

LATE TESTIMONY



68-077 Akule Street, #B
Waiialua, HI 96791
(808) 445-8226

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

February 28, 2017

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

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

SUBJECT: **SUPPORT OF S.B. 1070, SD1 RELATING TO PROCUREMENT.** Provides a bidder of a
public works construction project with two hours after the closing of bids to clarify and
correct certain information regarding subcontractors. Prohibits bid shopping and bid
peddling for the competitive sealed bidding process. Effective July 1, 2050. (SD1)

HEARING

DATE: February 28, 2017
TIME: 9:50 p.m.
PLACE: Capitol Room 211

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

INSERT COMPANY NAME supports the passage of S.B. 1070, SD1, Relating to Procurement, which
would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS
by allowing the bidder two hours after the closing for bids to provide clarification and correction of the
subcontractor list, bids would not be opened until after the subcontractor list was received in final form.
Also this measure includes a provision that would prohibit bid shopping and bid peddling.

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. This measure would allow a bidder two hours after the bid is due to clarify and make a
correction to the subcontractor list to mitigate any mistakes. This bill also proposes to define bid-shopping
and bid-peddling and would prohibit such practice, while also allowing for the substitution of
subcontractors for reasons connected to the subcontractor's ability to perform the work. Legislative
history indicates that the purpose for the subcontractor listing is to deter bid-shopping and bid-peddling,
however nothing in the law prohibits such thus this measure would identify such.

Alexander Pacific, Inc. supports S.B. 1070, SD1 and recommends its passage.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Ward'.

Digitally signed by Ryan Ward,
P.E.
Date: 2017.02.27 19:23:27 -10'00'

Ryan Ward, P.E.
Vice President, Alexander Pacific, Inc.



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

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

February 28, 2017

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

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

SUBJECT: **SUPPORT OF S.B. 1070, SD1 RELATING TO PROCUREMENT.** Provides a bidder of a public works construction project with two hours after the closing of bids to clarify and correct certain information regarding subcontractors. Prohibits bid shopping and bid peddling for the competitive sealed bidding process. Effective July 1, 2050. (SD1)

HEARING

DATE: February 28, 2017
TIME: 9:50 p.m.
PLACE: Capitol Room 211

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

Hawaiian Dredging Construction Company, Inc. supports the passage of S.B. 1070, SD1, Relating to Procurement, which would amend the current procurement subcontractor listing requirement under Section 103D-302, HRS by allowing the bidder two hours after the closing for bids to provide clarification and correction of the subcontractor list, bids would not be opened until after the subcontractor list was received in final form. Also this measure includes a provision that would prohibit bid shopping and bid peddling.

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. This measure would allow a bidder two hours after the bid is due to clarify and make a correction to the subcontractor list to mitigate any mistakes. This bill also proposes to define bid-shopping and bid-peddling and would prohibit such practice, while also allowing for the substitution of subcontractors for reasons connected to the subcontractor's ability to perform the work. Legislative history indicates that the purpose for the subcontractor listing is to deter bid-shopping and bid-peddling, however nothing in the law prohibits such thus this measure would identify such.

Support of HB 1229, Relating to Procurement
February 21, 2017
Page 2

Hawaiian Dredging Construction Company, Inc. supports S.B. 1070, SD1 and recommends its passage.

With best regards,


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





LATE TESTIMONY

Many of our member contractors DO NOT bid on federal projects, because they do not have the same protections. This ultimately creates less competition in the federal procurement process.

We strongly oppose S.B. 1070, which would provide no benefit to taxpayers and would harm small businesses across the state.

Mahalo,

A handwritten signature in black ink, appearing to read "Blake Parsons". The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Blake Parsons
Executive Director