager-Chief Engineer shall then notify the SPO of any such changes for amendment of the Hawai'i Product List, if applicable.

All information submitted in the Certification for Hawai'i Product Preference form shall be treated as confidential.

The SPO is responsible to reestablish and maintain the Hawai'i Products List on its website and shall update the list when new products are approved or when notified of changes to products already on its list.

Offeror's attention is directed to the Instructions to Bidders, Section 21 (Preferences), Subsection A (Preference for Hawai'i Products).

**WAGE CERTIFICATE**

(CONSTRUCTION IN EXCESS OF \$2,000 – HRS §103-55.5)

Pursuant to HRS §103-55.5, I hereby certify that if awarded a Contract to construct a public work project in excess of \$2,000, individuals engaged in the performance of the contract on the job site shall be paid:

- (1) Not less than the wages that the director of labor and industrial relations shall have determined to be prevailing for corresponding classes of laborers and mechanics employed on public works projects; and
- (2) Overtime compensation at one and one-half times the basic hourly rate plus fringe benefits for hours worked on Saturday, Sunday, or a legal holiday of the State or in excess of eight hours on any other day; and

All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with.

DATED: \_\_\_\_\_.

\_\_\_\_\_  
NAME OF CONTRACTOR

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
TITLE

**JOB NO. AND DESCRIPTION:**

JOB NO. 2008-945  
CONSTRUCTION OF THE ĀHUALOA – HONOKA‘A  
TRANSMISSION WATERLINE – PHASE 2  
DISTRICT OF HĀMĀKUA  
COUNTY OF HAWAI‘I, STATE OF HAWAI‘I



# International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

1935 HAU STREET, ROOM 401 • HONOLULU, HI 96819-5003  
TELEPHONE (808) 847-5341 • FAX (808) 847-2224

February 3, 2016

TO: **HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS**

For Hearing on Tuesday, March 15, 2016, at 9:00 a.m., in Conf. Rm. 312

RE: **TESTIMONY IN STRONG OPPOSITION TO SB 3092 SD2**

**LATE**

Honorable Chair Kawakami, Vice Chair Kong, and Committee Members,

The **International Brotherhood of Electrical Workers Local Union 1186** represents over 3,800 members working in electrical construction, telecommunications, and with Oceanic Cable. Our members include civil service employees at Pearl Harbor, Hickam, Kaneohe, and military facilities throughout Hawaii. IBEW Local 1186 also represents over 120 signatory electrical contracting companies that perform most of the electrical work in our state.

**We strongly oppose SB 3092 SD2.** This bill will create more problems than it will attempt to fix. Past practice has shown that allowing a contractor ANY time after the bid to change the list of subcontractors and their scope will lead to bid-shopping. Bid-shopping public works projects results in cutting of corners to win bids for taxpayer-funded projects. The estimated costs due to requiring sub-listings is a small fraction of the much higher costs that are borne by small businesses and local governments that are short-changed by removing the sub-listing requirement.

In addition, any possible “savings” squeezed through bid-shopping after a bid closes is pocketed entirely by the general contractor, and does not benefit a single dollar to any state procurement agency or taxpayer. Money extracted by this process usually results in cutting of corners to meet the low bidder’s demands, and results in a loss of quality and safety in the work product delivered to the state or county and its taxpayers.

This bill is well-intentioned, but overlooks the countless problems that will be created, which are many times worse than the situation it is trying to address. For these reasons, IBEW Local Union 1186 strongly opposes the passage of SB 3092. SD2 Thank you for giving us this opportunity to testify.

Mahalo and aloha,

**Damien Kim**  
Business Manager – Financial Secretary  
International Brotherhood of  
Electrical Workers, Local Union 1186

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

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

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

**LATE**

March 15, 2016

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami, Chair

Presented By: Tim Lyons, President

Subject: S.B. 3092, SD 2 - RELATING TO PROCUREMENT

Chair Kawakami and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii and we oppose this bill. The SAH represents the following nine separate and distinct contracting trade organizations.

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

We are opposed to this bill.

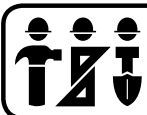
This bill attacks the subject matter of subcontractor listing and we have already stated many times the reasons why we think subcontractor listing is an extremely important requirement for the preservation and existence of subcontractors and fair contracting procedures and why it should be retained. This bill opens "Pandora's box" and allows the general contractor to shop prices like mad to the enrichment of the general, at the expense of the subcontractors and, to no benefit to the taxpayer or agency.

