

# ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES  
of Hawaii

February 2, 2010

**President**

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

**President-Elect**

Sheryl Nojima, Ph.D.  
Gray Hong Nojima & Assoc.  
Ph: (808) 521-0306

**Treasurer**

Douglas Lee, P.E.  
Brown and Caldwell  
Ph: (808) 523-8499

**Secretary**

Terrance Arashiro, P.E.  
Austin, Tsutsumi & Assoc.  
Ph: (808) 533-3646

**Past President**

Norman Kawachika, P.E.  
SSFM International  
Ph: (808) 531-1308

**National Director**

Jon Nishimura, P.E.  
Fukunaga & Assoc.  
Ph: (808) 944-1821

**Directors**

Beverly Ishii-Nakayama, P.E.  
Shigemura, Lau, Sakanashi,  
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](http://www.acechawaii.org)

EMAILED TESTIMONY TO: [EBMTestimony@Capitol.hawaii.gov](mailto:EBMTestimony@Capitol.hawaii.gov)

**Hearing Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)**

Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and Members of the House Committee on Economic Revitalization, Business, & Military Affairs

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

Dear Chair McKelvey, Vice Chair Choy, and Committee Members:

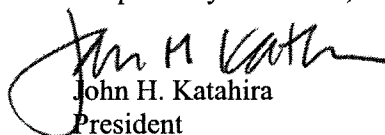
The American Council of Engineering Companies of Hawaii (ACEC Hawaii), representing more than 60 consulting engineering firms and 1,300 employees, **strongly supports HB 2901, Relating to Procurement.** HB 2901 will promote fair and engaging design-build procurement procedures consistent with agencies highly experienced with design-build projects, such as the federal government.

HB 2901 promotes a two-step process for procuring design-build teams. Design-build teams will submit their qualifications particular to the proposed project in the first phase. An agency-developed selection committee will then select a short list of the most qualified teams (typically three, but may be up to five) for the second phase where conceptual designs and fee proposals are prepared. The selection committee then selects the highest ranked team. A nominal and conditional stipend would be awarded to the short listed teams not awarded the contract.

Without HB 2901, all design-build teams are required to participate throughout the conceptual and fee proposal phase. This effort is significant, expensive, and frankly, too financially risky for most companies, particularly our small and local businesses. As a result, highly-qualified firms will not be able to afford to participate in applicable design-build projects and this will have negative impacts to our future infrastructure and facilities. Additionally, without adequate competition, construction prices will likely increase, resulting in costlier State projects. HB 2901 will end up saving the State of Hawaii money. HB 2901 is also good for business.

We appreciate the opportunity to provide testimony regarding SB 2388. Please do not hesitate to contact us if you have any questions regarding our testimony.

Respectfully submitted,

  
John H. Katahira  
President

**COALITION OF HAWAII ENGINEERING AND ARCHITECTURAL  
PROFESSIONALS**

February 2, 2010

EMAILED TESTIMONY TO: [EBMTestimony@Capitol.hawaii.gov](mailto:EBMTestimony@Capitol.hawaii.gov)

**Hearing Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)**

Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and Members of the House Committee on Economic Revitalization, Business, & Military Affairs

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

Honorable Chair McKelvey, Vice Chair Choy, and Committee Members,

The Coalition of Hawaii Engineering & Architectural Professionals represents several professional Engineering and Architectural organizations including American Council of Engineering Companies Hawaii; American Institute of Architects; Hawaii Chapter of the American Society of Civil Engineers; American Public Works Association Hawaii Chapter; Structural Engineering Association of Hawaii; and the Hawaii Society of Professional Engineers.

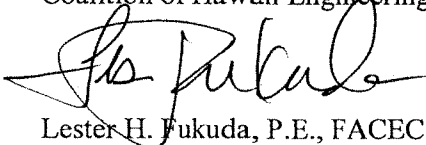
We are in **Strong Support of HB 2901 Relating to Procurement** and to provide a nationally recognized procurement process for the procurement of Design Build construction projects.

This bill develops a two part process for the procurement of Design-Build construction. The first part will be qualification phase where the agency selects the best qualified teams (recommend that we limit this to 3 teams). The second part, short listed teams will be allowed to compete in the very costly and time consuming proposal phase developing the detailed scope of work, construction schedules and cost proposals. 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.

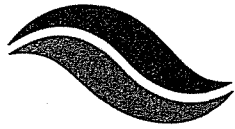
We have included a requirement to provide a stipend to the losing short-listed teams. The preparation of a design-build proposal is a very costly endeavor to the Design Build teams competing to the final stage. Recent examples include Honolulu Rail first segments where DB teams have spent well over \$1 million dollars putting together very detailed proposals, also the State Convention Center, and Ford Island Bridge all very costly endeavors.

We urge you to support HB 2901 Relating to Procurement.

