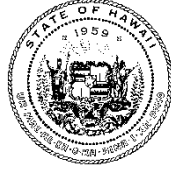


DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN COMMENTS OF
RODERICK K. BECKER, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEES ON
JUDICIARY AND LABOR
AND
WAYS AND MEANS
ON
THURSDAY, MARCH 30, 2017
9:50 A.M.
CONFERENCE ROOM 211

H.B. 1229, H.D. 1, S.D. 1

RELATING TO PROCUREMENT.

Chairs Keith-Agaran and Tokuda, Vice Chairs Rhoads and Dela Cruz, and members of the Committees, thank you for the opportunity to submit written comments on H.B. 1229, H.D. 1, S.D. 1.

The Department of Accounting and General Services (DAGS) opposes this bill and offers the following comments for the committee's consideration:

1. The Protest Mechanism Works: The protest process is a mechanism for settling disputes that arise during the procurement process for construction projects in an impartial and fair manner, which allows bidders to rely on the procurement process.
2. Perception: Large dollar value construction jobs, which are often the higher profile projects, are more likely to be protested because more is at stake. The public perceives that protests are a large problem in the procurement process; however, the statistics do not support this.
3. Basis for Proposed Changes: The source of the problem is not the protests or the statutory requirement to list subcontractors. It is the quality and completeness of the subcontractor listings. Therefore, the goal should be to reduce errors in the subcontractor listing.

4. Threshold Amount: Establishing a high threshold for the subcontractor listing requirement:

A. May result in the elimination of some protests;

B. May increase the potential for bid shopping on projects below the threshold value. It should be noted that cost reduction due to bid shopping does not get passed on to the government since the price offered is already determined, and bid shopping could also negatively affect the quality of construction; and

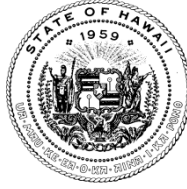
C. A higher threshold may also make it more likely that contractors will make errors in the subcontractor listings since they will be required to submit the listings less frequently.

DAGS is also concerned that setting any dollar value threshold by statute for the subcontractor listing requirement will also require periodic review of the issue to determine whether the threshold needs to be adjusted.

5. Allowance Threshold Percentage: The 1% allowance threshold was intended to allow the State some leeway to accept bids with small errors. Raising the allowance threshold on higher dollar value projects may not address concerns regarding bid protests based on subcontractor listings and licensing issues since the amount could be significant. For example, if the percentage were 5% of the total estimated cost, for a \$30 million project, 5% would be a \$1,500,000 subcontract. The State may not be able to verify if the subcontractors performing the work are acceptable (i.e., debarment or suspension lists, etc.), if bidders under a higher threshold will be treated in the same manner bidders are currently treated under the 1% threshold. This may shift more of the burden from the contractor to procurement staff, prolong the analysis period, and create more uncertainty where bidders are not equally transparent in listing their subcontractors.

6. Evaluation: DAGS recommends that all bills that may impact the construction procurement process be reviewed to ensure that they contribute to making the process more streamline, transparent, and efficient.

Thank you for the opportunity to submit written comments on this matter.



Testimony by:
FORD N. FUCHIGAMI
DIRECTOR

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

IN REPLY REFER TO:

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

March 30, 2017
9:50 a.m.
State Capitol, Room 211

H.B. 1229, H.D. 1, S.D. 1
RELATING TO PROCUREMENT

Senate Committees on Judiciary and Labor & Ways and Means

The Department of Transportation (DOT) provides the following **comments** to the proposed bill which proposes a two substantive revisions to the subcontractor listing by 1) including a total value threshold for the requirement to list a subcontractor. The original bill listed the threshold at \$5 million; and 2) revising the narrow exception for the acceptance of a bid without a listed subcontractor when it is in the best interest of the State and the value of the work to be performed by the subcontractor is equal to or less than (unlisted percent) of the total bid amount. The existing statute lists the exception at one percent.

Total Value Threshold

The stated purpose of the proposed threshold revision is to “reduce the number of subcontractors that must be listed in the bid proposal, thereby reducing the number of opportunities to challenge bids on the basis of subcontractor listing errors.”

Instead of applying equally across the board for all projects, the subcontractor listing requirement would only apply to larger projects. Larger projects generally have more specialty trade work and it corresponds that the general contractor would need to engage and list more subcontractors on these larger projects.

Smaller projects generally have less specialty trade work, and for these projects, the subcontractor listing would not apply if this law is passed, even though the general on smaller projects would have less subcontractors to engage, and list on these projects.

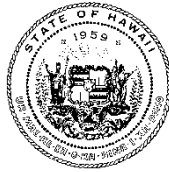
If applied, however, a general contractor bidding on a pavement improvements project under the value threshold would not have to list a pavement striping subcontractor, yet a general contractor that bids on a pavement improvements project that meets the value threshold would have to list the pavement striping subcontractor.

