



STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
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>

TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
ENERGY & ENVIRONMENTAL PROTECTION
JANUARY 30, 2024, 9:00 AM

HOUSE BILL 2101
RELATING TO CONSTRUCTION WASTE

Chair Lowen, Vice Chair Cochran, and members of the committee, thank you for the opportunity to submit testimony on House Bill 2101. The State Procurement Office (SPO) supports the intent of the bill but opposes the language that would require a “priority” designation to offerors who have greater recycling construction content or ability to recycle construction waste.

The use of the “priority” is currently used only when conducting a procurement through the competitive sealed proposal process (RFP), pursuant to 103D-303, Hawaii Revised Statutes (HRS). It indicates those offerors whose proposals have been deemed acceptable or potentially acceptable. The award is based on the offeror who ranked highest, based on the evaluation criteria, of which recycling debris can be one of them.

Unlike the RFP process, the competitive sealed bidding process, pursuant to 103D-302, the award is based on lowest cost, technically acceptable, responsive, and responsible bidder.

In calendar years 2021, 2022, and 2023, a total of four (4) construction procurements used the RFP method. Therefore, if it is the intent of the Legislature to use the competitive sealed proposal process, the impact will be minimal.

Alternatively, the Legislature may consider a bill similar to language in HRS 103D-1005, Hawaii Products, which allows for price preferences. There is a very high likelihood that solicitations, with price preferences for recycled materials, will result in increased construction costs.

Before construction recycle preferences are statutorily mandated, the SPO recommends that industry leaders and government experts meet to discuss the implications and challenges a price preference will have, as there may be unintended consequences.

Thank you.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII'
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWÉ LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE COMMITTEE ON

ENERGY & ENVIRONMENTAL PROTECTION

JANUARY 30, 2024, 9:00AM
CONFERENCE ROOM 325, STATE CAPITOL

H.B. 2101

RELATING TO CONSTRUCTION WASTE

Chair Lowen, Vice Chair Cochran, and members of the Committee, thank you for the opportunity to submit testimony on H.B. 2101.

The Department of Accounting and General Services (DAGS) offers **comments** on this measure. In its current state, the measure would require that the offeror that (1) uses the greatest amount of recycled material for construction, measured by square footage; (2) recycles the greatest amount of materials for demolition, measured by tonnage; or (3) recycles the greatest amount of material for construction and demolition, combined, shall be selected as the priority offeror, provided that the priority offeror's bid amount shall not be more than ten percent greater nor or less than all other bids. This requirement would replace all other evaluations of offerors' proposals, including quality of materials, timeliness of project delivery, and other elements that have traditionally been used to determine if an offeror's proposal represents best value for the State.

The department is also concerned that the use of recycled material under condition (1) is measured solely in square footage, as other measures including weight, volume, or monetary value may be more appropriate for certain types of reused materials. Similarly, condition (2) measures recycled material solely by tonnage, but other measures such as volume, energy production potential, or monetary value may be more appropriate for certain types of recycled materials.

In addition, the department is concerned that the measure's definition of recycling could be used to effect resales of construction and demolition waste by a selected priority offeror to another party without a concomitant requirement for that other party to reuse and/or convert the waste material into new building materials, products, or fuel for transportation of renewable gaseous fuel.

Lastly, it is unclear to the department as to why a bid more than ten percent lower than all other bids by an otherwise qualified offeror whose proposal may represent best value for the State should effectively prohibit selection of that offeror.

Thank you for the opportunity to submit testimony on this matter.



To: The Honorable Chair Nicole Lowen, Vice-chair Elle Cochran, and members of the House Committee on Energy and Environment

From: The Hawai'i Reef and Ocean Coalition (by Ted Bohlen)

Re: Hearing **HB2101 RELATING TO CONSTRUCTION WASTE**

Hearing: Tuesday, January 30, 2024, 9:00 a.m. CR325

Aloha Chair Lowen, Vice Chair Cochran, and members of the Committee:

Hawai'i Reef and Ocean Coalition SUPPORTS HB2101.