Sincerely,  
Coalition of Hawaii Engineering & Architectural Professionals



Lester H. Fukuda, P.E., FACEC



**INSYNERGY  
ENGINEERING**

MECHANICAL ■ ELECTRICAL ■ FIRE PROTECTION

828 Fort Street Mall  
Suite 500  
Honolulu, HI 96813  
TEL 808.521.3773  
FAX 808.521.3993  
www.insynergyeng.com

February 2, 2010

EMAILED TESTIMONY TO: [EBMTestimony@Capitol.hawaii.gov](mailto:EBMTestimony@Capitol.hawaii.gov)

**Hearing Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)**

Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and Members of the House Committee on Economic Revitalization, Business, & Military Affairs

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

Dear Chair McKelvey, Vice Chair Choy, and Committee Members,

InSynergy Engineering, Inc., strongly supports SB 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.

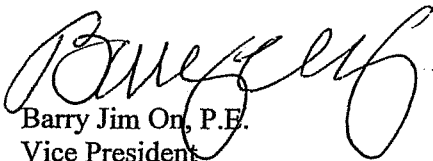
HB 2901 would put in place a two-step process for procuring design-build teams. At the first stage, potential design-build teams would submit their qualifications particular to the proposed project. A selection committee would select the most qualified teams (up to five) that would then proceed to the 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.

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.

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,

INSYNERGY ENGINEERING, INC.

  
Barry Jim On, P.E.  
Vice President

1099 Alakea Street  
Suite 2400  
Honolulu, HI 96813

T: 808.523.8499  
F: 808.533.0226

BROWN AND  
CALDWELL

February 3, 2010

EMAILED TESTIMONY TO: [EBMTestimony@Capitol.hawaii.gov](mailto:EBMTestimony@Capitol.hawaii.gov)

**Hearing Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)**

Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and Members of the House Committee on Economic Revitalization, Business, & Military Affairs

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

Dear Chair McKelvey, Vice Chair Choy, and Committee Members:

Brown and Caldwell strongly supports SB 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. 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.

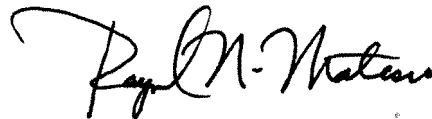
HB2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and teams can spend more than \$1 million to prepare their proposal. Studies have shown that the use of stipends reduce the cost to industry of participation 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



Raymond N. Matasci, P.E.  
Vice President



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



# Libbey Heywood, Inc.

Structural Engineers

210 Ward Avenue Suite 122 Honolulu HI 96814

Voice: 808.531.4627 Fax: 808.533.3745 E-mail: [mail@llhise.com](mailto:mail@llhise.com)

---

---

February 2, 2010

## Hearing

**Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)**

**Attention:** Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and Members of the House Committee on Economic Revitalization, Business, & Military Affairs

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

Dear Chair McKelvey, Vice Chair Choy, and Committee Members:

Libbey Heywood, Inc., strongly **supports SB 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. 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.

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.

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.

Very truly yours,

LIBBEY HEYWOOD, INC.

Steven C. Heywood  
President

SCH:bh



501 Sumner Street  
Suite 620  
Honolulu, Hawaii 96817  
Phone: (808) 531-1308  
Fax: (808) 521-7348  
[www.ssfm.com](http://www.ssfm.com)

February 2, 2010

EMAILED TESTIMONY TO: [EBMTestimony@Capitol.hawaii.gov](mailto:EBMTestimony@Capitol.hawaii.gov)

**Hearing Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)**

Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and Members of the House Committee on Economic Revitalization, Business, & Military Affairs

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

Dear Chair McKelvey, Vice Chair Choy, and Committee Members,

SSFM International, Inc. strongly **supports SB 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. 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.

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.

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,

SSFM INTERNATIONAL, INC.

A handwritten signature in black ink, appearing to read 'Michael P. Matsumoto'.

Michael P. Matsumoto, P.E., FACEC  
President/CEO



**Gray • Hong • Nojima & Associates, Inc.**  
CONSULTING ENGINEERS

Daniel S.C. Hong, PE  
Sheryl E. Nojima, PhD, PE  
Michael H. Nojima, PE, LEED AP  
Paul T. Matsuda, PE, LEED AP  
Evelyn D. ...

Honolulu, Hawaii 96813-5513  
Telephone: (808) 521-0306  
Fax: (808) 531-8018  
email@grayhongnojima.com

February 2, 2010

EMAILED TESTIMONY TO: [EBMTestimony@Capitol.hawaii.gov](mailto:EBMTestimony@Capitol.hawaii.gov)

**Hearing Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)**

Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and Members of the House Committee on Economic Revitalization, Business, & Military Affairs

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

Dear Chair McKelvey, Vice Chair Choy, and Committee Members,

Gray, Hong, Nojima & Associates, Inc. strongly **supports SB 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. 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.

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.

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,

GRAY, HONG, NOJIMA & ASSOCIATES, INC.