Listing Requirement Exception (value of the work percentage)

The DOT has received protests where the protest issue is whether the value of the work is under the one percent. While the general contractor may provide information for the DOT to determine whether the value of the work is under the one percent, there are arguably work arounds such as the general contractor providing information that it will purchase the work materials and the subcontractor to merely provide the installation.

Thank you for the opportunity to provide testimony.

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
MARA SMITH
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>
Twitter: [@hawaiispo](https://twitter.com/hawaiispo)

TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEES
ON
JUDICIARY AND LABOR
AND
WAYS AND MEANS
MARCH 30, 2017, 9:50 AM

HOUSE BILL 1229 HD 1 SD 1
RELATING TO PROCUREMENT
PROCUREMENT; SUBCONTRACTOR LISTING

Chairs Keith-Agaran and Tokuda, Vice-Chairs Rhodes and Dela Cruz and members of the committee, thank you for the opportunity to submit testimony on House Bill 1229, House Draft 1.

The State Procurement Office (SPO) **opposes** this bill and offers the following comments:

The SPO questioned the data points the previous amounts shown in the original bill was based on. Both the dollar threshold and percentage at which all subcontractors must be listed are now blank. Who and how will this number be determined? This should be based on well researched statistics.

In addition, there is no statute or rule in the procurement code that mandates post-award contract management. Thus, any construction work that is conducted under the currently blank threshold will not have any formal process for checking the contractor(s) is licensed. There is an expectation that the Government hire responsible, licensed contractors to perform safe work on public facilities. The Government must do their due diligence and ensure the contractors they hire are licensed. Without a formal, mandatory process, it will be very easy for this check not to happen, and the risk of the public accessing unsafe government facilities along with the associated liability thereof will be high.

Thank you.



Alan Shintani Inc.
GENERAL CONTRACTOR ABC 13068

March 30, 2017

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE
CHAIR, COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE
CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.**
Requires public procurement construction bids to list subcontractors and joint
contractors only for contracts with an unspecified total value; provided that bids lacking
this list may be accepted if in the State's best interest and the value of the work to be
performed by the joint contractor or subcontractor is equal to or less than an unspecified
per cent of the total bid amount. Effective 7/1/2050. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:50 a.m.
PLACE: Capitol Room 016

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and Members of the
Committee,

Alan Shintani, Inc. supports the passage of H.B. 1229, HD1, SD1, Relating to Procurement, which
would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS
by limiting which projects the subcontractor listing requirement applies to depending on a dollar
threshold. Under this proposed change, the subcontractor list would still be required, but only on
projects either over or under a certain dollar threshold.

Under current law HRS, Section 103D-302(b) requires the bidding contractor to list subcontractors and
joint contractors and their scope of work to be employed on all public works projects unless the prime
contractor has the required specialty license or will do the work themselves. The listing of
subcontractors has become a way in which bidders attack the responsiveness of a proposal, resulting
in awards to non-low bidders, increased cost to the state and delay of projects due to a technicality in
the submitted subcontractor list. Thus, not only does the lowest bidder and their listed subcontractors
get disqualified from performing, but the state could end up paying millions of dollars more for the
project. This bill proposes to limit which projects the subcontractor listing applies to based on the cost of
the project, which will in turn limit these types of challenges.

Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult
for the general contractor to ensure that their submitted listing includes all necessary information. This
will not change the law that requires that all contractors on the project must be properly licensed, nor
would it change the responsibility of the general contractor to ensure the project is completed.

Alan Shintani, Inc. supports H.B. 1229, HD1, SD1 and recommends its passage.

Alan Shintani
Alan Shintani
President

2017 OFFICERS

PRESIDENT

EVAN FUJIMOTO
GRAHAM BUILDERS, INC.

PRESIDENT-ELECT

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SPECIAL APPOINTEE-BUILDER

CURT KIRIU
CK INDEPENDENT LIVING BUILDERS

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MARK KENNEDY
HASEKO CONSTRUCTION MANAGEMENT
GROUP, INC.

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PETER ELDRIDGE
RAYNOR OVERHEAD DOORS & GATES

IMMEDIATE PAST PRESIDENT

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JACKSON PARKER

D.R. HORTON, SCHULER DIVISION

DOUGLAS PEARSON

CASTLE & COOKE HOMES

PAUL D. SILEN

HAWAIIAN DREDGING
CONSTRUCTION CO. INC.

ALAN TWU

HK CONSTRUCTION CORP.

MAILING:

P.O. BOX 970967
WAIPAHU, HAWAII 96797-0967

PHYSICAL:

94-487 AKOKI STREET
WAIPAHU, HAWAII 96797

**Testimony to the Senate Committee on Judiciary & Labor; and
Senate Committee on Ways & Means
March 30, 2017**

9:50 a.m.

