

DAVID Y. IGE  
GOVERNOR



SARAH ALLEN  
ADMINISTRATOR

PAULA A. YOUNGLING  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

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TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE  
ON  
GOVERNMENT OPERATIONS  
February 04, 2016; 1:15 P.M.

SB3093 RELATING TO PROCUREMENT

Chair Mercado Kim, Vice-Chair Ihara, and members of the committee, thank you for the opportunity to submit testimony on SB3093.

The State Procurement Office (SPO) neither supports nor opposes this measure but provides the following comments. This measure amends Hawaii Revised Statutes (HRS) §103D-302(b) by providing bidders two days after the bid due date to meet the subcontractor listing requirement. This measure aims to address protests by aggrieved bidders based on defects in the subcontractor listing associated with the lowest-responsive responsible bidder.

Pursuant to Hawaii Revised Statutes §103D-701.5 (Act 173, SLH 2012), the SPO maintains statistics related to protests submitted by State agencies and jurisdictions. For Fiscal Year 2015 (FY15) SPO found that the second most agency reported reason for protest concerned defects in the subcontractor listing required by HRS 103D-302(b). Ten of the 32 protests reported for FY15 were based on whether or not a subcontractor was listed or currently licensed to do portions of the construction work. For many protests the subcontractors were proposed to perform less than 1% of the work.

The State Procurement Code Task Force for Construction (SCR 92, SD2/SLH 2013) was established to review certain construction issues with the goal of making suggestions to promote efficiency in the procurement of construction services on public works contracts. The Task Force consisted of participants from State executive branch agencies, representatives from other state jurisdictions, and representatives from industry and construction and trade unions. SPO notes that the Task Force included the subcontractor listing requirement as one of several issues to be examined to decrease protests and increase procurement efficiency. But the Task Force was unable to reach agreement on what recommendations to make to address this issue.

This measure suggests a balance between the legislative intent of the subcontractor listing requirement while recognizing the special bidding constraints the construction industry faces when bidding, in a timely manner, for public works projects. Construction, unlike any other type of bidding, consists of competing bids from subcontractors and material providers literally being submitted to the prime mere minutes before the bid due date and time. As such, prime bidders are under extreme pressure to consolidate all the subcontractor and other competing prices into their ultimate bid price while also listing all subcontractors

scope and conducting due diligence on whether the listed subcontractors are licensed to perform the work proposed.

Unlike measure SB3092 that would allow the procurement officer to accept post-bid-opening changes to the scope a listed subcontractor will perform or to allow subcontractors with suspended or forfeited licenses to be proposed this measure keeps the onus on the prime bidder to provide the listing. Instead of allowing changes after bids are opened and all competing prices are disclosed this would allow the bidder two additional days to provide the subcontractor listing only. These two days could provide ample time for prime bidder due diligence into the licensing of the listed subcontractor and ensure the list is accurate and complete. All these actions would occur prior to bid opening. As such, the bidder still remains responsible for any defects associated with the subcontractor listing even in light of the additional time.

But SPO must note that bid opening at a specified due date and time that usually corresponds tightly with the bid due date is a hallowed convention and changes to this paradigm will also require revisions to the associated Hawaii Administrative Rules. As such SPO cannot determine the effect this will have on agencies internal procedures, especially for those agencies and jurisdictions that conduct their invitation for bids via electronic bid submission and bid opening upon closing date. Therefore, SPO believes greater agency coordination and review is necessary before solidly supporting or opposing this measure.

Thank you.



**Alan Shintani inc.**  
GENERAL CONTRACTOR BC 13068

February 4, 2016

TO: HONORABLE DONNA MERCADO KIM, CHAIR, HONORABLE LES IHARA, VICE CHAIR AND MEMBERS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

SUBJECT: SUPPORT OF S.B. 3093, RELATING TO PROCUREMENT. Provides a bidder of a public works construction project with two working days after the closing of bids to provide the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor and the nature and scope of the work to be performed by each joint contractor or subcontractor.

HEARING

Date: February 4, 2016

Time: 1:15 p.m.

Place: CR 414

Dear Chair Mercado Kim, Vice Chair Ihara and Members of the Committee:

Alan Shintani, Inc. has been providing general contracting and construction management services for homes, commercial buildings and government projects since 1984.

Alan Shintani, Inc. supports the passage of S.B. 3093, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by allowing bidders two days to submit the list of subcontractors or joint contractors working on the project to the agency. Under this proposed change, the procurement officer would close the bidding in the usual manner, but would not open the bids until two working days after the closing. Each bidder shall have two days after the bid closing to submit its list of subcontractors as required under Section 103D-302, HRS.

The proposed change will permit the bidder to insure that all subcontractors who have submitted bids to the general contractor have met all of the requirements to perform work on state and county projects, including meeting all licensing, bonding and insurance requirements, as applicable. The additional time is necessary because in most cases the general contractor does not receive bid prices from the various subcontractors until shortly before the bid must be submitted to the state agency. This means that the general contractor does not have time to check whether the subcontractors who have submitted bids meet the requirements to work on the job, especially the proper licenses issued by the Contractors License Board. Given the

large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ascertain licenses and verify whether every subcontractor has the proper license to perform the work he has submitted a bid to do.

This proposal is not an attempt to give general contractors an advantage in submitting bids, nor is it, as some may argue, an opportunity to bid-shop. Instead this legislation is increasing efficiency in the procurement process, by allowing contractors to verify the information that subcontractors provide. The proposed legislation does not permit the contractor to change its proposed bid amount. The two days will permit the bidder to ensure the subcontractor/joint contractor list is complete and listed subcontractors/joint contractors are properly licensed, are bondable (where applicable), and have all the required insurance coverage. This will reduce the likelihood of errors and result in reducing the number of bid protests which often delay public works projects and in some cases increase the cost of public works project for the state.

