

HB2901

HD2

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843



March 16, 2010

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WAYNE M. HASHIRO, P.E.
Manager and Chief Engineer

DEAN A. NAKANO
Deputy Manager

The Honorable Brian T. Taniguchi, Chair
and Members
The Senate
Committee on Judiciary and Government Operations
State Capitol, Conference Room 016
Honolulu, Hawaii 96813

Dear Chair Taniguchi and Members:

Subject: House Bill 2901, HD2 (HSCR571-10) Relating to Procurement

Thank you for the opportunity to submit testimony on HB 2901, HD2, Relating to Procurement.

The Board of Water Supply, City and County of Honolulu (BWS) opposes this bill. As currently drafted, this bill requires the purchasing agency to pay a stipend to up to four (4) unsuccessful offerors that have submitted technically-responsive proposals. This mandatory stipend would increase the cost of the project, and in some cases, would serve to discourage procuring agencies from utilizing the design-build method of procurement.

The BWS respectfully opposes HB 2901, HD 2, and requests that the bill be amended to either omit the stipend or to allow chief procurement officers or heads of the purchasing agency discretion as to whether to provide a stipend to unsuccessful offerors when utilizing a design-build procurement process.

Very truly yours,

WAYNE M. HASHIRO, P.E.
Manager and Chief Engineer

ASCE American Society of Civil Engineers

Hawaii Section

PO Box 917

Honolulu, HI 96808-0917

2010 Hawaii Section Officers

PRESIDENT

Jeffrey Kalani, P.E.
Yogi Kwong Engineers, LLC
615 Piikoi Street, Suite 1605
Honolulu, Hawaii 96814
(808) 596-2928
e-mail: jeff@yogikwong.com

PRESIDENT-ELECT

Roger Babcock, Ph.D., P.E.
University of Hawaii at Manoa
Dept. of Civil and Environmental Engrg.
2540 Dole Street, Holmes Hall #383
Honolulu, Hawaii 96822
(808) 956-7298, Fax: (808) 956-5014
e-mail: rbabcock@hawaii.edu

VICE PRESIDENT

Dawn Barsana Szewczyk, P.E.
CH2M HILL
1132 Bishop Street, Suite 1100
Honolulu, Hawaii 96813
(808) 440-0254, Fax: (808) 538-8254
e-mail: dawn.barsana@CH2M.com

SECRETARY

Ian Arakaki, P.E.
The Limtiaco Consulting Group
650 Iwilei Road, Suite 208
Honolulu, Hawaii 96817
(808) 596-7790, Fax: (808) 596-7361
e-mail: ian@tlcghawaii.com

TREASURER

Brian Enomoto, P.E.
NAVFAC Pacific
Capital Improvements
258 Makalapa Drive, Suite 100
Pearl Harbor, HI 96860-3134
(mail not deliverable)
(808) 388-5559
e-mail: benomoto@ascehawaii.org

PAST PRESIDENT

Michael Hunnemann, P.E.
KAI Hawaii Inc.
31 North Pauahi Street, 2nd Floor
Honolulu, Hawaii 96817
(808) 533-2210, Fax: (808) 533-2686
e-mail: mike@kaihawaii.com

YOUNGER MEMBER FORUM

PRESIDENT

Troy Ching
HDR Hawaii Pacific Engineers, Inc.
1132 Bishop Street, Suite 1003
Honolulu, Hawaii 96813
(808) 697-6200, FAX: (808) 697-6202
e-mail: troy.ching@hdrinc.com

March 16, 2010

Honorable Brian T. Taniguchi, Chair
Honorable Dwight Y. Takamine, Vice Chair
Honorable Members of the Senate Committee on Judiciary and Government
Affairs

I am testifying in support for House Bill 2901, HD. 1, Relating to Procurement, on behalf of the Hawaii Section of the American Society of Civil Engineers.

The American Society of Civil Engineers was established in 1852 and is the oldest professional engineering organization in the United States. The Hawaii Section of ASCE was established in 1937 and is comprised of more than 1,000 civil engineers from both the public and private sectors of our state.

At the national level, the ASCE Board of Direction adopted a policy strongly supporting the two-phase process for design-build contracts for the competitive selection of construction services. A copy of the policy statement adopted on April 24, 2007 is attached.

The traditional method of construction has been the three-step design-bid-build process. In the last decade, the design-build (DB) method of contracting has been increasing steadily. Since 1982, the volume of domestic DB contracts nationwide has grown from \$6 billion to \$56 billion and now represents 23 percent of the nonresidential U.S. market. Both private and public owners are using this method to accrue savings in both costs and time by streamlining the project delivery process. In Hawaii the federal government has been the leading advocate of DB and report savings in time and cost on their projects.