Conference Room 211

RE: HB 1229 HD1 SD1 – Relating to Procurement

Chairs Keith-Agaran & Tokuda, Vice-Chair Rhoads & Dela Cruz, and members of the committees:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii supports the passage of H.B. 1229 HD1 SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by limiting which projects the subcontractor listing requirement applies to based on a dollar threshold. Under this proposed change, the subcontractor list would still be required but only on projects either over or under a certain dollar threshold.

Under current law HRS, Section 103D-302(b) requires the bidding contractor to list subcontractors and joint contractors and their scope of work to be employed on all public works projects unless the prime contractor has the required specialty license or will do the work themselves. The listing of subcontractors has become a way in which bidders attack the responsiveness of a proposal, resulting in awards to non-low bidders, increased cost to the state and delay of projects due to a technicality in the submitted subcontractor list. As a result not only does the lowest bidder and their listed subcontractors get disqualified from performing, but the state could end up paying millions of dollars more for the project. This bill proposes to limit which projects the subcontractor listing applies to based on the cost of the project, which will in turn limit these types of challenges.

Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This will not change the law that requires that all contractors on the project must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed.

Thank you for the opportunity to share our views on this matter.

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcawhawaii.org
Website: www.gcawhawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 30, 2017

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE CHAIR, COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **STRONG SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.** Requires public procurement construction bids to list subcontractors and joint contractors only for contracts with an unspecified total value; provided that bids lacking this list may be accepted if in the State's best interest and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than an unspecified per cent of the total bid amount. Effective 7/1/2050. (SD1)

Public Decision Making

DATE: March 30, 2017
TIME: 9:50 a.m.
PLACE: Capitol Room 211

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and Members of the Committee,

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

GCA is in **strong support** of H.B. 1229, HD1, SD1, Relating to Procurement, which requires that for construction contracts with a total value of more than a certain dollar amount (currently blank but previous draft was \$5,000,000) would require a list of subcontractors that a bidder intends to use to be submitted at time of bid and also blanks out the percentage. As an option, GCA is in favor of subcontractor listing not being required for projects over \$5,000,000 since the concern raised by the subcontractor community relative to the impact on smaller subcontractors. It is important to understand that all contractor licensing laws and compliance with chapter 104 requirements would remain in place with these proposed changes and will ensure all contractors on the project are subject to penalties including debarment for any violations. Furthermore, during the contract the designated agency has complete oversight over the project and has the ability to withhold payments or pursue debarment if one is non-compliant with terms of the contract or state or county law or regulations during the post award period of the contract. This measure together

with HB 573, HD1, SD1, which proposes to prohibit bid shopping and bid peddling are important to address claims against such practices.

We bring to your attention that the federal agency, General Services Administration (GSA), removed the requirement for subcontractor listing in 1983 when they concluded that “bidding problems and protests related to the 'listing of subcontractors' requirement adversely affected the GSA construction program”. By eliminating the bid listing requirement, the GSA stated the change would ‘simplify procurement procedures, reduce paperwork burdens associated with procurement... and eliminate potential delays and financial losses experienced as a result of the listing requirement.’ *Associated General Contractors Association*. Website accessed on March 12, 2017 at <https://www.agc.org/industry-priorities/procurement/bid-shopping>. Furthermore, GCA’s national organization, Associated General Contractors of America (AGC), is resolutely opposed to the practice of bid shopping. AGC, the American Subcontractors Association, and the Associated Specialty Contractors issued this joint statement in 1995 on the issue of bid shopping and bid peddling: “Bid shopping or bid peddling are abhorrent business practices that threaten the integrity of the competitive bidding system that serves the construction industry and the economy so well.” AGC strongly believes that bid shopping and bid peddling cannot sustain long-term working relationships between prime and subcontractors.” *Id.*

Some examples of recent projects that encountered delays or increased costs due to subcontractor listing and caused delay in starting construction include, but are not limited to:

- Kamamalu Building (Oahu) - *Subcontractor listed by 4 lowest bidders considered non-responsive, thus awarded to fifth lowest bidder.*
 - Bid Date: May 2014
 - Project Awarded: *5 months after Bid Close* October 2014 at \$24.8 Million
 - **Awarded to 5th lowest bidder at increased of price of \$3.3 M over lowest bid**
- Kona Judiciary Complex (Big Island) *Issue raised over listed subcontractors among other issues.*
 - Bid Date: January 2016
 - Project Awarded: *10 months after Bid Close* October 2016 at \$79 Million
 - **Awarded to 3rd lowest bidder at increased price of \$1.7 M over lowest bid**
- Maui Car Rental Facility (Maui) – *Subcontractor listed alleged to be in error, among other protest issues that went to Office of Administrative Hearings for final disposition*
 - Bid Date: June 2014
 - Project Awarded: *18 months after Bid Close* December 2015 at \$331 million
 - **Awarded to 4th lowest bidder at increased price of \$3.8M over lowest bid**

Under current law HRS, Section 103D-302(b) requires the bidding general contractor to list subcontractors and joint contractors and their scope of work to be employed on all public works projects unless the general contractor has the required specialty license or will self-perform the work. This bill proposes to limit which projects the subcontractor listing applies based on the bid amounts for the project. This measure does not preclude a state agency from requiring the general contractor to disclose the list of subcontractors that will be performing related scopes of work for the project.