We believe that this proposed amendment will result in more complete and accurate bid submittals and reduce the number of potential bid protests.

Alan Shintani, Inc. supports S.B. 3093 and recommends its passage.



Alan Shintani  
President



ELECTRICAL CONTRACTOR'S ASSOCIATION OF HAWAII

NECA Hawai'i Chapter  
1286 Kalani Street, Suite B-203  
Honolulu, Hawai'i 96817  
PH: (808) 847-7306  
FX: (808) 841-8096  
Email: [ecah@ecahi.com](mailto:ecah@ecahi.com)



February 3, 2016

To: Senate Committee on Government Operations  
The Honorable Senator Donna Kim, Chairperson

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

Subject: SB 3093 Relating to Procurement

Notice of Hearing

Date: Thursday, February 4, 2016  
Time: 1:15 PM  
Place: Conference Room 414  
State Capitol  
415 South Beretania Street

Dear Chairs Kim, Ihara and Committee members:

The Electrical Contractors Association of Hawaii (ECAH) is a non-profit association consisting of electrical contractors doing business in the State of Hawaii. ECAH is the Hawaii Chapter of the National Electrical Contractors Association (NECA). ECAH **strongly opposes** the intent and purpose of SB 3093 relating to procurement.

The intent and purpose of SB 3093 allowing an additional two days after the closing of bids to provide the names of persons or firms to be engaged as a joint contractor or subcontractor in the performance of the contract opens the door to the unethical business practice of bid shopping and threatens the integrity of the competitive bidding process regardless if the bids are not opened during those two days. Clearly, our intent in opposition is to promote transparency in the procurement of construction jobs. The current language in Section 103D-302, subsection (b) already accomplishes transparency and is in the best interest of the State and tax payers.

In opposing SB 3093, electrical contractors bidding as a prime contractor understand that they will be subject to the same rules of submitting bids and naming their subcontractors at the time of submitting their bids. The rules will be the same for all contractors bidding as a prime contractor and not singling out any group of contractor classification.

Based on the above, ECAH **strongly opposes** the passage of SB 3093 and urge the committee to stop this bill from moving forward.

Thank you for the opportunity to provide testimony on this issue.

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

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

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

February 4, 2016

Testimony To: Senate Committee on Government Operations  
Senator Donna Mercado Kim, Chair

Presented By: Tim Lyons, President

Subject: S.B. 3093 - RELATING TO PROCUREMENT

Chair Mercado Kim and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii and we vigorously 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

Section 1 of the bill rubs us the wrong way just because it comes to a number of conclusions that are not based on fact. Although the bill talks about the State having paid an extra \$11M for public works projects due to the subcontractor listing requirement, it does not give you the courtesy of explaining why that might be.

The legislature was concerned about this area and created a Procurement Task Force. That Procurement Task Force met for over a year and a half studying a wide variety of procurement issues however, the majority of their time and effort was spent on the Subcontractor Listing Clause. It was the recommendation of that Task Force not to repeal the Subcontractor Listing Clause. I have attached to my testimony a copy of what I believe to be the final protest/data summary which indicates that the total added costs due to protests was around \$4M not the \$11M that is stated in the contract. The percent of cost increases due to protests was 0.43% in fiscal year 2013 and 0.01% in fiscal year 2014. A draft of the final report of the Procurement Task Force (because to our knowledge it was never finalized) suggests that much of the protests for bids was a result of the subcontractor listing requirement however it goes on further to say "...after considerable discussion and analysis of the data collected, it was noted that the negative impact of the protest process was probably not as substantial as first thought and is not likely to outweigh its merits".

Again, this does not tell us why, and as the Task Force discovered, while some of the protests were over subcontractor listing, it was over issues of missing or unlicensed subcontractors. So in other words, where a general contractor forgot to list a sub or listed the wrong sub, or listed an unlicensed subcontractor, all items that fall into the responsibility of the general contractor, it was the Subcontractor Listing Clause that was blamed.

In other words, what about situations where the subcontractor who submitted the bid and was the apparent low was dismissed from the process because they were not properly licensed to do the work? So somebody cheated and now when we use a legitimate contractor it cost more. So are we going to cite that as a fault of the subcontractor listing requirement?

We also do not think that the purpose section of this bill fairly describes the listing requirement as "being used beyond its legislative intent". The legislative intent of the subcontractor listing requirement is purely to protect the subcontractors who are not in an economically equal bargaining position with general contractors who provide them with work. The legislative intent was to stop bid chiseling and bid shopping which it has done quite successfully. We see this bill as merely an opportunity to provide general contractors with additional time in order to shop the bids. We would like to remind this Committee that this is a low bid system which is quite different than negotiated work. The subcontractors are already providing the general contractor with their very lowest price that they feel they could do the job for. Additionally, we think you have to look beyond the legislative intent and that is when there is bid shopping and bid chiseling, to whose favor does it go? It does not reduce the cost of the job to the taxpayer, it only increases the left over money to the general contractor to put in his pocket.

When the bidder has two (2) additional days after closing of the bids to provide the name of each subcontractor it only allows two (2) additional days for bid shopping to the advantage of the general contractor and to the disadvantage of the subcontractor.

We would also like to note to this Committee that there are a wide variety of contractors who refuse to bid federal work because there is no such similar requirement on federal procurement contracts.



