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## A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF EDUCATION REPAIR AND MAINTENANCE  
ACCOUNTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Recent legislative funding has made it possible  
2 to reduce the backlog of repair and maintenance projects for  
3 school facilities. In addition, the department of education has  
4 developed a facilities project tracking system that provides  
5 detailed information about repair and maintenance projects.  
6 Therefore it is unnecessary to maintain separate accounts for  
7 repair and maintenance projects.

8           The purpose of this Act is to repeal the repair and  
9 maintenance account for projects on the backlog list as of  
10 June 30, 2000 and amend the remaining provisions so that the  
11 account will be the account for all repair and maintenance  
12 projects.

13           SECTION 2. Section 36-36, Hawaii Revised Statutes, is  
14 amended to read as follows:

15           "**§36-36 School [~~physical plant operations~~] facilities**  
16 **repair and maintenance account; maintenance schedule.** (a)

17 There is created in the state general fund under EDN 400 (school



1 support) the school [~~physical plant operations~~] facilities  
2 repair and maintenance account, into which shall be deposited  
3 all legislative appropriations to the account.

4 The moneys in the account shall be used solely for school  
5 repairs and preventive maintenance projects [~~scheduled after~~  
6 ~~June 30, 2001~~]. Expenditures from the account shall be subject  
7 to sections 37-31 and 37-33 to 37-40. Based on the  
8 prioritization approved by the department of education as  
9 prescribed by section 302A-1505, appropriations or  
10 authorizations from the account shall be expended by the  
11 superintendent of education.

12 (b) Every school facility newly constructed or renovated  
13 after June 30, 2001, shall include a preventive maintenance  
14 schedule prepared by the architect or engineer of the facility  
15 or the capital improvement project. The maintenance schedule  
16 shall include:

- 17 (1) A description of each major component of a facility or  
18 capital improvement project and the component's  
19 maintenance;
- 20 (2) The starting date of each maintenance project;
- 21 (3) The current, future, and any recurring cost of each  
22 maintenance project;



1 (4) The useful life of the facility or capital improvement  
2 project;

3 (5) The present value of the cost of normally scheduled  
4 maintenance over the useful life of the facility;

5 (6) The adjusted life of the facility or capital  
6 improvement project; and

7 (7) The replacement date of the facility or capital  
8 improvement project.

9 (c) Moneys in [~~physical plant operations~~] the school  
10 facilities repair and maintenance account shall be allocated  
11 according to departmental school districts based on:

12 (1) Estimated preventive and scheduled maintenance costs  
13 that reflect the age and condition of existing school  
14 facilities in the State in the following categories:  
15 re-roofing, electrical, athletic facilities, re-  
16 surfacing, equipment, exterior painting, plumbing,  
17 structural integrity, termite ground treatment,  
18 termite tent treatment, interior painting, air  
19 conditioning change out, and re-carpeting; and

20 (2) Budgeted recurring maintenance, health and safety  
21 requirements, and legal mandates.



1 (d) The expenditure of funds made under this Act for any  
2 project with an estimated total cost of less than \$100,000 shall  
3 be exempt from section 464-4; provided that:

4 (1) The superintendent of education shall develop internal  
5 policies and procedures for the procurement of goods,  
6 services, and construction, consistent with the goals  
7 of public accountability and public procurement  
8 practices, subject to chapter 103D;

9 (2) Insofar as is practical, and based on specifications  
10 developed, adequate and reasonable competition of no  
11 fewer than three quotations shall be solicited for  
12 each project based on rules adopted by the  
13 superintendent of education;

14 (3) Considering all factors, including quality, warranty,  
15 and delivery, the award shall be made to the vendor  
16 with the most advantageous quotation;

17 (4) The procurement requirements shall not be artificially  
18 divided or parceled so as to avoid competitive bidding  
19 or competitive proposals; and

20 (5) Formal design for projects shall be done when there is  
21 a clear need to preserve structural integrity, health



1 and safety, or to clearly communicate construction  
2 requirements.

3 (e) The superintendent of education shall submit an annual  
4 report to the legislature, which shall include a financial  
5 statement of the account and the status of school repair and  
6 preventive maintenance projects undertaken pursuant to this  
7 section, no later than twenty days prior to the convening of  
8 each regular session. The department of education shall post  
9 the following reports electronically on the Internet and update  
10 them quarterly:

11 (1) Expenditures for school repair and preventive  
12 maintenance projects undertaken pursuant to this  
13 section, shall be posted within thirty days of each  
14 project's completion; and

15 (2) A list of each school's repair and maintenance needs  
16 to be undertaken."

17 SECTION 3. Section 36-35, Hawaii Revised Statutes, is  
18 repealed.

19 ~~["§36-35 State educational facilities repair and~~  
20 ~~maintenance account. (a) There is created in the state general~~  
21 ~~fund under EDN 400 (school support) the state educational~~  
22 ~~facilities repair and maintenance account, into which shall be~~



1 ~~deposited legislative appropriations to the account designated~~  
2 ~~for use solely to eliminate the backlog of school repair and~~  
3 ~~maintenance projects, including the repair or replacement of~~  
4 ~~fixtures, furnishings, and equipment, existing on June 30, 2000.~~  
5 ~~Expenditures from the account shall be subject to sections 37-31~~  
6 ~~and 37-33 to 37-40. Based on the prioritization approved by the~~  
7 ~~department of education as prescribed by section 302A-1505,~~  
8 ~~appropriations or authorizations from the account shall be~~  
9 ~~expended by the superintendent of education.~~

10 ~~(b) The department of education shall review the existing~~  
11 ~~condition of school facilities and establish specific vision~~  
12 ~~plans for each school complex based on current repair and~~  
13 ~~maintenance requirements and overall repair and maintenance~~  
14 ~~priorities.~~