The GCA supports this bill because the challenges to the subcontractor listing requirements are increasing the cost of public works construction and delaying the delivery of projects due

to bid protests. Additionally, the mandated subcontractor listing requirement is not consistent with the *American Bar Association Model Procurement Code* (ABA Model Procurement Code), which Hawaii's Procurement Code models. Furthermore the federal government does not require subcontractor listing on any of their projects thus eliminating the risk of bid protests due to listing error(s). While we understand the concern with regard to bid shopping and bid peddling, the current subcontractor listing law interferes with the commercial transaction between the general contractor and subcontractor and will continue to result in delays of project starts and awards to a higher bidder.

Background of the Subcontractor Listing Requirement

In the last decade, the subcontractor listing requirement has been used beyond its legislative intent and has become a strategy by the non-low bidders to identify errors in the low bid that either fails to list a properly licensed subcontractor or inadvertently commits a listing error in the haste to submit a bid by the deadline. As a result of the subcontractor listing requirement, the failure to list such subcontractor altogether or a subcontractor whose work would total more than one percent of the total bid could be subject to a formal bid protest whereby a higher bidder could be awarded the contract in lieu of the apparent low bidder. These protests have historically resulted in delays in contract awards and, in the event the low bidder is disqualified, there is additional cost to the agency and taxpayers if the contract is awarded to the higher bidder.

More recently, **the subcontractor listing has been the primary reason why public works projects are being awarded to non-low bidders.** In addition to the delays and additional costs, the subcontractor listing requirement creates an administrative burden for the agencies to manage.

The subcontractor listing law has resulted in increased cost for taxpayers, delays in delivery of much needed projects, and the potential of lapsing funds for important projects. We appreciate this Committee's consideration of requiring that the subcontractor listing requirement be applied to projects either under or over a certain dollar threshold.

Thank you for this opportunity to support this bill and we respectfully request the Committee to move this measure forward.

HAWAII OPERATING ENGINEERS INDUSTRY STABILIZATION FUND



*Uniting our strengths and working together
for a better tomorrow.*

Affiliated AFL-CIO
OPEIU - 8 - AFL-CIO (8)

March 28, 2017

Senate Committee on Judiciary and Labor

Honorable Gilbert S.C. Keith-Agaran, Chair

Honorable Karl Rhoads, Vice Chair

Honorable Members of the Senate committee on Judiciary and Labor

Senate Committee on Ways and Means

Honorable Jill N. Tokuda, Chair

Honorable Donovan M. Dela Cruz, Vice Chair

Honorable Members of the Senate committee on Ways and Means

RE: **SUPPORT OF H.B.1229 HD1 SD1, RELATING TO PROCUREMENT**

Dear Chair Keith-Agaran, Vice Chair Rhoads, Members of the Committee, and Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee,

My name is Pane Meatoga III and I am the Community Liaison representing the Hawaii Operating Engineers Industry Stabilization Fund (HOEISF). We are a labor management fund representing 4000 unionized members in the heavy engineering site work and 500 general contractors specializing in heavy site and vertical construction.

Hawaii Operating Engineers Industry Stabilization Fund **supports** the passage of H.B. 1229 HD1 SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by limiting which projects the subcontractor listing requirement applies to based on a dollar threshold. Under this proposed change, the subcontractor list would still be required but only on projects either over or under a certain dollar threshold.

Under current law HRS, Section 103D-302(b) requires the bidding contractor to list subcontractors and joint contractors and their scope of work to be employed on all public works projects unless the prime contractor has the required specialty license or will do the work themselves. The listing of subcontractors has become a way in which bidders attack the responsiveness of a proposal, resulting in awards to non-low bidders, increased cost to the state and delay of projects due to a technicality in the submitted subcontractor list. As a result not only does the lowest bidder and their listed subcontractors get disqualified from performing, but the state could end up paying millions of dollars more for the project. This bill proposes to limit which projects the subcontractor listing applies to based on the cost of the project, which will in turn limit these types of challenges.

Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This will not change the law that requires that all contractors on the project must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed.

Hawaii Operating Engineers Industry Stabilization Fund supports H.B. 1229, HD1, SD1 and recommends its passage.

Sincerely,

A handwritten signature in black ink that reads "Pane Meatoga III". The signature is written in a cursive style with a horizontal line extending from the end of the name.