Because they have experienced constant bid shopping and chiseling by general contractors they refuse to participate in that process. We would not like to see the same thing happen to state and county contracts.

Lastly, although this bill purports to reduce project delays, another new recourse recently enacted by the legislature, requires the posting of a bond along with the protest cut protests from being filed by almost 50% (36 to 15 in 2013 and 14 in 2014). That seems to be a better way to attack the problem.

See Protest Data Summary (attached).

In summary, we cannot support this bill. We think it will be a disastrous for subcontractors.

Thank you.

**PROTEST DATA SUMMARY**

FY2013	PARTICIPATING STATE AGENCIES				C&C OF HONOLULU		TOTALS
	DAGS	DOE	DOT	UH	BFS*	BWS	
No. Projects Awarded	59	187	165	47	108	16	582
No. Projects Protested	11	3	7	#REF!	9	0	#REF!
No. Protests	15	7	11	2	11	0	46
<i>% of Projects Protested FY 2013</i>	18.6%	1.6%	4.2%	#REF!			#REF!
No. Protests Before B.O.	1	2	0	0	2	NA	
No. Protests After B.O. Before Award	14	2	9	1	4	NA	
No. Protests After Award	0	3	2	1	5	NA	
<i>% of Protests Occurred Between Bid Open and Award FY 2013</i>	93.3%	28.6%	81.8%	50.0%			74%
No. Protests Resulting in Cancellation	0	1	4	0	1	NA	
No. Protests of Solicitation Content	1	0	0	0	3	NA	
No. Protests of Subcontractor Listing	14	4	3	2	5	NA	
Missing Subcontractor	13	2	1	1	4	NA	
Unlicensed Subcontractor	1	0	2	2	1	NA	
Other	0	2	8	0	0	NA	
<i>% of Protest Concerning Subcontractor List for FY 2013</i>	93.3%	57.1%	27.3%	100.0%			66%
<i>% of Protest Concerning Solicitation Content for FY 2013</i>	6.7%	0.0%	0.0%	0.0%			3%
No. Protests Ending at P.O.'s Response	6	6	11	2	9	NA	
No. Protests Ending at DCCA	9	0	0	0	0	NA	
No. Protests Ending in Judicial System	0	1	0	0	0	NA	
No. Protests in Progress	0	0	0	0		NA	
No. Protested Projects Unawarded	0	0	0	#REF!	2	NA	
<i>% of Protests Ending with P.O.'s Response</i>	40.0%	85.7%	100.0%	100.0%			71%
<i>% of Protests Ending with DCCA's Decision</i>	60.0%	0.0%	0.0%	0.0%			26%
<i>% of Protests Ending with Judicial System</i>	0.0%	14.3%	0.0%	0.0%			3%
<i>Avg Time for P.O.'s Response</i>	30.6	102.7	72.6364	41.5	113	NA	59
<i>Avg Time for Admin Review Response</i>	14.3	NA	NA	NA	NA	NA	
<i>Avg Duration of Protest</i>	53.7	283.4	115.7	49.5	115.2	NA	119
<i>Avg Time from B.O. to Award of Protested Projects</i>	83.5	1809.0	250.7	130	127.25	NA	#REF!
No. Protests Denied	14	6	4	0	5	NA	
No. Protests Upheld	1	0	1	0	2	NA	
No. Protests Withdrawn	0	0	1	0	2	NA	
No. Protests Resolved by Other Methods	0	0	0	2	2	NA	
No. Protests Resulting in Canceled Solicitation	0	1	5	0	0	NA	
<i>% of Protests Denied in FY 2013</i>	93.3%	85.7%	36.4%	0.0%			69%
Total No. of Projects Awarded in FY 2013		582					
Total Cost of Projects Awarded in FY 2013		\$923,571,088					
Total Added Costs Due to Protests		\$3,957,326					
% Cost Increase Due to Protests		0.43%					
<b>NOTES:</b>							
1. It should be noted that DOE's statistics are adversely affected due to protests received for one of its three projects protested which went all the way to judicial hearing.							
2. *The data set from BFS is incomplete and therefore could not be used.							
3. No protest data was received from BWS.							