ASCE urges the DB process require the qualifications-based selection process for DB team. In addition, reimbursement for the consultants' cost for the preparation of proposals should be required from the owner. These features are contained in HB 2901, HD 1.

Thank you for the opportunity to testify on this measure. I urge your passage of HB 2901, HD 1 and would be happy to respond to any questions you may have.

Owen Miyamoto, PE, FASCE
Local Legislative Affairs Liaison

Attachment



ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Hawaii

March 16, 2010

President

John Katahira, P.E.
The Limtiaco Consulting Group
Ph: (808) 596-7790

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Gray Hong Nojima & Assoc.
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Norman Kawachika, P.E.
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Directors

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Higuchi & Assoc.
Ph: (808) 942-9100

Joel Yuen, P.E.

Insynergy Engineering
Ph: (808) 521-3773

Mike Street, P.E.

Bowers + Kubota Consulting
Ph: (808) 836-7787

Ginny M. Wright

Executive Director

P.O. Box 88840
Honolulu, HI 96830
Ph: (808) 234-0821
Cell: (808) 741-4772
Fx: (808) 234-1721
Email: gwright@acechawaii.org
Website: www.acechawaii.org

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

JGOTestimony@Capitol.hawaii.gov

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and
Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

The American Council of Engineering Companies of Hawaii (ACEC Hawaii), representing 65 consulting engineering firms and 1,320 employees, strongly supports **HB 2901, Relating to Procurement**. The design-build process is increasingly being used by State and County agencies for the procurement of design and construction services. Design-build teams consist of one team of designers/builders, and provide quicker delivery of projects that benefit from the collaboration of designers and builders.

Many engineering firms – particularly our small local firms – simply cannot afford to pursue design-build opportunities due to the high cost of preparing the proposal. As a result, the State may not get the most qualified applicant. This bill will help resolve the problem by introducing two important components to the design-build procurement process: (1) two-step selection and (2) stipend.

Two-Step Selection

The first step of the proposed two-step design-build procurement process will require a request for qualifications (RFQ) specifically related to the proposed project. A selection committee then selects a “short-list” (no less than three) of the most qualified teams and they proceed to the second proposal stage. The second step requires substantial design effort to prepare design concepts. Each team prepares a price proposal (RFP) for the unique concept.

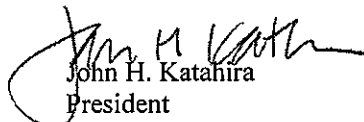
Stipend

A stipend shall be provided to the losing short-listed firms. The stipend amount shall be determined by the agency’s procurement officer on a project-by-project basis.

We firmly believe this bill will improve the design-build procurement process, resulting in a better product and increased competition.

We appreciate the opportunity to provide testimony regarding HB 2901. Please do not hesitate to contact us if you have any questions regarding our testimony.

Respectfully submitted,
ACEC Hawaii.


John H. Katahira
President



KAI HAWAII
STRUCTURAL & FORENSIC ENGINEERS

Ken K. Hayashida, P.E.
Michael P. Hunnemann, P.E.

March 15, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: **HB 2901 HD2, Relating to Procurement**

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

KAI Hawaii, Inc. strongly supports **HB 2901, Relating to Procurement**. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

This two-step process serves to reduce industry costs in responding to requests for design-build proposals and to encourage the most qualified design-builders to participate by increasing their chances of success. The two-step process also reduces the cost to the agency of reviewing the proposals by ensuring the agency reviews a select number of proposals from the most highly qualified teams. It should not significantly increase time needed for the procurement process, as the initial request for qualifications can be a shorter time period, and limiting the proposals to only the most qualified teams means fewer proposals for an agency to review.

HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,

Ken Hayashida, P.E.
President



BELT COLLINS®

March 15, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

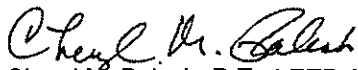
Please be informed that Belt Collins supports HB 2901, relating to Procurement. HB 2901 would create a two-step process for procuring design-build teams. At the first step, potential design-build teams would submit their qualifications particular to the proposed project. A review committee would select the most qualified teams, minimum of three to maximum of five, which would then proceed to the second step proposal. The second step would be issuance of a request for proposals and evaluation of technical and price proposals from the most qualified teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals, i.e. best and final offers.