Sheryl E. Nojima, PhD, PE  
President





February 3, 2010

EMAILED TESTIMONY TO: [EBMTestimony@Capitol.hawaii.gov](mailto:EBMTestimony@Capitol.hawaii.gov)

**Hearing Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)**

Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and Members of the House Committee on Economic Revitalization, Business, & Military Affairs

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

Dear Chair McKelvey, Vice Chair Choy, and Committee Members,

BOW ENGINEERING & DEVELOPMENT, INC. strongly **supports SB 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. 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.

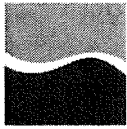
HB2901 also provides for the granting of a stipend to the losing short-listed teams. Preparation of a design-build proposal is an onerous one, and teams can spend more than \$1 million to prepare their proposal. Studies have shown that the use of stipends reduce the cost to industry of participation 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.

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,

**BOW ENGINEERING & DEVELOPMENT, INC.**

William H.Q. Bow, P.E.  
President



**KAI HAWAII**  
STRUCTURAL & FORENSIC ENGINEERS

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

February 2, 2010

EMAILED TESTIMONY TO: [EBMTestimony@Capitol.hawaii.gov](mailto:EBMTestimony@Capitol.hawaii.gov)

**Hearing Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)**

Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and Members of the House Committee on Economic Revitalization, Business, & Military Affairs

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

Dear Chair McKelvey, Vice Chair Choy, and Committee Members,

KAI Hawaii, Inc. strongly **supports SB 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. 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.

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.

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,

KAI HAWAII, INC.



Ken Hayashida  
President

31 North Pauahi Street, Second Floor \* Honolulu \* Hawaii \* 96817  
Telephone: (808) 533-2210 \* Facsimile: (808) 533-2686 \* E-mail Address: [mail@kaihawaii.com](mailto:mail@kaihawaii.com)



THE LIMTIACO CONSULTING GROUP  
CIVIL ENGINEERING AND ENVIRONMENTAL CONSULTANTS

February 2, 2010

EMAILED TESTIMONY TO: [EBMTestimony@Capitol.hawaii.gov](mailto:EBMTestimony@Capitol.hawaii.gov)

**Hearing Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)**

Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and  
Members of the House Committee on Economic Revitalization, Business, & Military Affairs

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

Dear Chair McKelvey, Vice Chair Choy, and Committee Members:

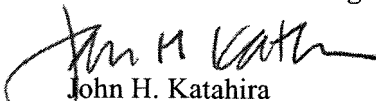
The Limtiaco Consulting Group, a small and local business, **strongly supports HB 2901, Relating to Procurement**. HB 2901 will promote fair and engaging design-build procurement procedures consistent with agencies highly experienced with design-build projects, such as the federal government.

HB 2901 promotes a two-step process for procuring design-build teams. Design-build teams will submit their qualifications particular to the proposed project in the first phase. An agency-developed selection committee will then select a short list of the most qualified teams (typically three, but may be up to five) for the second phase where conceptual designs and fee proposals are prepared. The selection committee then selects the highest ranked team. A nominal and conditional stipend would be awarded to the short listed teams not awarded the contract.

Without HB 2901, all design-build teams are required to participate throughout the conceptual and fee proposal phase. This effort is significant, expensive, and frankly, too financially risky for most companies, particularly our small and local businesses. As a result, highly-qualified firms will not be able to afford to participate in applicable design-build projects and this will have negative impacts to our future infrastructure and facilities. Additionally, without adequate competition, construction prices will likely increase, resulting in costlier State projects. In the end, HB 2901 will end up saving the State of Hawaii money.

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.

Best always,  
*The Limtiaco Consulting Group, Inc.*

  
John H. Katahira  
President

# MOSS Engineering, Inc.

1357 Kapiolani Blvd., Suite 830

Electrical / Lighting Engineers

Honolulu, Hawaii 96814

Richard M. Moss, P.E., LEED® AP

February 2, 2010

EMAILED TESTIMONY TO: [EBMTestimony@Capitol.hawaii.gov](mailto:EBMTestimony@Capitol.hawaii.gov)

Hearing Date: Thursday, February 4, 8:00 a.m., Conference Room 312  
(House Committee on Economic Revitalization, Business, & Military Affairs)

Honorable Representative Angus L.K. McKelvey, Chair, Isaac W. Choy, Vice Chair, and  
Members of the House Committee on Economic Revitalization, Business, & Military Affairs

Subject: HB 2901, Relating to Procurement

Dear Chair McKelvey, Vice Chair Choy, and Committee Members,

MOSS Engineering, Inc. strongly supports SB 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. 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.

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.

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,

MOSS Engineering, Inc.



Richard M. Moss, P.E., LEED® AP  
President

Supporting AutoCAD and Revit Platforms

TEL: (808) 951-6632

[mail@moss-engineering.net](mailto:mail@moss-engineering.net)

FAX: (808) 941-0917