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LATE
GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

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February 28, 2017

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE CLARENCE NISHIHARA, VICE CHAIR, COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND HEALTH

SUBJECT: **COMMENTS REGARDING S.B. 1280, SD1, RELATING TO PROCUREMENT.** Establishes additional performance bond requirements for surety companies and bond companies under the Hawaii Public Procurement Code.

PUBLIC DECISION MAKING

DATE: February 28, 2017
TIME: 10:30 AM
PLACE: Capitol Room 229

Dear Chair Baker, 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.

S.B. 1280, SD1, Relating to Procurement, proposes to amend Section 103D-324, HRS in an attempt to offer more protection for "all persons supplying labor and material to the contractor." Further, this measure proposes some restrictions on the surety company or bond company with regard to their involvement in a public works project. GCA recognizes the necessity to ensure proper protections exist to ensure all parties involved in a public works project are protected by a valid and binding performance bond and payment bonds. We look forward to the industry experts providing proper guidance on how to resolve some of the issues surrounding this issue.

Thank you for the opportunity to express our comments on this measure.