This two-step process serves to reduce industry costs in responding to requests for design-build proposals and to encourage the most qualified design-builders to participate by increasing their chances of success. The two-step process also reduces the cost to the agency of reviewing the proposals by ensuring the agency reviews a select number of detailed proposals from the most qualified teams. The two-step process should not significantly increase time needed for procurement, as the initial request for qualifications can be a shorter time period, and limiting the proposals to only the most qualified teams means fewer proposals for an agency to review.

HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous task, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,



Cheryl M. Palesh, P.E., LEED AP
Chairman

Belt Collins Hawaii Ltd. | 2153 North King Street, Suite 200 | Honolulu, HI 96819-4554 USA

Tel: 808.521.5361 | Fax: 808.538.7819 | www.beltcollins.com | honolulu@beltcollins.com

Belt Collins Hawaii is an Equal Opportunity Employer

From: Danny Hong [dhong@grayhongnojima.com]
Sent: Tuesday, March 16, 2010 10:54 AM
To: JGO Testimony
Subject: HB 2901 HD2, Relating to Procurement

March 16, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

GRAY, HONG, NOJIMA & ASSOCIATES, INC. strongly **supports HB 2901, Relating to Procurement**. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

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We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Sincerely,

Daniel S.C. Hong, PE
Gray•Hong•Nojima & Associates, Inc.
841 Bishop Street, Suite 1100, Honolulu, HI 96813
(808) 521-0306 ext 101 | (808) 531-8018 fax
dhong@grayhongnojima.com

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From: Lois Konishi [lkonishi@grayhongnojima.com]
Sent: Tuesday, March 16, 2010 9:25 AM
To: JGO Testimony
Subject: HB 2901 HD2, Relating to Procurement

March 16, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

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Sincerely,

Lois Konishi

Gray•Hong•Nojima & Associates, Inc.

841 Bishop Street Suite 1100, Honolulu, HI 96813

(808) 521-0306 ext 202 | (808) 531-8018 fax

lkonishi@grayhongnojima.com

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From: Jenni Wong [jwong@grayhongnojima.com]
Sent: Tuesday, March 16, 2010 9:21 AM
To: JGO Testimony
Subject: HB 2901 HD2, Relating to Procurement

March 16, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

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Sincerely,

Jenni Wong

Gray•Hong•Nojima & Associates, Inc.

841 Bishop Street Suite 1100, Honolulu, HI 96813

(808) 521-0306 ext 203 | (808) 531-8018 fax

jwong@grayhongnojima.com

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From: Guy Fukushima [gfukushima@grayhongnojima.com]
Sent: Tuesday, March 16, 2010 9:20 AM
To: JGO Testimony
Subject: HB 2901 HD2, Relating to Procurement

March 16, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

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Sincerely,

Guy Fukushima

Gray•Hong•Nojima & Associates, Inc.

841 Bishop Street Suite 1100, Honolulu, HI 96813

(808) 521-0306 ext 303 | (808) 531-8018 fax

gfukushima@grayhongnojima.com

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From: Joey Gomez [jgomez@grayhongnojima.com]
Sent: Tuesday, March 16, 2010 9:10 AM
To: JGO Testimony
Subject: Testimony for JGO hearing March 18th, 10 a.m., Room 016

March 16, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

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Sincerely,

Joey Gomez

Gray•Hong•Nojima & Associates, Inc.

841 Bishop Street Suite 1100, Honolulu, HI 96813

(808) 521-0306 ext 302 | (808) 531-8018 fax

jgomez@grayhongnojima.com

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From: Gavin Masaki [gmasaki@grayhongnojima.com]
Sent: Tuesday, March 16, 2010 9:08 AM
To: JGO Testimony
Subject: HB 2901 HD2, Relating to Procurement

March 16, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

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Sincerely,

Gavin Masaki

Gray•Hong•Nojima & Associates, Inc.

841 Bishop Street Suite 1100, Honolulu, HI 96813

(808) 521-0306 ext 110 | (808) 531-8018 fax

gmasaki@grayhongnojima.com

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1099 Alakea Street
Suite 2400
Honolulu, HI 96813
T: 808.523.8499
F: 808.533.0226



March 16, 2010

EMAILED TESTIMONY TO: JGOTestimony@Capitol.hawaii.gov

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and
Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Brown and Caldwell strongly supports HB 2901 HD2, Relating to Procurement. HB 2901 would provide for the procurement of design-build contract teams in a manner used by the Federal Government and many other jurisdictions.

HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (up to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers). This two-step process serves to reduce industry costs in responding to requests for design-build proposals, to encourage the most qualified design-builders to participate by increasing their chances of success, and to reduce the cost to the agency of reviewing the proposals. The selection should be based on best value where price is considered along with other evaluation factors.

HB2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and teams can spend more than \$1 million to prepare their proposal. Studies have shown that the use of stipends reduce the cost to industry of participation in design-build procurement and encourage competition by allowing more firms to participate, as well as provide proposers partial compensation for agency ownership of concepts that may be incorporated into the project or used elsewhere by the agency.

The above described 2 step procurement process is a very valid method for large projects. Consideration for a qualifications based selection (QBS) of a design builder should be considered for smaller projects (for example under \$15 million). The QBS is one of the two methods endorsed by the Design Build Institute of America, the other being the best value price based method described in HB2901. QBS design build procurements have been successfully used in states like Florida and Arizona. The benefit is that for smaller projects QBS offers a very timely and cost effective procurement process and would allow for the implementation of a Progressive Design Build approach, which has proved very beneficial to owners. The Progressive Design Build approach is best described in literature from The Water Design Build Council.

We appreciate the opportunity to provide testimony regarding HB 2901. Please do not hesitate to contact us if you have any questions regarding our testimony.

Respectfully submitted,

BROWN AND CALDWELL

A handwritten signature in black ink, appearing to read 'Douglas B. Lee', written in a cursive style.

Douglas B. Lee, P.E.
Sr. Associate, Executive Engineer

From: Sheryl Nojima [snojima@grayhongnojima.com]
Sent: Tuesday, March 16, 2010 7:22 AM
To: JGO Testimony
Subject: Testimony for JGO hearing March 18th, 10 a.m., Room 016

March 16, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

GRAY, HONG, NOJIMA & ASSOCIATES, INC. strongly **supports HB 2901, Relating to Procurement**. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

This two-step process serves to reduce industry costs in responding to requests for design-build proposals and to encourage the most qualified design-builders to participate by increasing their chances of success. The two-step process also reduces the cost to the agency of reviewing the proposals by ensuring the agency reviews a select number of proposals from the most highly qualified teams. It should not significantly increase time needed for the procurement process, as the initial request for qualifications can be a shorter time period, and limiting the proposals to only the most qualified teams means fewer proposals for an agency to review.

HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Sincerely,

Sheryl Nojima, PhD, PE
Gray•Hong•Nojima & Associates, Inc.
841 Bishop Street, Suite 1100, Honolulu, HI 96813
(808) 521-0306 ext 105 | (808) 531-8018 fax
snojima@grayhongnojima.com

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Kennedy/Jenks Consultants
Engineers & Scientists

Hawaii Office (Formerly Engineering Solutions, Inc.)
98-1268 Kaahumanu Street, Suite 204, Pearl City, HI 96822
P: 808.488.0477 • F: 808.488.3776 W: www.kennedyjenks.com

March 15, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

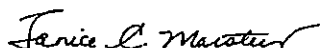
Kennedy/Jenks Consultants strongly **supports HB 2901, Relating to Procurement**. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

This two-step process serves to reduce industry costs in responding to requests for design-build proposals and to encourage the most qualified design-builders to participate by increasing their chances of success. The two-step process also reduces the cost to the agency of reviewing the proposals by ensuring the agency reviews a select number of proposals from the most highly qualified teams. It should not significantly increase time needed for the procurement process, as the initial request for qualifications can be a shorter time period, and limiting the proposals to only the most qualified teams means fewer proposals for an agency to review.

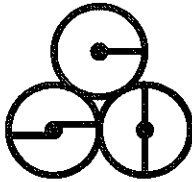
HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding our testimony.

Respectfully submitted,
Kennedy/Jenks Consultants



Janice C. Marsters, Ph.D.
Senior Environmental Engineer



**CONSULTING
STRUCTURAL HAWAII, INC.**

931 Hausten Street, Suite 200
Honolulu, Hawaii 96826
Phone: (808) 945-0198 • Fax: (808) 944-1177
e-mail: csh@consultingstructuralhawaii.com

March 15, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Consulting Structural Hawaii, Inc. **strongly supports HB 2901, Relating to Procurement.** Consulting Structural Hawaii, Inc. is a consulting structural engineering firm that has been in business since 1987. We have completed design-build projects both as a consultant for agencies and also as a consultant for contractors. A fair and equitable process for the owner, consultant, and contractor is required to help assure that the most qualified consultant and contractor is selected to construct the facility that the owner is paying for and desires.