Hawaii landfills that accept construction and demolition debris have less than ten years of remaining capacity. Construction and demolition debris should be recycled to preserve landfill capacity. This bill would foster recycling of construction and demolition materials by requiring that recycling be factored into competitive State and county procurement selections under certain circumstances.

Please pass this bill! Mahalo!

Hawai'i Reef and Ocean Coalition (by Ted Bohlen)



**HAWAII STATE HOUSE OF REPRESENTATIVES
COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
Conference Room 325 & Videoconference
State Capitol
9:00 AM**

January 30, 2024

Subject: HB 2101 - RELATING TO CONSTRUCTION WASTE

Chair Lowen, Vice-Chair Cochran, and members of the Committee:

My name is Max Lindsey, Government Relations Committee Chair 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. Our members build the communities we all call home.

HB 2101 requires recycling of construction and demolition materials and use of recycled materials to factor into priority offeror selections for competitive procurements of construction or demolition services by the state or any county.

While we support the intent of the proposed legislation, we believe it is somewhat premature as there are a limited number of firms that specialize in recycling construction and demolition waste in Hawaii. PVT, the privately operated landfill, currently diverts construction and demolition waste from the Waimanalo Gulch landfill and will be closing soon. Also, Re-Use Hawaii has a limited reach into the types of construction and demolition waste it will recycle. Asphalt shingles and roofing materials, and dry wall are currently not recycled in Hawaii because the quantity of material does not make recycling economical.

We suggest the legislature consider encouraging the development of a construction and demolition waste recycling industry by providing the following:

1. Permitted sites where companies can operate;
2. Storage areas to store recycled materials;
3. Subsidies for shipping costs both interisland and transoceanic shipping;
4. Funding for more research and development of new ways to recycle ALL construction and demolition waste material;
5. Any other support to encourage the development of a construction and demolition waste recycling industry in Hawaii.

We appreciate the opportunity to provide our comments on HB 2101.



Uploaded via Capitol Website

January 30, 2024

TO: HONORABLE NICOLE LOWEN, CHAIR, HONORABLE ELLE COCHRAN, VICE CHAIR, COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

SUBJECT: **COMMENTS ON H.B. 2101, RELATING TO CONSTRUCTION WASTE.**
Requires recycling of construction and demolition materials and use of recycled materials to factor into priority offeror selections for competitive procurements of construction or demolition services by the State or any county.

HEARING

DATE: Tuesday, January 30, 2024
TIME: 9:00 a.m.
PLACE: Capitol Room 325

Dear Chair Lowen, Vice Chair Cochran and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred (500) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. Our mission is to elevate Hawaii's construction industry and strengthen the foundation of our community.

GCA provides comments on H.B. 2101, which recycling of construction and demolition materials and use of recycled materials to factor into priority offeror selections for competitive procurements of construction or demolition services by the State or any county.

GCA is concerned that this measure will be another potential source of bid protests that will slow procurement down and increase costs. We are also unsure how the information will be verified.

The recycling of construction waste is already done by the processes used by the various landfills in the types of materials they will accept for disposal. We recommend expanding that State's ability to recycle construction waste as there is very limited sites who restrict the materials that can be recycled.

Additionally, it is unclear if the language mandates the selection of the offeror using the greatest amount of recycled material even if there are issues raised with past performance. We suggest that the Legislature look for ways to incentivize the recycling of construction waste instead.

Thank you for the opportunity to provide comments.

QUALITY PEOPLE. QUALITY PROJECTS

HB-2101

Submitted on: 1/28/2024 7:05:18 PM

Testimony for EEP on 1/30/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Julia Estigoy-Kahoonei	Individual	Support	Written Testimony Only

Comments:

I support that construction companies need to be more responsible in what they do with their construction waste. There is so much development on this island and it's creating huge environment consequences. Big developers need to play a bigger role protecting this fragile environment and not be solely focused on building more for profit

HB-2101

Submitted on: 1/29/2024 10:56:07 AM

Testimony for EEP on 1/30/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Keith Neal	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen and committee members,

I strongly support HB2101.

HB2101 is the right thing to do. Re-purposing building materials already on island. This measure will create jobs and stretch longevity of our landfills.

Mahalo

Keith Neal

Waimea