

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 779  
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 779, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize an agency procurement officer to use a design-build method for procuring construction contracts if the cost of preparing a proposal is high considering the size, estimated price, or complexity of the project. The measure also provides for the pre-qualification of offerors and the payment of a conceptual design fee to unsuccessful offerors.

Comments in support of this measure were submitted by Aaron S. Fujioka, Administrator, State Procurement Office; Hawaii Procurement Institute; and American Institute of Architects.

Comments on this measure were submitted by Bruce A. Coppa, Comptroller, Department of Accounting and General Services.

Your Committee finds that the use of a two-step design-build procurement process for complex infrastructure construction contracts will save developers time and money in preparing their proposals and will provide for the selection of the most qualified offeror to be awarded the contract. Your Committee further finds that this selection process, along with the payment of a conceptual design fee to unsuccessful offerors, will encourage



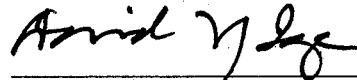
smaller, locally based, design and construction firms to bid on public construction contracts.

Your Committee has amended this measure by:

- (1) Clarifying that during the second phase of the procurement process, a request for proposals will be issued only to the pre-qualified offerors selected for the short list;
- (2) Clarifying that a conceptual design fee will be paid only to the pre-qualified shortlisted offerors that were not awarded the contract;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 779, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DAVID Y. IGE, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 779 SDI	PGM, WAM	2/24/11		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)				✓
CHUN OAKLAND, Suzanne		✓		
DELA CRUZ, Donovan M.		✓		
ENGLISH, J. Kalani		✓		
ESPERO, Will	✓	✓		
FUKUNAGA, Carol	✓	✓		
KIM, Donna Mercado			✓	
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.		✓		
RYAN, Pohai			✓	
TOKUDA, Jill N.		✓		
WAKAI, Glenn		✓		
SLOM, Sam			✓	
<b>TOTAL</b>	<b>4</b>	<b>6</b>	<b>3</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Suzanne Chun Oakland</i>				
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\*Only one measure per Record of Votes