We feel that HB 2901 would put in place a fair and equitable two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams.

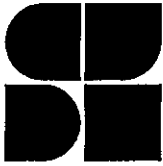
This two-step process serves to reduce industry costs in responding to requests for design-build proposals and to encourage the most qualified design-builders to participate by increasing their chances of success. The two-step process also reduces the cost to the agency of reviewing the proposals by ensuring the agency reviews a select number of proposals from the most highly qualified teams. It should not significantly increase time needed for the procurement process, as the initial request for qualifications can be a shorter time period, and limiting the proposals to only the most qualified teams means fewer proposals for an agency to review.

The cost to participate in the design-build process is high. HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in **strong support** of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,

Roy K. Yamashiro, P.E., Principal



SHIGEMURA, LAU, SAKANASHI, HIGUCHI AND ASSOCIATES, INC.
CONSULTING STRUCTURAL ENGINEERS

March 15, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Shigemura, Lau, Sakanashi, Higuchi and Associates strongly **supports HB 2901, Relating to Procurement**. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

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HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,

Wayne K. Higuchi, PE



SHIGEMURA, LAU, SAKANASHI, HIGUCHI AND ASSOCIATES, INC.
CONSULTING STRUCTURAL ENGINEERS

March 15, 2010

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**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
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Subject: HB 2901 HD2, Relating to Procurement

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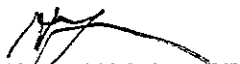
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HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,


Howard K.C. Lau, SE
President



SHIGEMURA, LAU, SAKANASHI, HIGUCHI AND ASSOCIATES, INC.
CONSULTING STRUCTURAL ENGINEERS

March 15, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
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Subject: HB 2901 HD2, Relating to Procurement

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We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,

Beverly Ishii-Nakayama, PE
Principal



828 Fort Street Mall, Suite 500
Honolulu, HI 96813
Tel: 808-521-3773
Fax: 808-521-3993
www.insynergyeng.com

March 16, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: **HB 2901 HD2, Relating to Procurement**

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

InSynergy Engineering, Inc., strongly supports **HB 2901, Relating to Procurement**. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

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HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joel Yuen", is written over a horizontal line.

Joel Yuen, P.E., President
InSynergy Engineering, Inc.



828 Fort Street Mall, Suite 500
Honolulu, HI 96813
Tel: 808-521-3773
Fax: 808-521-3993
www.insynergyeng.com

March 16, 2010

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Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

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HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,

Barry Jim On, P.E., Vice President
InSynergy Engineering, Inc.

JGO
3.18.10
10:00 am

March 18, 2010

Honorable Brian Taniguchi, Chair
Senate Committee on Judiciary and Government Operations

Re: **House Bill 2901 HD 2**
Relating to Procurement

Dear Chair Taniguchi and Members of the Committee,

My name is Daniel Chun, Government Affairs Chair of the American Institute of Architects (AIA), speaking in **SUPPORT OF THE INTENT** of HB 2901 HD2.

I am a licensed architect with over 30 years of practice experience. I have managed my small business in Hawaii for nearly the same amount of time. I have direct past experience in state design-build procurement being a team member for the following requests for proposals: University of Hawaii Stan Sheriff Center, the Hawaii Convention Center, the Kapolei State Office Building, the State Judiciary Public Information Center.

I have "won" only one of these, which is considered a good average. I have "lost" three of these competitions with the resulting increase in my small business overhead operating costs. House Bill 2901 HD 2 remedies some of the more onerous aspects of design-build procurement in the following ways:

- Requires a two-phase process beginning with qualifications based selection or QBS criteria.
- Requires payment to unsuccessful offerors who submit a technically responsive proposal.

Payment to unsuccessful offerors promotes continuing competition for design-build projects. The current practice of no payment will ultimately limit the offerors to an ever smaller number of contractors/design professionals who can afford the business overhead cost of losing a competition.

The state of Hawaii will receive the benefit of multiple solutions to choose from. The state gets to "test drive" several designs before having to buy one. This choice has substantial value to the state and the state needs to be willing to pay for the choice. Thank you for the opportunity to SUPPORT THE INTENT of House Bill 2902 HD 2.

KAUAIKUA & CHUN / ARCHITECTS

875 WAIMANU STREET SUITE 609
HONOLULU, HAWAII 96813

March 18, 2010

Honorable Brian Taniguchi, Chair
Senate Committee on Judiciary and Government Operations

Re: **House Bill 2901 HD 2**
Relating to Procurement

Dear Chair Taniguchi and Members of the Committee,

My name is Daniel Chun, A partner in a small business offering architectural services testifying in **SUPPORT** of HB 2901 HD2.

