

Honolulu, Hawaii

FEB 26, 2010

RE: H.B. No. 2901
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2901, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is to increase competition and the qualifications of offerors for design-build contracts by establishing a discretionary two-step request for proposals procurement process for construction contracts in which:

- (1) The design-build process is used;
- (2) Proposals are submitted by not more than five offerors, selected on the basis of their experience, past performance, capacity to complete the work on time, and location and familiarity with project location;
- (3) The purchasing agency:
 - (A) Shall pay a stipend of \$10,000 plus 0.5 percent of the amount of the contract to unsuccessful offerors who authorize the agency to use elements of their designs and waive their right to protest the award; and
 - (B) May increase the stipend percentage to 0.8 percent for complex or large contracts;



and

- (4) Stipends for any single contract are capped at \$1,000,000.

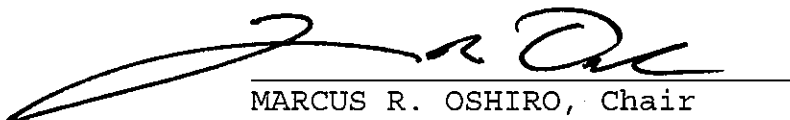
The Coalition of Hawaii Engineering and Architectural Professionals; The Pacific Resource Partnership; SSFM International, Inc.; American Society of Civil Engineers; American Council of Engineering Companies of Hawaii; Fukunaga & Associates, Inc.; and Kennedy/Jenks Consultants testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the lump sum and contract percentage stipend amounts, the amount by which the purchasing agency may increase the percentage for large or complex contracts, and the maximum stipend amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2901, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2901, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