The first part of this bill deals with honoring a subcontractor's bid even if they were not properly licensed but they somehow manage to receive the license prior to the award. WE DISAGREE.

Licensing is a prerequisite to acting (or bidding) as a contractor (Chapter 444 H.R.S.). An entity who is not legal should not be allowed to participate in the process. If the license is suspended or forfeited at bid time, the contractor (subcontractor or general contractor) should not be bidding. We agree with prior DOT testimony that agencies, as a "trustee of public moneys" mandates strict compliance. We also agree with SPO that this is all part of the due diligence that should be required of state/county contractors.

In summary, subcontractor listing is to prevent bid chiseling by both bad and good contractors. We oppose this bill.

Thank you.



**RALPH S. INOUE CO LTD**  
**GENERAL CONTRACTOR**

500 Alakawa St., #220E  
Honolulu, Hawaii 96817

T: 808.839.9002  
F: 808.833.5971

License No. ABC-457  
Founded in 1962

Uploaded via Capitol Website

**LATE**

March 14, 2016

TO: HONORABLE DEREK KAWAKAMI, CHAIR, HONORABLE SAM KONG,  
VICE CHAIR, HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT &  
BUSINESS

SUBJECT: **SUPPORT OF S.B. 3092, SD2, RELATING TO PROCUREMENT &  
REQUESTED AMENDMENTS.** Provides that a bidding contractor shall  
provide the name of each joint contractor or subcontractor and the nature or  
scope of that entity's work no later than two hours after the closing of bidding.  
Authorizes procurement officers to consider a previously licensed and listed  
subcontractor's license as valid; provided that certain conditions are satisfied.  
(SD2)

HEARING

DATE: Tuesday, March 15, 2016

TIME: 9:00 a.m.

PLACE: Capitol Room 312

Dear Chair Kawakami, Vice Chair Kong and Members,

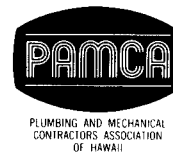
Ralph S Inouye Co, Ltd. (RSI), a Hawaii general contractor and member of the General Contractors Association of Hawaii, **supports** S.B. 3092, SD2, Relating to Procurement, and the General Contractors Association of Hawaii's proposed amendments as they continue to work with the parties to address fixing the procurement of public works. This bill attempts to address an area of procurement of public works that has cost taxpayers significantly by paying more for a project due to the disqualification of the lowest prime bidder because of subcontractor listing problems. The measure is a work in progress and the parties are continuing to work toward agreement on the language.

We respectfully ask this Honorable Committee to consider GCA's proposed amendments and move this measure out to allow work to continue on the language that would best address how to improve the procurement of public works construction.

Thank you for your kind consideration.



# PLUMBING & MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII



Via Email

March 14, 2016

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

Representative Derek S.K. Kawakami, Chair  
Representative Sam Satoru Kong, Vice-Chair  
Committee on Economic Development and Business  
House of Representatives  
The Twenty-Eighth Legislature, Regular Session of 2016

**GREGG S. SERIKAKU**  
EXECUTIVE DIRECTOR

Chair Kawakami, Vice Chair Kong, and Members of the Committee:

**LATE**

## **SUBJECT: SB3092 SD2 – RELATING TO PROCUREMENT**

My name is Gregg Serikaku. I am the Executive Director of the Plumbing and Mechanical Contractors Association of Hawaii.

The Association for which I speak is **opposed** to SB 3092 SD2.

The proposed requirement to allow the bidder 2 additional hours to submit the subcontractor listing and scope of work will create a unacceptable window to shop the prices of subcontractors. Many of our member contractors have noted that any allowance of time between the bid deadline and submission of the sublisting will only incite the predatory and unfair practice of bid shopping.

This issue of the subcontractor listing and its effect on the procurement process has been debated numerous times in the past, and in 2013 the Legislature passed SCR92 which convened a task force to look at the overall efficiency of the procurement process for public works projects. From 2013-2015 this task force, which included the major state and county procurement agencies, labor groups, general contractors, subcontractors and various trade associations, convened regularly to gather data on procurement delays, discuss issues impacting the procurement process, and to provide possible solutions to these issues.

One of the most important duties of the task force was to collect accurate unbiased data on protests so that the parties involved could rationally determine whether a problem exists, the size of the problem if any, and to make measured recommendations on possible solutions.