15 ~~(c) Criteria used to establish current repair and~~  
16 ~~maintenance requirements may include:~~

17 ~~(1) The remaining useful life of the school facility and~~  
18 ~~its major components;~~

19 ~~(2) The adjusted life of the school facility and its major~~  
20 ~~components after repair or maintenance; and~~

21 ~~(3) The current and future repair and maintenance~~  
22 ~~requirements of the school facility and its components~~



1           ~~based on established industry standards or product~~  
2           ~~manufacturer recommendations;~~  
3   ~~provided that demolition of a facility or any of its components~~  
4   ~~may be recommended if the cost of the repairs do not justify the~~  
5   ~~adjusted life or remaining life of the facility.~~

6           ~~(d) Criteria used to establish overall repair and~~  
7   ~~maintenance requirements may include:~~

8           ~~(1) Whether a school facility will continue to be used for~~  
9           ~~the next twenty-five years; and~~

10          ~~(2) Whether a repair or maintenance project is required:~~

11           ~~(A) For health or safety reasons;~~

12           ~~(B) To comply with legal mandates;~~

13           ~~(C) To comply with current building codes; or~~

14           ~~(D) For preventive maintenance reasons;~~

15   ~~provided that in developing criteria, consideration shall be~~  
16   ~~given to school facilities that were more than twenty-five years~~  
17   ~~of age on July 1, 2000.~~

18          ~~(e) The expenditure of funds for any project with an~~  
19   ~~estimated total cost of less than \$100,000 shall be exempt from~~  
20   ~~section 464-4; provided that:~~

21           ~~(1) The superintendent of education shall develop internal~~  
22           ~~policies and procedures for the procurement of goods,~~



1 ~~services, and construction, consistent with the goals~~  
2 ~~of public accountability and public procurement~~  
3 ~~practices;~~

4 ~~(2) Insofar as is practical, and based on specifications~~  
5 ~~developed, adequate and reasonable competition of no~~  
6 ~~fewer than three proposals shall be solicited for each~~  
7 ~~project, based on rules adopted by the superintendent~~  
8 ~~of education;~~

9 ~~(3) Considering all factors, including quality, warranty,~~  
10 ~~and delivery, the award shall be made to the vendor~~  
11 ~~with the most advantageous proposal;~~

12 ~~(4) The procurement requirements shall not be artificially~~  
13 ~~divided or parceled so as to avoid competitive bidding~~  
14 ~~or competitive proposals; and~~

15 ~~(5) Formal design for projects shall be done when there is~~  
16 ~~a clear need to preserve structural integrity, health~~  
17 ~~and safety, or to clearly communicate construction~~  
18 ~~requirements.~~

19 ~~For all projects, the superintendent of education shall~~  
20 ~~develop a strategy for the efficient and cost-effective use of~~  
21 ~~government and private sector workforces and consider increased~~  
22 ~~flexibility through public-private partnering, design-build~~





1 ~~options, cost plus, job order contracts, performance-based~~  
2 ~~contracts, request for proposals, and any other means to improve~~  
3 ~~communications and accelerate repairs while preserving the~~  
4 ~~quality of the repairs.~~

5 ~~(f) The superintendent of education shall ensure that all~~  
6 ~~repair and maintenance projects achieve maximum cost efficiency~~  
7 ~~by emphasizing functional or performance criteria, uniformity of~~  
8 ~~design, and commonality of products, and by avoiding unique or~~  
9 ~~custom requirements that increase costs. The superintendent of~~  
10 ~~education shall develop project specifications based on generic~~  
11 ~~specifications or prescriptive specifications using standard~~  
12 ~~commercial products. Prescriptive specifications may include a~~  
13 ~~qualified product list.~~

14 ~~For the purposes of this subsection:~~

15 ~~"Generic specification" means a technical specification~~  
16 ~~that is written in a clear, unambiguous, and nonrestrictive~~  
17 ~~manner establishing:~~

18 ~~(1) Design, performance, or functional requirements to~~  
19 ~~identify the work to be performed; and~~

20 ~~(2) Material standards to be used on a project.~~

21 ~~"Prescriptive specification" means a technical~~  
22 ~~specification:~~



1       ~~(1) Establishing that the required work to be performed is~~  
2           ~~written in a clear, unambiguous, and nonrestrictive~~  
3           ~~manner; and~~

4       ~~(2) Listing manufacturers or products that are acceptable~~  
5           ~~for use on the project.~~

6       ~~"Standard commercial product" means a product or material~~  
7       ~~that in the normal course of business is customarily maintained~~  
8       ~~in stock by, or readily available for marketing from a~~  
9       ~~manufacturer, distributor, or dealer.~~

10       ~~This subsection shall not apply to any school facility~~  
11       ~~designated a historic property pursuant to section 6E-5.5.~~

12       ~~(g) The superintendent of education shall submit an annual~~  
13       ~~report to the legislature, which shall include a financial~~  
14       ~~statement of the account and the status of repair and~~  
15       ~~maintenance projects undertaken pursuant to this section, no~~  
16       ~~later than twenty days prior to the convening of each regular~~  
17       ~~session. Expenditures for repair and maintenance projects~~  
18       ~~undertaken pursuant to this section shall be posted~~  
19       ~~electronically on the Internet by the department of education~~  
20       ~~within thirty days of each project's completion.~~

21       ~~(h) This section shall be repealed on July 1, 2020." ]~~



# H.B. NO. 22

1           SECTION 4. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3           SECTION 5. This Act shall take effect on July 1, 2007.

4

INTRODUCED BY:

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JAN 17 2007



**Report Title:**

Department of Education; Backlog List

**Description:**

Repealing the department of education repair and maintenance account for projects on the backlog list as of 6/30/00.