**PROTEST DATA SUMMARY**

FY2014	PARTICIPATING STATE AGENCIES				C&C OF HONOLULU		TOTALS
	DAGS	DOE	DOT	UH	BFS*	BWS	
No. Projects Awarded	57	76	112	48	59	5	
No. Projects Protested	3	3	6	#REF!	6	0	
No. Protests	4	3	11	6	7	0	
<i>% of Projects Protested FY 2014</i>	<i>5.3%</i>	<i>3.9%</i>	<i>5.4%</i>	<i>#REF!</i>			<i>#REF!</i>
No. Protests Before B.O.	0	1	0	0	2	NA	
No. Protests After B.O. Before Award	4	1	11	6	4	NA	
No. Protests After Award	0	1	0	0	1	NA	
<i>% of Protests Occurred Between Bid Open and Award FY 2014</i>	<i>100.0%</i>	<i>33.3%</i>	<i>100.0%</i>	<i>100.0%</i>			<i>92%</i>
No. Protests Resulting in Cancellation	0	0	0	0	0	NA	
No. Protests of Solicitation Content	0	1	0	0	1	NA	
No. Protests of Subcontractor Listing	4	1	1	3	2	NA	
Missing Subcontractor	4	0	0	3	0	NA	
Unlicensed Subcontractor	0	0	0	0	0	NA	
Other	0	1	10	3	0	NA	
<i>% of Protest Concerning Subcontractor List FY 2014</i>	<i>100.0%</i>	<i>33.3%</i>	<i>9.1%</i>	<i>50.0%</i>			<i>38%</i>
<i>% of Protest Concerning Solicitation Content for FY 20134</i>	<i>0.0%</i>	<i>33.3%</i>	<i>0.0%</i>	<i>0.0%</i>			<i>#REF!</i>
No. Protests Ending at P.O.'s Response	4	2	9	6	1	NA	
No. Protests Ending at DCCA	0	1	0	0	0	NA	
No. Protests Ending in Judicial System	0	0	0	0	0	NA	
No. Protests In Progress	0	0	2	0	0	NA	
No. Protested Projects Unawarded	0	1	2	0	NA	NA	
<i>% of Protests Ending with P.O.'s Response</i>	<i>100.0%</i>	<i>66.7%</i>	<i>81.8%</i>	<i>100.0%</i>			<i>88%</i>
<i>% of Protests Ending with DCCA's Decision</i>	<i>0.0%</i>	<i>33.3%</i>	<i>0.0%</i>	<i>0.0%</i>			<i>4%</i>
<i>% of Protests Ending with Judicial System</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>			<i>0%</i>
<i>Avg Time for P.O.'s Response</i>	<i>42.8</i>	<i>99.7</i>	<i>35.9</i>	<i>#REF!</i>	<i>8.4</i>	<i>NA</i>	<i>#REF!</i>
<i>Avg Time for Admin Review Response</i>	<i>NA</i>	<i>N.A.</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	
<i>Avg Duration of Protest</i>	<i>52.8</i>	<i>111.7</i>	<i>40.6</i>	<i>#REF!</i>	<i>43.0</i>	<i>NA</i>	<i>#REF!</i>
<i>Avg Time from B.O. to Award of Protested Projects</i>	<i>70.0</i>	<i>166.3</i>	<i>259.3</i>	<i>93.2</i>	<i>17.7</i>	<i>NA</i>	
No. Protests Denied	3	3	7	6			
No. Protests Upheld	0	0	0	0			
No. Protests Withdrawn	1	0	1	0			
No. Protests Resolved by Other Methods	0	0	0	0			
No. Protests Resulting in Canceled Solicitation	0	0	1	0			
<i>% of Protests Denied in FY 2014</i>	<i>75.0%</i>	<i>100.0%</i>	<i>63.6%</i>	<i>100.0%</i>			<i>79%</i>
Total No. of Projects Awarded in FY 2013		166					
Total Cost of Projects Awarded in FY 2013	\$378,390,715						
Total Added Costs Due to Protests	\$39,781						
% Cost Increase Due to Protests		0.01%					
<p>NOTES:</p> <ol style="list-style-type: none"> <li>1. It should be noted that DOT's average from B.O. to award was adversely affected by the rebid of one of the protested projects. Two of DOT's protests are in process.</li> <li>2. *The data set from BFS is incomplete and therefore could not be used.</li> <li>3. No protest data was received for this fiscal year from BWS.</li> </ol>							



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

February 3, 2016

TO: HONORABLE DONNA MERCADO KIM, CHAIR, HONORABLE LES IHARA, VICE CHAIR AND MEMBERS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

SUBJECT: **SUPPORT OF S.B. 3093, RELATING TO PROCUREMENT.** Provides a bidder of a public works construction project with two working days after the closing of bids to provide the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor and the nature and scope of the work to be performed by each joint contractor or subcontractor.

HEARING

DATE: February 4, 2016  
TIME: 1:15 p.m.  
PLACE: CR 414

Dear Chair Mercado Kim, Vice Chair Ihara and Members of the Committee:

My name is Glenn Nohara. I was the president and responsible managing employee (RME) for Koga Engineering & Construction, Inc. for 18 years until my retirement in 2010. I have firsthand knowledge of the difficulties in filling out public works bid proposals given the tight time constraints between receiving all subcontractor bids and the bid deadline.

We **support** S.B. 3093, Relating to Procurement, which would amend the current subcontractor listing requirement under Section 103D-302, HRS by allowing bidders two additional working days after the time of bid to submit its list of subcontractors or joint contractors. Attached are two proposal forms from recent public works projects. There is a lot of information that needs to be filled in before a bid is submitted. Those relating to subcontractors, such as prices, name, nature and scope of work, subcontractor product preference information, often cannot be finalized until the subcontractor is determined.

Since the State Supreme Court's Okada Trucking decision in 2002, the number of low bids that have been disqualified because of subcontractor listing problems have been increasing. This has not only caused prices to increase for the projects, but caused delays in contract awards. This measure will give the bidder time to verify the proper licensure of subcontractors it intends to use as well as their nature and scopes of work.

We **support** S.B. 3093 and respectfully ask for its passage.

Sincerely,

A handwritten signature in cursive script that reads "Glenn M. Nohara".