I am a licensed architect with over 30 years of practice experience. I have managed my small business in Hawaii for nearly the same amount of time. I have direct past experience in state design-build procurement being a team member for the following requests for proposals: University of Hawaii Stan Sheriff Center, the Hawaii Convention Center, the Kapolei State Office Building, the State Judiciary Public Information Center.

I have "lost" more of these competitions than I have "won" with the resulting increase in my business overhead costs. As there will always be more firms "losing" competitions than "winning" them, fewer and fewer firms will want to continue competing unless there is payment to unsuccessful offerors.

Payment to unsuccessful offerors promotes continuing competition for design-build projects. The current practice of no payment will ultimately limit the offerors to an ever smaller number of contractors/design professionals who can afford the business overhead cost of losing a competition.

The state of Hawaii will receive the benefit of multiple solutions to choose from. The state gets to "test drive" several designs before having to buy one. This

choice has substantial value to the state and the state needs to be willing to pay for the choice. Thank you for the opportunity to SUPPORT House Bill 2902 HD 2.

March 16, 2010

Emailed Testimony

**Hearing Date: Thursday, March 18, 2010, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian Taniguchi – Chair, Dwight Y. Takamine – Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Fukunaga & Associates, Inc. is a Hawaii-owned and managed Civil & Environmental Engineering firm operating in Hawaii since 1969. **We are in strong support of HB 2901, Relating to Procurement.** HB 2901 would provide for the procurement of design-build contract teams in a manner used by the Federal Government and many other jurisdictions.

HB 2901 would put in place a two-step process for procuring design-build teams. In the first step, potential design-build teams would submit their qualifications particular to the proposed project – including both designers and construction contractors. A selection committee would select the most qualified teams (three to five) that would then move forward to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

This two-step process serves to reduce industry costs in responding to requests for design-build proposals and to encourage the most qualified design-builders to participate by increasing their chances of success. The two-step process also reduces the cost to the agency of reviewing the proposals by ensuring the agency reviews a select number of proposals from the most highly qualified teams. It should not significantly increase time needed for the procurement process, as the initial request for qualifications can be a shorter time period, and limiting the proposals to only the most qualified teams means fewer proposals for an agency to review.

HB2901 also provides for the granting of a stipend to the unselected short-listed teams. The preparation of a well conceived proposal requires a significant amount of effort up-front, especially by the design professionals. Studies have shown that the use of stipends reduce the cost to industry of participation in design-build procurement and encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact me if you have any questions regarding this testimony.

Very truly yours,

FUKUNAGA & ASSOCIATES, INC.



Jon K. Nishimura, P.E.
President

FUKUNAGA & ASSOCIATES, INC.





ENGINEERING SOLUTIONS, INC.
Our Name, Our Mission for a Sustainable Environment

98-1268 Kaahumanu Street • Suite C-7 • Pearl City, Hawaii 96782 • Telephone (808)488-0477 • FAX (808)488-3776

March 15, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: **HB 2901 HD2, Relating to Procurement**

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Engineering Solutions, Inc. strongly supports **HB 2901, Relating to Procurement**. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

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HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,
ENGINEERING SOLUTIONS, INC.


Richard E. Frey
Vice President

From: Myron Nomura [mnomura@ecihawaii.com]
Sent: Tuesday, March 16, 2010 9:43 PM
To: JGO Testimony
Subject: HB 2901 HD2, Relating to Procurement

Emailed Testimony

Hearing Date: Thursday, March 18, 2010, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)

Honorable Senators Brian Taniguchi – Chair, Dwight Y. Takamine -- Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Engineering Concepts, Inc. is a locally owned and managed small business Civil & Environmental Engineering firm operating in Hawaii since 1986. We are in strong support of HB 2901, Relating to Procurement. HB 2901 would provide for the procurement of design-build contract teams in a manner used by the Federal Government and many other jurisdictions.

HB 2901 would put in place a two-step process for procuring design-build teams. In the first step, potential design-build teams would submit their qualifications particular to the proposed project – including both designers and construction contractors. A selection committee would select the most qualified teams (three to five) that would then move forward to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

This two-step process serves to reduce industry costs in responding to requests for design-build proposals and to encourage the most qualified design-builders to participate by increasing their chances of success. The two-step process also reduces the cost to the agency of reviewing the proposals by ensuring the agency reviews a select number of proposals from the most highly qualified teams. It should not significantly increase time needed for the procurement process, as the initial request for qualifications can be a shorter time period, and limiting the proposals to only the most qualified teams means fewer proposals for an agency to review.