Pane Meatoga III
Community Liaison
Hawaii Operating Engineers Industry Stabilization Fund



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

Via E-mail: JDLTestimony@capitol.hawaii.gov
WAMTestimony@capitol.hawaii.gov
Facsimile: 1-808-586-7348

March 27, 2017

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE CHAIR, COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.**

Requires public procurement construction bids to list subcontractors and joint contractors only for contracts with an unspecified total value; provided that bids lacking this list may be accepted if in the State's best interest and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than an unspecified per cent of the total bid amount. Effective 7/1/2050. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:50 a.m.
PLACE: Capitol Room 016

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and Members of the Committee,

Hawaiian Dredging Construction Company, Inc. supports the passage of H.B. 1229, HD1, SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by limiting which projects the subcontractor listing requirement applies to depending on a dollar threshold. Under this proposed change, the subcontractor list would still be required, but only on projects either over or under a certain dollar threshold.

Under current law HRS, Section 103D-302(b) requires the bidding contractor to list subcontractors and joint contractors and their scope of work to be employed on all public works projects unless the prime contractor has the required specialty license or will do the work themselves. The listing of subcontractors has become a way in which bidders attack the responsiveness of a proposal, resulting in awards to non-low bidders, increased cost to the state and delay of projects due to a technicality in the submitted subcontractor list. As a result not only does the lowest bidder and their listed subcontractors get disqualified from performing, but the state could end up paying millions of dollars more for the project. This bill proposes to limit which projects the subcontractor listing applies to based on the cost of the project, which will in turn limit these types of challenges.

Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This will not change the law that requires that all contractors on the project must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed.

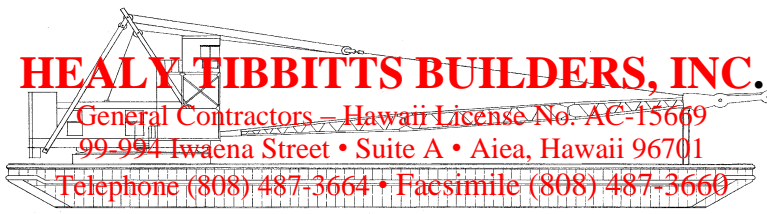
Hawaiian Dredging Construction Company, Inc. supports H.B. 1229, HD1, SD1 and recommends its passage.

With best regards,



Joseph P. Majkut
President
Hawaiian Dredging Construction Company, Inc.





March 27, 2017

Sent Via E-mail to: JDLTestimony@capitol.hawaii.gov
WAMTestimony@capitol.hawaii.gov

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE CHAIR, COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.**
Requires public procurement construction bids to list subcontractors and joint contractors only for contracts with an unspecified total value; provided that bids lacking this list may be accepted if in the State's best interest and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than an unspecified per cent of the total bid amount. Effective 7/1/2050. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:50 a.m.
PLACE: Capitol Room 016

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz 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 H.B. 1229, HD1, SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by limiting which projects the subcontractor listing requirement applies to depending on a dollar threshold. Under this proposed change, the subcontractor list would still be required, but only on projects either over or under a certain dollar threshold.

Under current law HRS, Section 103D-302(b) requires the bidding contractor to list subcontractors and joint contractors and their scope of work to be employed on all public works projects unless the prime contractor has the required specialty license or will do the work themselves. The listing of subcontractors has become a way in which bidders attack the responsiveness of a proposal, resulting in awards to non-low bidders, increased cost to the state

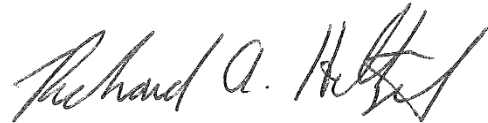
Healy Tibbitts Builders, Inc.

and delay of projects due to a technicality in the submitted subcontractor list. As a result, not only does the lowest bidder and their listed subcontractors get disqualified from performing, but the state could end up paying millions of dollars more for the project. This bill proposes to limit which projects the subcontractor listing applies to based on the cost of the project, which will in turn limit these types of challenges.

Given the large number of "C" specialty licenses (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This will not change the law that requires that all contractors on the project must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed.

Healy Tibbitts Builders, Inc. **supports** H.B. 1229, HD1, SD1 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



Contractor's License No. ABC1036

MAIN OFFICE: 648 PIILANI STREET, P.O. BOX 4669, HILO, HAWAII 96720
PHONE (808) 935-7194 FAX (808) 961-6417

KONA BRANCH: 74-5039B QUEEN KAAHUMANU HWY., P.O. BOX 3169, KAILUA-KONA, HI 96740
PHONE (808) 329-8051 FAX (808) 329-3261

ESTABLISHED 1926

An Equal Opportunity Employer

Via E-mail: JDLTestimony@capitol.hawaii.gov
WAMTestimony@capitol.hawaii.gov
Facsimile: 1-808-586-7348

March 30, 2017

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE CHAIR, COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.**
Requires public procurement construction bids to list subcontractors and joint contractors only for contracts with an unspecified total value; provided that bids lacking this list may be accepted if in the State's best interest and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than an unspecified per cent of the total bid amount. Effective 7/1/2050. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:50 a.m.
PLACE: Capitol Room 016

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and Members of the Committee,

Isemoto Contracting Co., Ltd. supports the passage of H.B. 1229, HD1, SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by limiting which projects the subcontractor listing requirement applies to depending on a dollar threshold. Under this proposed change, the subcontractor list would still be required, but only on projects either over or under a certain dollar threshold.

