

CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE

SENATE COMMITTEE ON
GOVERNMENT OPERATIONS

THURSDAY, FEBRUARY 3, 2022, 3:00 P.M.
VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 3034

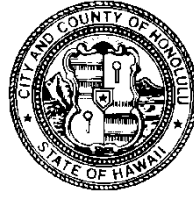
RELATING TO JOINT CONTRACTOR OR SUBCONTRACTOR LISTING

Chair Moriwaki, Vice Chair Dela Cruz, and members of the Committee, thank you for the opportunity to submit testimony on S.B. 3034. The Department of Accounting and General Services (DAGS) supports this bill which we believe will reduce delays in construction awards due to misinterpretation of the statutory requirement which can force the State to eliminate responsive bids and pay more for construction without any benefit.

Recently, bidders have begun to use the current language as a means to protest bids which failed to list subcontractors who are not required to be licensed under chapter 444, HRS, contrary to long-standing interpretation and practice. These protests cause delays in the construction procurements process and may result in award to the protestor at a higher price. One of the protests was appealed to the circuit court and to the intermediate court of appeals before the parties agreed to dismiss the appeal. It has become abundantly clear that clarification of the requirements of 103D-302(b) is necessary to prevent further confusion as to its meaning.

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

RICK BLANGIARDI
MAYOR



ANDREW T. KAWANO
DIRECTOR

CARRIE CASTLE
DEPUTY DIRECTOR

TESTIMONY OF ANDREW T. KAWANO
DIRECTOR OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS
February 3, 2022, 3:00 PM, Conference Room 016 and Videoconference

TO: The Honorable Sharon Y. Moriwaki, Chair
and Members of the Senate Committee on Government Operations

RE: SUPPORT OF SENATE BILL 3034, RELATING TO JOINT CONTRACTOR OR
SUBCONTRACTOR LISTING

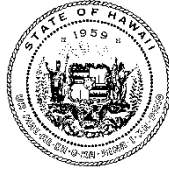
The Department of Budget and Fiscal Services, City and County of Honolulu (City), **supports** Senate Bill (SB) 3034, Relating to Joint Contractor or Subcontractor Listing.

The procurement process requires clear legislative direction to award contracts to responsive, responsible bidders and to minimize protests on bids due to the ambiguous subcontractor listing requirement under section 103D—302(b), Hawaii Revised Statutes.

For the reasons stated above, the City supports Senate Bill 3034.

Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact the Department of Budget & Fiscal Services' Division of Purchasing at 808-768-5535 or bfspurchasing@honolulu.gov.

DAVID Y. IGE
GOVERNOR



BONNIE KAHAKUI
ACTING 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>

TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
GOVERNMENT OPERATIONS
FEBRUARY 3, 2022; 3:00 PM

SENATE BILL 3034
RELATING TO JOINT CONTRACTOR OR SUBCONTRACTOR LISTING

Chair Moriwaki, Vice Chair Dela Cruz, and members of the committee, thank you for the opportunity to submit testimony on SB3034. The State Procurement Office's (SPO) comments are a minor clarification to the proposed bill.

The Contractors License Board, Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs (DCCA) has brought to our attention that under Chapter 444, HRS and Hawaii Administrator Rules, chapter 16-77 the term "joint contractor" is not used.

However, there is a type of contracting entity, "joint venture" that may be used and is provided under Hawaii Administrator Rules, Section 3-120 Definitions.

"Bidder" means any individual, partnership, firm, corporation, joint venture, or other legal entity submitting, directly or through a duly authorized representative or agent, a bid for the good, service, or construction contemplated.

Thank you.

SB-3034

Submitted on: 2/2/2022 2:21:38 PM

Testimony for GVO on 2/3/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Stanley Mendes	Individual	Oppose	No

Comments:

I strongly oppose SB3034

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

February 3, 2022

TO: HONORABLE SHARON MORIWAKI, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON GOVERNMENT OPERATIONS

SUBJECT: **SUPPORT OF S.B. 3034, RELATING TO JOINT CONTRACTOR OR SUBCONTRACTOR LISTING.** Clarifies the listing of joint contractors and subcontractors required for construction bids under section 103D-302, Hawaii Revised Statutes.

HEARING

DATE: Thursday, February 3, 2022
TIME: 3:00 p.m.
PLACE: Capitol Room 016

LATE

Dear Chair Moriwaki, Vice Chair Dela Cruz 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 is in **support** of S.B. 3034, which clarifies the listing of joint contractors and subcontractors required for construction bids under section 103D-302, Hawaii Revised Statutes.

This measure will clarify what has been long standing interpretation and practice in procurement.

This will prevent unnecessary delays in construction awards due to misinterpretation of the subcontractor listing requirements.

For these reasons we ask that the Committee pass this measure.

Thank you for this opportunity to testify in support of this measure.