HB2901 also provides for the granting of a stipend to the unselected short-listed teams. The preparation of a well conceived proposal requires a significant amount of effort up-front, especially by the design professionals. Studies have shown that the use of stipends reduce the cost to industry of participation in design-build procurement and encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact me if you have any questions regarding this testimony.

Very truly yours,

ENGINEERING CONCEPTS, INC.

Myron Nomura, P.E.
President



Okahara & Associates, Inc.
ENGINEERING CONSULTANTS

March 15, 2010

EMAILED TESTIMONY (JGOTestimony@Capitol.hawaii.gov)

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Okahara & Associates, Inc. strongly supports HB 2901, Relating to Procurement. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

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HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,

Donald K. Okahara, P.E.
President, Okahara & Associates, Inc.



March 17, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Pacific Geotechnical Engineers, Inc. strongly **supports HB 2901, Relating to Procurement**. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

This two-step process will encourage highly qualified design-builders to participate in requests for design-build proposals by increasing their chances of success and reducing industry costs. The two-step process also reduces the cost to the agency of reviewing the proposals by ensuring the agency reviews a select number of proposals from the most highly qualified teams. It should not significantly increase time needed for the procurement process, as the initial request for qualifications can be a shorter time period, and limiting the proposals to only the most qualified teams means fewer proposals for an agency to review.

HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in **support of HB 2901**. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,

PACIFIC GEOTECHNICAL
ENGINEERS, INC.

Glen Y.F. Lau, P.E.
President



THERMAL ENGINEERING CORPORATION

512 KALIHI STREET • HONOLULU, HAWAII 96819
TEL: (808) 848-6966 • FAX: (808) 848-6964
E-mail: engineering@thermaleng.com

March 15, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

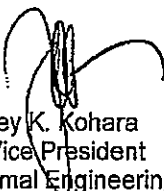
Thermal Engineering Corporation strongly supports HB 2901, Relating to Procurement. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

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HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,



Jeffrey K. Kohara
Sr. Vice President
Thermal Engineering Corporation



SHIMABUKURO, ENDO & YOSHIZAKI, INC.

Civil, Environmental & Structural Engineers
1126 12th Avenue, Room 309
Honolulu, Hawaii 96816-3715
Ph.: (808) 737-1875 FAX: (808) 734-5516
E-mail: seyeng@lava.net

March 16, 2010

Emailed Testimony

**Hearing Date: Thursday, March 18, 2010, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian Taniguchi – Chair, Dwight Y. Takamine – Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Shimabukuro, Endo & Yoshizaki, Inc. is a Hawaii-owned and managed Civil, Structural & Environmental Engineering firm operating in Hawaii since 1962. **We are in strong support of HB 2901, Relating to Procurement.** HB 2901 would provide for the procurement of design-build contract teams in a manner used by the Federal Government and many other jurisdictions.

HB 2901 would put in place a two-step process for procuring design-build teams. In the first step, potential design-build teams would submit their qualifications particular to the proposed project – including both designers and construction contractors. A selection committee would select the most qualified teams (three to five) that would then move forward to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

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We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact me if you have any questions regarding this testimony.

Very truly yours,

SHIMABUKURO, ENDO & YOSHIZAKI, INC.

Howard K. Endo, Ph.D., P.E.
President



GEOLABS, INC.

Geotechnical Engineering and Drilling Services

March 15, 2010

EMAILED TESTIMONY

**Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)**

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Geolabs, Inc. strongly supports **HB 2901, Relating to Procurement**. HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (three to five) that would then proceed to the second proposal stage. The second step is issuance of a request for proposals and evaluation of technical and price proposals from the pre-qualified/short-listed teams. The second step may include the opportunity for the design-build teams to obtain pre-approval of alternative technical concepts, and may include discussions/negotiations followed by subsequent proposals (best and final offers).

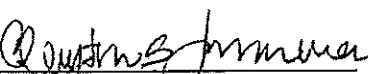
This two-step process serves to reduce industry costs in responding to requests for design-build proposals and to encourage the most qualified design-builders to participate by increasing their chances of success. The two-step process also reduces the cost to the agency of reviewing the proposals by ensuring the agency reviews a select number of proposals from the most highly qualified teams. It should not significantly increase time needed for the procurement process, as the initial request for qualifications can be a shorter time period, and limiting the proposals to only the most qualified teams means fewer proposals for an agency to review.

HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,

GEOLABS, INC.

By 
Clayton S. Mimura, P.E.
President

CSM:mj

SAM O. HIROTA, INC.

March 16, 2010

EMAILED TESTIMONY

Hearing Date: Thursday, March 18, 10:00 a.m., Conference Room 016
(Senate Committee on Judiciary and Government Operations)

Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the
Senate Committee on Judiciary and Government Operations

Subject: HB 2901 HD2, Relating to Procurement

Dear Chair Taniguchi, Vice Chair Takamine, and Committee Members,

Sam O. Hirota, Inc. strongly supports HB 2901, Relating to Procurement.

We believe that HB 2901 would put in place a two-step process for procuring design-build teams that will facilitate construction programs for the State of Hawaii as it has done for many federal government projects in Hawaii. This belief has been a direct result of our participating in over 20 major design/build projects with the US Army, Navy and Air Force in Hawaii as well as public/private partnerships facilitating construction of over 4,000 housing units for the US Army.

This two-step process serves to reduce industry costs in responding to requests for design-build proposals and to encourage the most qualified design-builders to participate by increasing their chances of success. The two-step process also reduces the cost to the agency of reviewing the proposals by ensuring the agency reviews a select number of proposals from the most highly qualified teams.

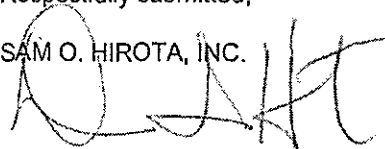
We feel that it should significantly decrease time needed for the procurement process, as the initial request for qualifications can be a shorter time period; the design process itself will be shorter; and limiting the proposals to only the most qualified teams means fewer proposals for an agency to review.

HB 2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and studies have shown that the use of stipends encourage competition by allowing more firms to participate.

We appreciate the opportunity to provide testimony in support of HB 2901. Please do not hesitate to contact us if you have any questions regarding this testimony.

Respectfully submitted,

SAM O. HIROTA, INC.


Dennis I. Hirota, Ph.D., P.E., LPLS
President



CIVIL ENGINEERING / CONSTRUCTION MANAGEMENT

VIA EMAILED TESTIMONY TO: JGOTESTIMONY@CAPITOL.HAWAII.GOV

March 16, 2010

Dear Honorable Senators Brian T. Taniguchi, Chair, Dwight Y. Takamine, Vice Chair, and Members of the Senate Committee on Judiciary and Government Operations,

Subject: HB 2901 HD2, Relating to Procurement-Thursdays, March 18, 10:00a.m., Conference Room 016

I am in support of "HB 2901 HD-2 Relating to Procurement" and endorse a nationally recognized procurement process for Design-Build construction projects.

The "HB 2901 HD-2 Relating to Procurement" Bill has a two part process for the procurement of the Design Build construction. The first part of the process is the qualification phase where an agency selects the best qualified teams. The second part of the process is the short listed teams that will be allowed to compete in the time consuming and costly proposal phase by developing the scope of work, cost proposals, and construction schedules. The two part process is to reduce costs for the industry and to respond to the requests for design-build proposals to encourage the well qualified design-builders to participate by raising their chances of success and reduce cost to the agency that reviews the proposals.

Thank you for the opportunity to voice my opinion on this important matter. As we all know, Design Build has been embraced by the Federal Government and has evolved into a viable method of implementing projects on a fast track basis. While my personal preference is the traditional Design – Bid – Build process, as our industry has been focusing on perfecting this model over the past 100 years, I also acknowledge Design Build as the future due to myriad factors.

If Design Build project selection is based only on price, then there is an inherent conflict since a firm price can only be given if the scope is determined. Meaning, when an architect or engineer has not defined the scope with a set of drawings and specifications then the Contractor has to guess. In a Design Build process, sometimes only 30% of the drawings may be provided so there is a lot of guesswork. If there is a way to qualify Contractors and their architect or engineer then there is higher probability that the scope will be better defined and a firm price can be attained with a higher quality project.

Thank you for the opportunity to provide testimony in support of HB 2901.

Mahalo,

A handwritten signature in black ink that reads "Jim Lyon". The signature is written in a cursive, flowing style.

Jim Lyon, P.E., LEED AP, CFM
President

45 North King Street, Suite 501 · Honolulu, Hawaii 96817-5107 USA · ph: (808) 536-6621 · fax: (808) 523-1738

email: adminhi@lyonassociates.com · website: www.lyonassociates.com