Under current law HRS, Section 103D-302(b) requires the bidding contractor to list subcontractors and joint contractors and their scope of work to be employed on all public works projects unless the prime contractor has the required specialty license or will do the work themselves. The listing of subcontractors has become a way in which bidders attack the responsiveness of a proposal, resulting in awards to non-low bidders, increased cost to the state and delay of projects due to a technicality in the submitted subcontractor list. As a result, not only does the lowest bidder and their listed subcontractors get disqualified from performing, but the state could end up paying millions of dollars more for the project. This bill proposes to limit which projects the subcontractor listing applies to based on the cost of the project, which will in turn limit these types of challenges.

Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This will not change the law that requires that all contractors on the project must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed.

Isemoto Contracting Co., Ltd. supports H.B. 1229, HD1, SD1 and recommends its passage.

Sincerely,

A handwritten signature in black ink, appearing to read "Leslie Isemoto". The signature is fluid and cursive, with a large initial "L" and "I".

Leslie Isemoto,
President



JAYAR CONSTRUCTION, INC.

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

March 27, 2017

To: HONORABLE GIL KEITH-AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE CHAIR, MEMBERS OF THE COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, MEMBERS OF THE COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.** Requires public procurement construction bids to list subcontractors and joint contractors only for contracts with an unspecified total value; provided that bids lacking this list may be accepted if in the State's best interest and the value of the work to be performed by the subcontractor or joint contractor is less than an unspecified per cent of the total bid amount Effective 7/1/2050. (SD1)

Hearing Date: March 30, 2017
Hearing Time: 9:50 A.M.
Hearing Place: Capitol Room 016

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and Members of the Committees,

Jayar Construction, Inc. is a locally owned General Contractor that has been in business since 1987. We currently have over a hundred employees and have been working on public works construction for many years.


Jayar supports the passage of H.B. 1229, HD1, SD1, Relating to Procurement, which would amend the current subcontractor listing requirement by limiting which projects the subcontractor listing requirements apply to depending on a dollar threshold. Under this proposed change, the subcontractor list would still be required but only on projects over a certain dollar threshold.

Under current law the bidding contractor must list subcontractors and joint contractors and their scope of work on all public works projects unless the prime contractor has the required specialty license and will do the work themselves. The listing of subcontractors has allowed non-low bidders a method to attack the low bid, resulting extensive delays in the start of the project and in awards to non-low bidders at increased cost to the state. Often the challenge is based on a technicality which ends up costing the state millions of dollars more for the project. This bill proposes to limit which projects the subcontractor listing applies to.

Given the large number of specialty licenses that currently exists (over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This bill will not change the law that requires that all contractors must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed properly.

Jayar supports H.B. 1229, HD1, SD1 and recommends its passage.

Sincerely,


Stephen Yoshida
CFO and Human Resource Manager



Via E-mail: JDLTestimony@capitol.hawaii.gov
WAMTestimony@capitol.hawaii.gov
Facsimile: 1-808-586-7348

March 30, 2017

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE CHAIR, COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.**
Requires public procurement construction bids to list subcontractors and joint contractors only for contracts with an unspecified total value; provided that bids lacking this list may be accepted if in the State's best interest and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than an unspecified per cent of the total bid amount. Effective 7/1/2050. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:50 a.m.
PLACE: Capitol Room 016

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and Members of the Committee,

LYZ, INC. supports the passage of H.B. 1229, HD1, SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by limiting which projects the subcontractor listing requirement applies to depending on a dollar threshold. Under this proposed change, the subcontractor list would still be required, but only on projects either over or under a certain dollar threshold.

Under current law HRS, Section 103D-302(b) requires the bidding contractor to list subcontractors and joint contractors and their scope of work to be employed on all public works projects unless the prime contractor has the required specialty license or will do the work themselves. The listing of subcontractors has become a way in which bidders attack the responsiveness of a proposal, resulting in awards to non-low bidders, increased cost to the state and delay of projects due to a technicality in the submitted subcontractor list. As a result not only does the lowest bidder and their listed subcontractors get disqualified from performing, but the state could end up paying millions of dollars more for the project. This bill proposes to limit which projects the subcontractor listing applies to based on the cost of the project, which will in turn limit these types of challenges.

378 N School Street, Suite 201 . HONOLULU, HAWAII 96817 . PHONE (808) 845-3779 . FAX (808) 845-3748



Given the large number of “C” (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This will not change the law that requires that all contractors on the project must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed.