Glenn M. Nohara  
President

Attachments: Proposal Forms

**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.

\_\_\_\_\_  
Bidder

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
Business Telephone

\_\_\_\_\_  
Date

\_\_\_\_\_  
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)	Septic Tanks	\$		\$
	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)		\$		\$
Pipes – Aluminum and Galvanized	Ameron International Corporation (Oahu)	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)		\$		\$
Signs – Traffic, Regulatory & Construction	GP Roadway Solutions, Inc. (Oahu)(Hawaii)(Maui)(Kauai)		\$		\$
	Safety Systems and Signs Hawaii, Inc. (Oahu)(Hawaii)(Maui)(Kauai)		\$		\$
Veneer	Big Rock Manufacturing (Oahu)(Hawaii)(Maui)(Kauai)		\$		\$
Soil Amendments, Mulch, Compost	Kauai Nursery & Landscaping, Inc. (Oahu)(Hawaii)(Maui)(Kauai)				
	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>				<b><u>\$3,000,000.00</u></b>
	<b>TOTAL AMOUNT FOR COMPARISON OF BIDS</b> (Total Base Bid = Items Nos. I, II and III.)				<b>\$ _____</b>
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.	\$	\$

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ĀHUALOA – HONOKA ‘A TRANSMISSION WATERLINE  
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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.	\$	\$

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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.		\$

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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.	\$	\$

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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.	\$	\$

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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.		\$



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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).

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

February 4, 2016

TO: HONORABLE DONNA MERCADO KIM, CHAIR, HONORABLE LES IHARA,  
VICE CHAIR, SENATE COMMITTEE ON GOVERNMENT OPERATIONS

SUBJECT: **SUPPORT OF S.B. 3093, RELATING TO PROCUREMENT.** Provides  
a bidder of a public works construction project with two working days after the  
closing of bids to provide the name of each person or firm to be engaged by the  
bidder as a joint contractor or subcontractor and the nature and scope of the work  
to be performed by each joint contractor or subcontractor.

HEARING

DATE: Thursday, February 4, 2016  
TIME: 1:15 p.m.  
PLACE: Conference Room 414

Dear Chair Mercado Kim and Vice Chair Ihara and Members,

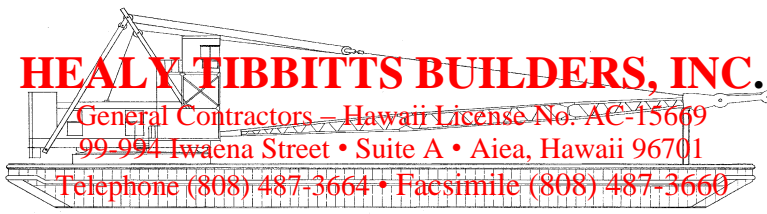
The General Contractors Association of Hawaii (GCA) is an organization comprised of over hundred five hundred seventy general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

GCA **supports** S.B. 3093, Relating to Procurement which proposes to amend the current subcontractor listing requirement under Section 103D-302 by allowing bidders two days to submit the list of subcontractors or joint contractors that will perform under the contract. Under this proposed change, the procurement officer would close the bidding in the usual manner, but would not open the bids until two working days after the closing. Each bidder shall have two working days after the bid closing to submit its list of subcontractors as required under Section 103D-302, HRS.

The proposed change will permit the bidder to insure that all subcontractors who have submitted bids to the general contractor have met all of the requirements to perform work on state and county projects, including meeting all licensing, bonding and insurance requirements, as applicable. The additional time is necessary because in most cases the general contractor does not receive bid prices from the various subcontractors until shortly before the bid must be submitted to the state agency. This means that the general contractor does not have time to check whether the subcontractors who have submitted bids meet the requirements to work on the job, especially the proper licenses issued by the Contractors License Board. Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ascertain licenses and verify whether every subcontractor has the proper license to perform the work he has submitted a bid to do.

This legislation is not an attempt to give general contractors an advantage in submitting bids, nor is it, as some may argue, an opportunity to bid-shop. Instead this legislation is increasing efficiency in the procurement process, by allowing contractors to verify the information that subcontractors provide. The proposed legislation does not permit the contractor to change its proposed bid amount. The two days will permit the bidder to ensure the subcontractor/joint contractor list is complete and listed subcontractors/joint contractors are properly licensed, are bondable (where applicable), and have all the required insurance coverage. This will reduce the likelihood of errors and result in reducing the number of bid protests which often delay public works projects and in some cases increase the cost of public works project for the state.

This proposed amendment will result in more complete and accurate bid submittals and reduce the number of potential bid protests. For these reasons, we request passage of this measure.



February 3, 2016

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

TO: HONORABLE DONNA MERCADO KIM, CHAIR, HONORABLE LES IHARA, VICE CHAIR AND MEMBERS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

SUBJECT: **SUPPORT OF S.B. 3093, RELATING TO PROCUREMENT.** Provides a bidder of a public works construction project with two working days after the closing of bids to provide the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor and the nature and scope of the work to be performed by each joint contractor or subcontractor.

HEARING

DATE: February 4, 2016

TIME: 1:15 p.m.

PLACE: CR 414

Dear Chair Mercado Kim, Vice Chair Ihara and Members of the Committee:

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** the passage of S.B. 3093, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by allowing bidders two days to submit the list of subcontractors or joint contractors working on the project to the agency. Under this proposed change, the procurement officer would close the bidding in the usual manner, but would not open the bids until two working days after the closing. Each bidder shall have two days after the bid closing to submit its list of subcontractors as required under Section 103D-302, HRS.

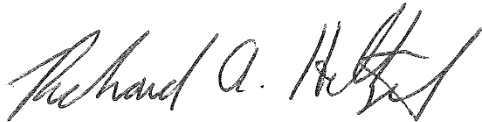
The proposed change will permit the bidder to insure that all subcontractors who have submitted bids to the general contractor have met all of the requirements to perform work on state and county projects, including meeting all licensing, bonding and insurance requirements, as applicable. The additional time is necessary because in most cases the general contractor does not receive bid prices from the various subcontractors until shortly before the bid must be submitted to the state agency. This means that the general contractor does not have time to check whether the subcontractors who have submitted bids meet the requirements to work on the job, especially the proper licenses issued by the Contractors License Board. Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ascertain licenses and verify whether every subcontractor has the proper license to perform the work he has submitted a bid to do.

