

Honolulu, Hawaii

February 6, 2018

RE: H.B. No. 2581

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2581 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC-PRIVATE PARTNERSHIPS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Office of Public-Private Partnership within the Department of Accounting and General Services to support state and county agencies in the use of best practices in contracting for public-private partnerships, and to appropriate funds for its establishment; and
- (2) Add design-build-operate-maintain and design-build-finance-operate-maintain project delivery methods to the Hawaii Public Procurement Code and related conditions and requirements.

The Office of Planning, Johnson Controls, and Ulupono Initiative testified in support of this measure. The Department of Business, Economic Development and Tourism, Department of Transportation, State Procurement Office, The Chamber of Commerce Hawaii, and Building Industry Association of Hawaii testified in support of the intent of this measure. The Department of Accounting and General Services; Hawaii Government Employees



Association, AFSCME Local 152, AFL-CIO; and United Public Workers commented on this measure.

Your Committee notes that public-private partnerships include a variety of project delivery methods. At the public hearing on this measure, concerns were raised in testimonies regarding the need to include language in this measure to allow for the lease, lease-like, or concession arrangements for state-owned facilities and infrastructure, including land. Should this measure proceed further in the legislative process, your Committee respectfully requests the Committee on Economic Development and Business to entertain these concerns.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2581 and recommends that it pass Second Reading and be referred to your Committee on Economic Development & Business.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,

  
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AARON LING JOHANSON, Chair