LYZ, INC. supports H.B. 1229, HD1, SD1 and recommends its passage.



James N. Kurita
Vice President/COO



SHARING YOUR VISION. BUILDING SUCCESS.

Via E-mail: JDCTestimony@capitol.hawaii.gov
WAMTestimony@capitol.hawaii.gov
Facsimile: 1-808-586-7348

March 30, 2017

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE CHAIR, COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.**
Requires public procurement construction bids to list subcontractors and joint contractors only for contracts with an unspecified total value; provided that bids lacking this list may be accepted if in the State's best interest and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than an unspecified per cent of the total bid amount. Effective 7/1/2050. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:50 a.m.
PLACE: Capitol Room 016

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and Members of the Committee,

Nordic PCL Construction, Inc. supports the passage of H.B. 1229, HD1, SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by limiting which projects the subcontractor listing requirement applies to depending on a dollar threshold. Under this proposed change, the subcontractor list would still be required, but only on projects either over or under a certain dollar threshold.

Under current law HRS, Section 103D-302(b) requires the bidding contractor to list subcontractors and joint contractors and their scope of work to be employed on all public works projects unless the prime contractor has the required specialty license or will do the work themselves. The listing of subcontractors has become a way in which bidders attack the responsiveness of a proposal, resulting in awards to non-low bidders, increased cost to the state and delay of projects due to a technicality in the submitted subcontractor list. As a result not only does the lowest bidder and their listed subcontractors get disqualified from performing, but the state could end up paying millions of dollars more for the project. This bill proposes to limit which projects the subcontractor listing applies to based on the cost of the project, which will in turn limit these types of challenges.

Given the large number of "C" licenses (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This will not change the law that requires that all contractors on the project must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed.

Nordic PCL Construction, Inc. supports H.B. 1229, HD1, SD1 and recommends its passage.

Yours truly,

Glen Kaneshige, President

HEARING BEFORE THE SENATE COMMITTEE ON JUDICIARY & LABOR

AND

SENATE COMMITTEE ON WAYS AND MEANS

House Bill 1229, H.D.1, S.D.1
Relating To Procurement

Chairs Keith-Agaran and Tokuda and Members of the Committee:

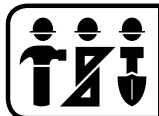
Thank you for this opportunity to submit testimony on behalf of the Painting Industry of Hawaii Labor Management Cooperation Trust Fund, Hawaii Tapers Market Recovery Trust Fund, Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund, and Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund in **strong opposition** to House Bill 1229, H.D.1, S.D.1 which seeks to limit State law requiring the listing of subcontractors in public construction projects to only projects of an unspecified (blank) total value.

State law requiring the listing of subcontractors is the primary protection for subcontractors from predatory bid shopping or bid peddling practices. These unethical practices inure to the benefit of the general contractor only, not to the landowner or procurement agency. Any weakening of the law no matter how small or great undermines public confidence in the procurement system and promotes substandard work and/or delays.

We also strongly disagree with the findings section of this Bill which implies that subcontractor listing is a significant problem causing delays and increased cost for public construction projects. The State Procurement Task Force convened pursuant to Senate Concurrent Resolution 92, S.D. 2 (2013) studied data relating to bid protests filed with respect to construction contracts over a multi-year period and concluded that bid protests related to subcontractor listing issues are simply not a statistically significant problem. The Task Force decided not to recommend any changes to the State's procurement law with respect to subcontractor listing.

Finally, any suggestion that subcontractor listing laws should be weakened because of time constraints faced by general contractors in the bid submission process are entirely merit less. All parties are aware of the deadlines involved, and a general contractor has the freedom and power to dictate to subcontractors when their bids must be submitted to the general contractor to be considered for work on the project. The general contractor is free to exclude from consideration any subcontractor that does not timely submit such a bid.

For all of these reasons, we respectfully ask that you defer this measure indefinitely. Thank you again for this opportunity to share our strong opposition to this measure.



RALPH S. INOUYE 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: JDLTestimony@capitol.hawaii.gov
WAMTestimony@capitol.hawaii.gov
Facsimile: 1-808-586-7348

March 30, 2017

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS,
VICE CHAIR, COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ,
VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.**

Requires public procurement construction bids to list subcontractors and joint contractors only for contracts with an unspecified total value; provided that bids lacking this list may be accepted if in the State's best interest and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than an unspecified per cent of the total bid amount. Effective 7/1/2050. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:50 A.M.
PLACE: Capitol Room 211

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and
Members of the Committee,

Ralph S Inouye Co, Ltd (RSI), a Hawaii general contractor and member of the General Contractors Association of Hawaii, **supports** the passage of H.B. 1229, HD1, SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by limiting which projects the subcontractor listing requirement applies to depending on a dollar threshold. Under this proposed change, the subcontractor list would still be required, but only on projects either over or under a certain dollar threshold.