In this regard, the data gathered by the task force indicated that the total number of protests during the 2013/2014 fiscal year actually represented a very small percentage (less than 5%) of the total construction jobs procured by the reporting agencies, and that the increase in the contract price of bids going to the non low bidder due to protests was less than 1%. These percentages are further minimized when segregating those protests where the subcontractor listing was identified (valid or not) as an issue. **These results clearly show that the number and costs of protests are quite minimal, and in most cases prime bidders were able to correctly follow the procurement rules.**

This bill also includes an allowance to accept the listing of previously licensed subcontractors whose licenses are not valid at time of bid due to actions taken pursuant to HRS 444, provided that the licenses are restored prior to award. While we agree with the intent of this allowance, we are concerned with the general nature of the description of “actions taken pursuant to HRS 444” as well as the fluctuating time allowed to restore a license based on time of award. In this regard, our Association is working in good faith with representatives from the General Contractors Association of Hawaii (GCA) to clarify the issues this allowance is intended to remedy and **we propose that representatives from both parties continue to work together on language that will help to address each parties’ specific concerns to minimize frivolous protests, while maintaining a fair bidding environment.**

We therefore respectfully urge the committee to hold this bill in its current form.

Respectfully yours,



Gregg S. Serikaku  
Executive Director

# BIA-HAWAII

**BUILDING INDUSTRY ASSOCIATION**

THE VOICE OF THE CONSTRUCTION INDUSTRY

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HOMEWORKS CONSTRUCTION, INC.

SARAH LOVE  
BAYS LUNG ROSE & HOLMA

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## Testimony to the House Committee on Economic Development & Business

Tuesday, March 15, 2016

9:00 a.m.

State Capitol - Conference Room 312

**LATE**

**RE: S.B. 3092 S.D. 2: Relating to Procurement.**

Dear Chair Kawakami, Vice-Chair Kong, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer 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.

BIA-Hawaii is in support of S.B. 3092 S.D. 2, Relating to Procurement. This bill proposes to amend Section 103D-104 and 103D-310 by permitting procuring agencies of public works construction contracts the ability to avoid throwing out a project for a technical and administrative matters.

The procurement of public works has been significantly impacted by issues raised by bidders relating to the subcontractor listing requirement and continues to be an area prone to informal inquiries and bid protests. As a result, the subcontractor listing requirement has caused delay in project award, increases to overall costs of project and lapse of project funding.

This bill would increase efficiency and fairness within the bidding system. We appreciate the opportunity to express our views on this matter.

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.

Uploaded via Capitol Website

March 15, 2016

TO: HONORABLE DEREK KAWAKAMI, CHAIR, HONORABLE SAM KONG, VICE CHAIR, HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

SUBJECT: **SUPPORT OF S.B. 3092, SD2, RELATING TO PROCUREMENT & REQUESTED AMENDMENTS.** Provides that a bidding contractor shall provide the name of each joint contractor or subcontractor and the nature or scope of that entity's work no later than two hours after the closing of bidding. Authorizes procurement officers to consider a previously licensed and listed subcontractor's license as valid; provided that certain conditions are satisfied. (SD2)

HEARING

DATE: Tuesday, March 15, 2016  
TIME: 9:00 a.m.  
PLACE: Capitol Room 312

**LATE**

Dear Chair Kawakami and Vice Chair Kong and Members,

The General Contractors Association of Hawaii (GCA) is an organization comprised of over five hundred seventy general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. 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 continues to work on this measure with other interested parties and respectfully requests this Committee consider the attached amendments which will address concerns regarding a subcontractor's status not completely disqualifying a prime bidder's offer. The GCA is proposing the attached Proposed HD1 amending SB 3092, SD2 after discussions with departments and interested parties.**

**Support of Proposed HD1 over current SD2 version**

GCA **supports** S.B. 3092, SD2, Relating to Procurement, but would prefer the language in the attached Proposed HD1, which would amend Section 103D-302(g) by permitting procuring agencies the ability to avoid rejecting a low bidder due to its listed subcontractor's questionable license status because of administrative matters. The current SD2 version of the measure provides two solutions: (1) allows a previously listed and licensed subcontractor to cure specific statutory requirements prior to award of the contract; and (2) submit a time stamped offer to a contractor two hours before the established bid deadline; provided further that a subcontractor who does not comply with the two hour requirement shall be disqualified from consideration.