This proposal is not an attempt to give general contractors an advantage in submitting bids, nor is it, as some may argue, an opportunity to bid-shop. Instead this legislation is increasing efficiency in the procurement process, by allowing contractors to verify the information that subcontractors provide. The proposed legislation does not permit the contractor to change its proposed bid amount. The two days will permit the bidder to ensure the subcontractor/joint contractor list is complete and listed subcontractors/joint contractors are properly licensed, are bondable (where applicable), and have all the required insurance coverage. This will reduce the likelihood of errors and result in reducing the number of bid protests which often delay public works projects and in some cases increase the cost of public works project for the state.

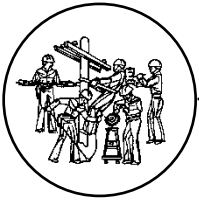
We believe that this proposed amendment will result in more complete and accurate bid submittals and reduce the number of potential bid protests.

Healy Tibbitts Builders, Inc. **supports** S.B. 3093 and recommends its passage.

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



## HAWAII ELECTRICIANS MARKET ENHANCEMENT PROGRAM FUND

1935 HAU STREET, ROOM 300 • HONOLULU, HAWAII 96819-5003 • PHONE (808) 841-6169 • FAX 847-4596

February 3, 2016

TO: The Honorable Donna Mercado Kim, Chair  
The Honorable Les Ihara, Jr., Vice Chair  
Members of the Committee on Government Operations

SUBJECT: **SB 3093**  
**Testimony in STRONG OPPOSITION**

Chair Donna Mercado Kim and Members of the Committee:

The Hawaii Electricians Market Enhancement Program (HEMEP) is a Labor and Management Cooperation representing the IBEW Local Union 1186 and its more than 3,400 members, the Electrical Contractors Association of Hawaii and over 120 Licensed Electrical Contractors in the State of Hawaii.

HEMEP stands in **STRONG OPPOSITION** of proposals in SB 3093.

This bill may have the unintended consequences of encouraging the practice of "bid shopping" by the prime bidders with their prospective subcontractors.

Due diligence in researching and vetting prospective subcontractors in the time period leading up to the bid deadline date is fair to all bidders and offerors and establishes a fair and equal practice.

"Bid shopping" in the State of Hawaii for public works projects has long been determined a detriment to fair competition. Furthermore, this practice has been shown to have NO financial benefit or savings for the State or State Agency contracting the project.

While this bill attempts to address the issue of bid shopping, it may be an unavoidable side effect of it passing.

For these reasons, we ask the committee members to vote against this bill.

Thank you for the opportunity to provide this testimony.

Respectfully Submitted,

Ryan Takahashi  
Director of Compliance





# 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: **SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

For Hearing on Thursday, February 4, 2016, at 1:15 pm., in Conf. Rm. 414

RE: **TESTIMONY IN STRONG OPPOSITION TO SB 3093**

Honorable Chair Kim, Vice Chair Ihara, 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 3093.** This bill will create more problems than it will attempt to fix. Past practice has shown that allowing a contractor two days 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 sublistings 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 sublisting requirement.

In addition, any possible “savings” negotiated through bid-shopping after a bid closes is pocketed entirely by the general contractor, and does not benefit a 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.

This bill is well-intentioned, but overlooks the countless problems that will be created, which are many times worse than the situation that it is trying to address. For these reasons, IBEW Local Union 1186 strongly opposes the passage of SB 3093. 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

# IRONWORKERS STABILIZATION FUND

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February 2, 2016

Donna Mercado Kim, Chair  
Committee on Government Operations  
State Senate  
State Capitol  
415 S. Beretania Street  
Honolulu, Hawaii 96813

Dear Honorable Chair Kim and Members of the Committee on Government Operations:

Re: Strong Opposition for SB 3093 – Relating to Procurement

We are in strong opposition of SB 3093, Relating to Procurement; that allows a bidder on public work construction project two additional day 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. 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. What we believe this bill allow is for the solicitor to bid shop and make a greater profit off of the small business men and women.

Consequently, we believe to modify the procurement law will jeopardize the integrity of the process.

We strongly oppose this measure for the working men and women of Hawaii. Thank you for your time and consideration.

**JAYAR CONSTRUCTION, INC.**

1176 Sand Island Parkway ▼ Honolulu, Hawaii 96819  
Tel (808) 843-0500 ▼ Fax (808) 843-0067  
Contractor's License ABC-14156

Via Fax: 587-7205

February 3, 2016

TO: HONORABLE DONNA MERCADO KIM, CHAIR; HONORABLE LES IHARA,  
VICE CHAIR AND MEMBERS OF THE COMMITTEE ON GOVERNMENT  
OPERATIONS

**SUBJECT: SUPPORT OF S.B. 3093, RELATING TO PROCUREMENT.**

Provides a bidder of a public works construction project with two working days after the closing of bids to provide the name of each firm to be engaged by the bidder as a joint contractor or subcontractor as well as the nature and scope of work to be performed by them.

HEARING DATE: February 4, 2016

HEARING TIME: 1:15 P.M.

PLACE: CR 414

DEAR Chair Mercado Kim, Vice Chair Ihara and Members of the Committee:

Jayar Construction, Inc. strongly supports the passage of S.B. 3093, Relating to Procurement, which proposes to amend Section 103D-302, HRS by allowing bidders two days to submit the list of subcontractors or joint contractors working on the project to the agency. Under this proposal the procurement officer would close the bidding in the usual manner, but would not open the bids until two working days after the closing. Each bidder shall have two days after the bid closing to submit its list of subcontractors as required under section 103D-302, HRS.

