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Testimony to the Senate Committees on Government Operations; and

Senate Committee on Labor Tuesday, February 6, 2018 2:50 pm State Capitol, Room 229



RE: SB 3014 – Relating to Procurement

Chairs Kim & Tokuda, Vice-Chairs Ruderman & English, & 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 is in opposition to S.B. 3014, Relating to Procurement, which proposes an anamendment that would result in more bid protests because of the requirement of a bidder providing proof of being party to a registered apprenticeship agreement for each type of classification that bidder would list on payroll affidavits to construct public works. The amendment proposed in S.B. 3014 is impractical, since a bidder is often receiving subcontractor bids minutes before bids are due. Under S.B. 3014, the requirement for proof of registered apprenticeship agreement would create significant administrative problems just before a bid is tendered. This would result in many more bid protests.

We appreciate the opportunity to share our views on this matter.



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February 6, 2018

TO: Committee on Government Operations Sen. Donna Mercado Kim, Chair Sen. Russell Ruderman, Vice Chair

> Committee on Labor Sen. Jill Tokuda, Chair Sen. J. Kalani English, Vice Chair

Comments of Associated Builders and Contractors regarding SB 3014, Relating to Procurment:

Chairs Kim and Tokuda, Vice Chairs Ruderman and English and members of the committees, I am Malcolm Barcarse, Jr, the immediate past chair and the legislative committee chair of the Associated Builders and Contractors Hawaii Chapter. Our organization of over 170 members provides certified apprenticeship programs for many of the apprenticeable trades that this bill pertains to. Our board has not been able to fully consider and vote on the merits of this particular bill, but we do wish to offer the following **comments** regarding the general principals of this bill and suggestions on how to make this bill practical to implement.

This bill would amend Act 17 of 2009 to require that not only the general contractor but each "type of classification that the bidder will list on the certified payroll affidavit" to be a party to a registered apprenticeship program in order to receive the five percent bid preference in the act. We believe that this kind of requirement would help to promote compliance with the spirit of Act 17 and help to promote the apprenticable trades which ABC Hawaii believes is good policy.

ABC Hawaii however would be concerned about creating a situation where there are additional paperwork burdens prior to bid deadlines. Typically in State and City and County Construction Procurement prices between suppliers, subcontractors and general contractors are submitted at the last minute, and adding this requirement to the last minute crunch of a bid deadline could be overly burdensome. However we would offer as a suggestion to the committee to allow the agencies to accept the Form 1's from the various contractors for a certain period of time after the bid date so that the paperwork can be submitted correctly and in



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Operations Manager

Kennith "Ken" Wilson Education Director

Justin Ou CEF Service Coordinator An orderly fashion. A possible model for this approach would be the requirement that the Department of Education has in their online bid process that requires General Contractors to submit all of their original documents within 5 business days after they submit their paperwork online. Only under this scenario we would suggest that the subcontractors list would be frozen through the subcontractors list that is submitted at the time of bid and the general contractors will be allowed to turn in Form 1's from their subcontractors after the bid. Granting a small amount of time for contractors to present this paperwork to the agency we feel would alleviate additional paperwork burdens placed on contractors, while not significantly delaying the awarding of contracts.

Thank you for the opportunity to testify.