The procurement of public works has been significantly impacted by issues raised by bidders relating to the subcontractor listing requirement and continues to be an area prone to informal inquiries and bid protests. As a result, the subcontractor listing requirement has caused delay in project award, increases to overall costs of project and lapse of project funding. In the past three years, GCA has identified over 43 projects affected by the subcontractor listing requirement, which resulted in additional costs, not including time lost, of over \$26 million dollars.

**GCA's Proposed HD1 Amendment**

GCA's attached Proposed HD1 would amend Section 103D-302(g) allowing the procurement officer the ability to determine whether a listed subcontractor's license is valid at award. This amendment would prevent a bid from being thrown out for reasons related to a listed subcontractor's status based on Chapter 444 requirements. This amendment would still require that all listed subcontractors be properly licensed at award, however it would preclude a prime bidder being penalized and found non-responsive because its subcontractor may have had an issue with their compliance under Chapter 444, HRS regarding requirements of workers compensation, insurance, bond, renewal fees, and dissociation of its Responsible Managing Employee (RME). The amendment would only allow previously licensed and listed subcontractors within their respective scopes of work to cure its status before award or within sixty days of bid opening.

For these reasons, we respectfully request that you pass this measure and adopt the Proposed HD1 amendments to assist in increasing efficiency in the procurement of public works construction. Thank you for your consideration.

# S.B NO. 3092, SD2

## Proposed HD1

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### A BILL FOR AN ACT

RELATING TO PROCUREMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the delivery and  
2 award of public works construction projects can be hindered by  
3 bid challenges resulting in a lapse in funding and other  
4 procurement issues. Many times there are communications from a  
5 bidder indicating flaws or technical discrepancies in a low-  
6 bidder's proposal before a determination has been made that the  
7 low bidder is the responsible and responsive bidder. Several  
8 recent informal inquires and bid challenges related to  
9 subcontractor listing and licensing issues have caused major  
10 delays and cost increases for public works construction  
11 projects.

12           The legislature further finds that due to the large number  
13 of licenses available, it has become increasingly difficult for  
14 general contractors to verify whether a subcontractor has the  
15 proper license to perform the type of work that the  
16 subcontractor has been contracted to perform. Ensuring that  
17 subcontractors meet all of the necessary requirements to perform  
18 contracted work on State and county projects will address  
19 licensing concerns and greatly minimize bid challenges

# S.B NO. 3092, SD2 Proposed HD1

1 pertaining to the verification of subcontractor qualifications  
2 and licensing.

3       The purpose of this Act is to authorize procurement  
4 officers to consider a previously licensed and listed  
5 subcontractor's license as valid if at time of award the  
6 subcontractor is appropriately licensed; provided that certain  
7 conditions are satisfied.

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

10       "(g) Correction or withdrawal of inadvertently erroneous  
11 bids before or after award, or cancellation of invitations for  
12 bids, awards, or contracts based on such bid mistakes, shall be  
13 permitted in accordance with rules adopted by the policy board.  
14 After bid opening no changes in bid prices or other provisions  
15 of bids prejudicial to the interest of the public or to fair  
16 competition shall be permitted~~[.]~~; provided that the procurement  
17 officer may consider a listed subcontractor's license as valid  
18 if the subcontractor was previously licensed to perform the  
19 scope of work indicated, and if at the time of award or within  
20 sixty days of bid opening, whichever is sooner, all listed  
21 subcontractors are appropriately licensed.

# S.B NO. 3092, SD2

## Proposed HD1

1           Except as otherwise provided by rule, all decisions to  
2 permit the correction or withdrawal of bids, or to cancel awards  
3 or contracts based on bid mistakes, shall be supported by a  
4 written determination made by the chief procurement officer or  
5 head of a purchasing agency."

6           SECTION 3. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8           SECTION 4. This Act shall take effect upon its approval.



# S.B NO. 3092, SD2

## Proposed HD1

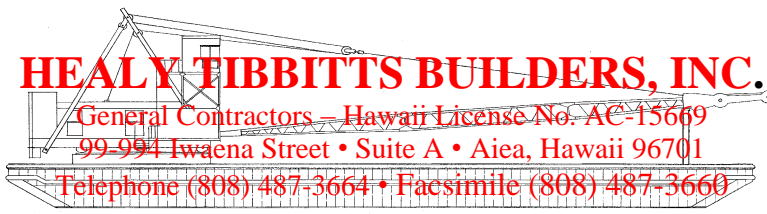
**Report Title:**

Procurement Officers; Competitive Sealed Bidding;  
Subcontractors; Licensing.