The proposed change will give the bidder time to insure that all subcontractors meet all of the requirements to perform work on state and county projects, including meeting all licensing, bonding and insurance requirements. The additional time is necessary because under current conditions the general contractor has no time to check whether the subcontractors who have submitted bids to work on the project have the proper licenses issued by the Contractor's License Board or adequate insurance or bonding ability.

This proposal is not an attempt to give general contractors an advantage in submitting bids. These provisions will increase efficiency in the procurement process and reduce the likelihood of errors and bid protests which delay public works projects and often increase the costs significantly.

We believe that this proposed amendment will result in more complete and accurate bid submittals and reduce the number of potential bid protests.

2/3/2016

Jayar Construction, Inc.

2

Jayar Construction, Inc. strongly supports S.B. 3093 and recommends its passage.

Sincerely,



Stephen Yoshida,  
CFO & HR Manager

# PLUMBING & MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII



PLUMBING AND MECHANICAL  
CONTRACTORS ASSOCIATION  
OF HAWAII

FOUNDED 1951  
LOCAL 31

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

**GREGG S. SERIKAKU**  
EXECUTIVE DIRECTOR

Via Email

February 2, 2016

Senator Donna Mercado Kim, Chair  
Senator Les Ihara, Jr., Vice-Chair  
Committee on Government Operations  
The Senate  
The Twenty-Eighth Legislature, Regular Session of 2016

Chair Kim, Vice Chair Ihara, and Members of the Committee:

## **SUBJECT: SB3093 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 **strongly opposed** to SB3093.

The State Public Procurement Code (Chapter 103D) was developed to provide a fair, open and consistent method of procurement, and is designed to protect public funds.

Allowing bidders two additional days to submit the subcontractor listing and scope of work will not resolve procurement issues and will only serve to incite the predatory and unfair practice of bid shopping.

This issue of 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 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.

Therefore, while our Association supports an expeditious procurement process and minimizing frivolous protests, we do not feel that degrading the subcontractor listing requirement by allowing extra time for submission is the correct answer.

**We propose that representatives from both the prime bidders and subcontractors 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.

Respectfully yours,



Gregg S. Serikaku  
Executive Director



**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

Via E-mail: [GVOTestimony@capitol.hawaii.gov](mailto:GVOTestimony@capitol.hawaii.gov)  
Facsimile: (808) 587-7205

February 4, 2016

TO: HONORABLE DONNA MERCADO KIM, CHAIR, HONORABLE LES IHARA, VICE CHAIR AND MEMBERS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

SUBJECT: **SUPPORT OF S.B. 3093, RELATING TO PROCUREMENT.** Provides a bidder of a public works construction project with two working days after the closing of bids to provide the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor and the nature and scope of the work to be performed by each joint contractor or subcontractor.

HEARING

DATE: February 4, 2016  
TIME: 1:15 p.m.  
PLACE: CR 414

Dear Chair Mercado Kim, Vice Chair Ihara and Members of the Committee:

My name is Lance M. Inouye and I am President of Ralph S. Inouye Co., Ltd. (RSI), a State of Hawaii General Contractor and member of the General Contractors Association of Hawaii.

RSI **supports** the passage of S.B. 3093, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by allowing bidders two days to submit the list of subcontractors or joint contractors working on the project to the agency. Under this proposed change, the procurement officer would close the bidding in the usual manner, but would not open the bids until two working days after the closing. Each bidder shall have two days after the bid closing to submit its list of subcontractors as required under Section 103D-302, HRS.

The proposed change will permit the bidder to insure that all subcontractors who have submitted bids to the general contractor have met all of the requirements to perform work on state and county projects, including meeting all licensing, bonding and insurance requirements, as applicable. The additional time is necessary because in most cases the general contractor does not receive bid prices from the various subcontractors until shortly before the bid must be submitted to the state agency. This means that the general contractor does not have time to check whether the subcontractors who have submitted bids meet the requirements to work on the job, especially the proper licenses issued by the Contractors License Board. Given the large

number of “C” (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ascertain licenses and verify whether every subcontractor has the proper license to perform the work he has submitted a bid to do.

This proposal is not an attempt to give general contractors an advantage in submitting bids, nor is it, as some may argue, an opportunity to bid-shop. Instead this legislation is increasing efficiency in the procurement process, by allowing contractors to verify the information that subcontractors provide. The proposed legislation does not permit the contractor to change its proposed bid amount. The two days will permit the bidder to ensure the subcontractor/joint contractor list is complete and listed subcontractors/joint contractors are properly licensed, are bondable (where applicable), and have all the required insurance coverage. This will reduce the likelihood of errors and result in reducing the number of bid protests which often delay public works projects and in some cases increase the cost of public works project for the state.

We believe that this proposed amendment will result in more complete and accurate bid submittals and reduce the number of potential bid protests.

RSI **supports** S.B. 3093 and recommends its passage.