Under current law HRS, Section 103D-302(b) requires the bidding contractor to list subcontractors and joint contractors and their scope of work to be employed on all public works projects unless the prime contractor has the required specialty license or will do the work themselves. The listing of subcontractors has become a way in which bidders attack the responsiveness of a proposal, resulting in awards to non-low bidders, increased cost to the state and delay of projects due to a technicality in the submitted subcontractor list. As a result not only does the lowest bidder and their listed subcontractors get disqualified from performing, but the state could end up paying millions of dollars more for the project. This bill proposes to limit which projects the subcontractor listing applies to based on the cost of the project, which will in turn limit these types of challenges.

Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This will not change the law that requires that all contractors on the project must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed.

RSI **supports** H.B. 1229, HD1, SD1 and recommends its passage.

March 30, 2017

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE CHAIR, COMMITTEE ON JUDICIARY AND LABOR
HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.**
Requires public procurement construction bids to list subcontractors and joint contractors only for contracts with an unspecified total value; provided that bids lacking this list may be accepted if in the State's best interest and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than an unspecified per cent of the total bid amount. Effective 7/1/2050. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:50 a.m.
PLACE: Capitol Room 016

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and Members of the Committee,

Royal Contracting Co., Ltd supports the passage of H.B. 1229, HD1, SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by limiting which projects the subcontractor listing requirement applies to depending on a dollar threshold. Under this proposed change, the subcontractor list would still be required, but only on projects either over or under a certain dollar threshold.

Under current law HRS, Section 103D-302(b) requires the bidding contractor to list subcontractors and joint contractors and their scope of work to be employed on all public works projects unless the prime contractor has the required specialty license or will do the work themselves. The listing of subcontractors has become a way in which bidders attack the responsiveness of a proposal, resulting in awards to non-low bidders, increased cost to the state and delay of projects due to a technicality in the submitted subcontractor list. As a result not only does the lowest bidder and their listed subcontractors get disqualified from performing, but the state could end up paying millions of dollars more for the project. This bill proposes to limit which projects the subcontractor listing applies to based on the cost of the project, which will in turn limit these types of challenges.



Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This will not change the law that requires that all contractors on the project must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed.

Royal Contracting Co., Ltd. supports H.B. 1229, HD1, SD1 and recommends its passage.

Sincerely,



Leonard K.P. Leong
Vice President

SAH - Subcontractors Association of Hawaii
1188 Bishop St., Ste. 1003**Honolulu, Hawaii 96813-3304
Phone: (808) 537-5619 ♦ Fax: (808) 533-2739

March 28, 2017

TO: Senator Gilbert S.C. Keith-Agaran, Chair
Senate Committee on Judiciary and Labor

FROM: Tim Lyons, CAE 
President

RE: H.B. 1229, HD 1, SD 1 – Relating to Procurement (JDL/WAM)

This bill is a disaster for smaller subcontractors. It, in effect, gets rid of the Subcontractor Listing Clause for jobs that come in under a certain threshold. It means that contractors who typically do work under that threshold will always (100% of the time) have their bids shopped. This would include people who do things like flooring, glasswork, painting, as an example, electrical for the painting of a school where there is a little bit of electrical work.

We would remind you that \$1,000,000.00 was set as a threshold experiment for UH jobs for three (3) years and it was a total disaster. A whole variety of subcontractors totally stopped bidding UH projects because they were constantly being shopped to death by general contractors with outrageous bid-shopping. This bill is just flat out bad.

Thank you for your consideration.

 **TOMCO CORP.**
General Contractors

March 28, 2017

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE CHAIR,
COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR,
COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUPPORT OF H.B. 1229, HD1, SD1, RELATING TO PROCUREMENT.**

Requires public procurement construction bids to list subcontractors and joint contractors only for contracts with an unspecified total value; provided that bids lacking this list may be accepted if in the State's best interest and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than an unspecified per cent of the total bid amount. Effective 7/1/2050. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:50 a.m.
PLACE: Capitol Room 016

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and Members of the Committee,

TOMCO CORP. supports the passage of H.B. 1229, HD1, SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by limiting which projects the subcontractor listing requirement applies to depending on a dollar threshold. Under this proposed change, the subcontractor list would still be required, but only on projects either over or under a certain dollar threshold.

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Given the large number of "C" (currently over 100 issued and growing), it becomes increasingly difficult for the general contractor to ensure that their submitted listing includes all necessary information. This will not change the law that requires that all contractors on the project must be properly licensed, nor would it change the responsibility of the general contractor to ensure the project is completed.

TOMCO CORP. supports H.B. 1229, HD1, SD1 and recommends its passage.

1007 Makepono Street, Honolulu, Hawaii 96819
Telephone #: (808) 845-0755 Fax #: (808) 845-1021
Lic# ABC 16941