**Description:**

Authorizes procurement officers to consider a previously licensed and listed subcontractor's license valid if at time of award or within sixty days of bid opening, all listed subcontractors are appropriately licensed. Proposed HD1

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*



**LATE**

March 14, 2016

Sent Via E-Mail: [EDBtestimony@capitol.hawaii.gov](mailto:EDBtestimony@capitol.hawaii.gov)

TO: HONORABLE DEREK KAWAKAMI, CHAIR, HONORABLE SAM KONG, VICE CHAIR, HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS

SUBJECT: **SUPPORT OF S.B. 3092, SD2, RELATING TO PROCUREMENT.**

Provides that a bidding contractor shall provide the name of each joint contractor or subcontractor and the nature or scope of that entity's work no later than two hours after the closing of bidding. Authorizes procurement officers to consider a previously licensed and listed subcontractor's license as valid; provided that certain conditions are satisfied. (SD2)

HEARING

DATE: March 15, 2016

TIME: 9:00 AM

PLACE: Conference Room 312

Dear Chair Kawakami and Vice Chair Sam Kong and Members:

Healy Tibbitts Builders, Inc. is a general contractor in the State of Hawaii and has been actively engaged in construction work in Hawaii since the early 1960's. In addition to being a general contractor, Healy Tibbitts also performs work as a subcontractor for foundation work.

Healy Tibbitts Builders, Inc. **supports** S.B. 3092, SD2, Relating to Procurement and the General Contractor Association of Hawaii's proposed amendments as they continue to work with parties to address fixing the procurement of public works. This bill attempts to address an area of procurement of public works that has cost taxpayers significantly by paying more for a project due to the disqualification of the lowest prime bidder. The current SD2 version of this measure proposes two solutions: (1) allow the prime bidder to submit its subcontractor list two hours after the bid closes to allow the prime bidder to double check the subcontractor list and (2) prevent a previously listed and licensed subcontractor's forfeiture status from disqualifying the prime bidder. At bid time, there is very little time between receiving subcontractor bids for prime bidder's consideration and submission deadlines, these amendments would allow a prime bidder to ensure its submission is accurate.

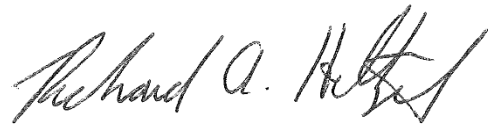
**This measure continues to be a work in progress and the parties are working toward agreement on the language. We respectfully request this Committee consider GCA's proposed amendments and pass this measure to allow work to continue on the language that would best address how to improve the procurement of public works construction.**

**Healy Tibbitts Builders, Inc.**

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The procurement of public works has been significantly impacted by issues raised by bidders relating to the subcontractor listing requirement and continues to be an area prone to informal inquiries and bid protests. As a result, the subcontractor listing requirement has caused delay in project award, increases to overall costs of project and lapse of project funding. **For these reasons please pass this measure to continue to allow the parties to continue working on this measure that will improve efficiencies of the procurement of public works and ultimately save taxpayers money.**

Very truly yours,  
Healy Tibbitts Builders, Inc.

A handwritten signature in black ink, appearing to read "Richard A. Heltzel". The signature is written in a cursive, flowing style.

Richard A. Heltzel  
President

kong2 - Christie

**LATE**

From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 15, 2016 8:11 AM  
To: edbtestimony  
Cc: jmas808@gmail.com  
Subject: \*Submitted testimony for SB3092 on Mar 15, 2016 09:00AM\*

**SB3092**

Submitted on: 3/15/2016

Testimony for EDB on Mar 15, 2016 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Masatsugu	Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Cc: jmas808@gmail.com  
Subject: \*Submitted testimony for SB3092 on Mar 15, 2016 09:00AM\*

**SB3092**

Submitted on: 3/15/2016

Testimony for EDB on Mar 15, 2016 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Masatsugu	Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund	Oppose	No

Comments:

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**SB3092**

Submitted on: 3/15/2016

Testimony for EDB on Mar 15, 2016 09:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jeffrey Masatsugu	Hawaii Tapers Market Recovery Trust Fund	Oppose	No

Comments:

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Subject: \*Submitted testimony for SB3092 on Mar 15, 2016 09:00AM\*

**SB3092**

Submitted on: 3/15/2016

Testimony for EDB on Mar 15, 2016 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Masatsugu	Painters Labor Management Cooperation Trust Fund	Oppose	No

Comments:

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