525 Kokea Street, Bldg. B-3 • Honolulu, Hawaii 96817 • Phone: (808) 845-6477 • Fax: (808) 845-6471 • E-mail: [rmkaya@hawaii.nc.com](mailto:rmkaya@hawaii.nc.com)  
*Building and Improvement Specialist Since 1937*  
*Serving Hawaii for Over a Half Century*

Via E-mail: [GVOtestimony@capitol.hawaii.gov](mailto:GVOtestimony@capitol.hawaii.gov)  
 Facsimile: (808) 587-7205

February 3, 2016

TO: HONORABLE DONNA MERCADO KIM, CHAIR, HONORABLE LES IHARA,  
 VICE CHAIR AND MEMBERS OF THE COMMITTEE ON GOVERNMENT  
 OPERATIONS

SUBJECT: **SUPPORT OF S.B. 3093, RELATING TO PROCUREMENT.** Provides a bidder of a public works construction project with two working days after the closing of bids to provide the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor and the nature and scope of the work to be performed by each joint contractor or subcontractor.

HEARING

DATE: February 4, 2016  
 TIME: 1:15 p.m.  
 PLACE: CR 414

Dear Chair Mercado Kim, Vice Chair Ihara and Members of the Committee:

**ROBERT M. KAYA BUILDERS, INC.** supports the passage of S.B. 3093, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by allowing bidders two days to submit the list of subcontractors or joint contractors working on the project to the agency. Under this proposed change, the procurement officer would close the bidding in the usual manner, but would not open the bids until two working days after the closing. Each bidder shall have two days after the bid closing to submit its list of subcontractors as required under Section 103D-302, HRS.

The proposed change will permit the bidder to insure that all subcontractors who have submitted bids to the general contractor have met all of the requirements to perform work on state and county projects, including meeting all licensing, bonding and insurance requirements, as applicable. The additional time is necessary because in most cases the general contractor does not receive bid prices from the various subcontractors until shortly before the bid must be submitted to the state agency. This means that the general contractor does not have time to check whether the subcontractors who have submitted bids meet the requirements to work on the job, especially the proper licenses issued by the Contractors License Board. Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the

Members of the Government Operations Committee  
February 3, 2016  
Page Two

general contractor to ascertain licenses and verify whether every subcontractor has the proper license to perform the work he has submitted a bid to do.

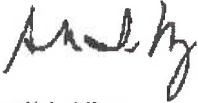
This proposal is not an attempt to give general contractors an advantage in submitting bids, nor is it, as some may argue, an opportunity to bid-shop. Instead this legislation is increasing efficiency in the procurement process, by allowing contractors to verify the information that subcontractors provide. The proposed legislation does not permit the contractor to change its proposed bid amount. The two days will permit the bidder to ensure the subcontractor/joint contractor list is complete and listed subcontractors/joint contractors are properly licensed, are bondable (where applicable), and have all the required insurance coverage. This will reduce the likelihood of errors and result in reducing the number of bid protests which often delay public works projects and in some cases increase the cost of public works project for the state.

We believe that this proposed amendment will result in more complete and accurate bid submittals and reduce the number of potential bid protests.

**ROBERT M. KAYA BUILDERS, INC. supports S.B. 3093 and recommends its passage.**

Yours truly,

ROBERT M. KAYA BUILDERS, INC.



Scott I. Higa  
President



**S & M SAKAMOTO, INC.**  
GENERAL CONTRACTORS

Via E-mail: [GVOTestimony@capitol.hawaii.gov](mailto:GVOTestimony@capitol.hawaii.gov)  
Facsimile: (808) 587-7205

February 4, 2016

TO: HONORABLE DONNA MERCADO KIM, CHAIR, HONORABLE LES IHARA, VICE  
CHAIR AND MEMBERS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

SUBJECT: **SUPPORT OF S.B. 3093, RELATING TO PROCUREMENT.** Provides a bidder of a public works construction project with two working days after the closing of bids to provide the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor and the nature and scope of the work to be performed by each joint contractor or subcontractor.

HEARING

DATE: February 4, 2016  
TIME: 1:15 p.m.  
PLACE: CR 414

Dear Chair Mercado Kim, Vice Chair Ihara and Members of the Committee:

**S & M Sakamoto, Inc. supports** the passage of S.B. 3093, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by allowing bidders two days to submit the list of subcontractors or joint contractors working on the project to the agency. Under this proposed change, the procurement officer would close the bidding in the usual manner, but would not open the bids until two working days after the closing. Each bidder shall have two days after the bid closing to submit its list of subcontractors as required under Section 103D-302, HRS.

The proposed change will permit the bidder to insure that all subcontractors who have submitted bids to the general contractor have met all of the requirements to perform work on state and county projects, including meeting all licensing, bonding and insurance requirements, as applicable. The additional time is necessary because in most cases the general contractor does not receive bid prices from the various subcontractors until shortly before the bid must be submitted to the state agency. This means that the general contractor does not have time to check whether the subcontractors who have submitted bids meet the requirements to work on the job, especially the proper licenses issued by the Contractors License Board. Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ascertain licenses and verify whether every subcontractor has the proper license to perform the work he has submitted a bid to do.

This proposal is not an attempt to give general contractors an advantage in submitting bids, nor is it, as some may argue, an opportunity to bid-shop. Instead this legislation is increasing efficiency in the procurement process, by allowing contractors to verify the information that subcontractors provide. The proposed legislation does not permit the contractor to change its proposed bid amount. The two days will permit the bidder to ensure the subcontractor/joint contractor list is complete and listed subcontractors/joint contractors are properly licensed, are bondable (where applicable), and have all the required insurance coverage. This will reduce the likelihood of errors and result in reducing the number of bid protests which often delay public works projects and in some cases increase the cost of public works project for the state.

We believe that this proposed amendment will result in more complete and accurate bid submittals and reduce the number of potential bid protests.

**S & M Sakamoto, Inc. supports** S.B. 3093 and recommends its passage.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gerard Sakamoto". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gerard Sakamoto  
Chairman of the Board