

STAND. COM. REP. NO.

904

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 985
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Public Safety, Government Operations, and Military Affairs, to which was referred H.B. No. 985, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that construction projects may be procured using the design-build process of combining design and construction into a single contract for design and construction of an infrastructure facility.

Your Committee received testimony in support of this measure from the Department of Transportation; Department of Accounting and General Services; State Procurement Office; American Council of Engineering Companies of Hawaii; General Contractors Association of Hawaii; Brown and Caldwell; Fukunaga & Associates, Inc.; Coalition of Hawaii Engineering and Architectural Professionals; Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc.; KAI Hawaii, Inc.; HDR; Pacific Geotechnical Engineers, Inc.; American Institutes of Architects; Nordic Construction PCL; Design-Build Institute of America Western Pacific Region; Design-Build Institute of America; Consulting Structural Hawaii, Inc.; Thermal Engineering Corporation; Kennedy/Jenks Consultants; Ralph S. Inouye Co. Ltd. General Contractor; and Engineering Concepts, Inc.



Your Committee finds that the current procurement process for design-build project contracts requires offerors to prepare, in most instances, conceptual design drawings as part of their proposals. This requires a considerable initial investment and may prevent many local firms from submitting proposals for design-build contracts. As a result, purchasing agencies may experience a decrease in competition, an increase in prices, and may potentially be forced to sacrifice design and construction creativity.

The intent of your Committee is to provide for the selection of the most qualified offerors for design-build projects and to encourage the participation of Hawaii-based companies, including local, small firms, in the design-build proposal process.

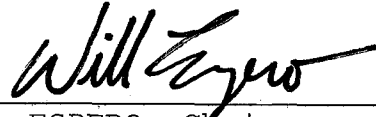
Your Committee has amended this measure by replacing its contents with those in S.B. No. 779, S.D. 2, a substantively similar measure, which amends H.B. No. 985, H.D. 2, by:

- (1) Limiting the short list of offerors to three responsible offerors;
- (2) Requiring the issuance of a second request for proposals to the pre-qualified, short-listed offerors;
- (3) Allowing payment of a conceptual design fee, rather than a stipend, to nonselected offerors;
- (4) Inserting a savings clause; and
- (5) Inserting an effective date of July 1, 2050, to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 985, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 985, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Public Safety,
Government Operations, and
Military Affairs,

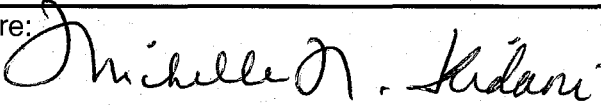


WILL ESPERO, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Public Safety, Government Operations, and
Military Affairs
PGM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 985 HD2	PGMA, WAMA	3-22-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	/			
KIDANI, Michelle N. (VC)	/			
BAKER, Rosalyn H.	/			
RYAN, Pohai		/		
SLOM, Sam				/
TOTAL	3	1	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes