



Testimony of C. Mike Kido
External Affairs
The Pacific Resource Partnership

Senate Committee on Public Safety, Government Operations, and Military Affairs
Senator Will Espero, Chair
Senator Michelle Kidani, Vice Chair

SR 99/SCR162 – Urging the Governor to Begin Discussions and Plans to Establish Public-Private Partnerships to Build Prisons and Correctional Facilities in the State
Thursday, March 31, 2011
2:50 P.M.
Conference Room 224

Chair Espero, Vice Chair Kidani and Members of the Committee:

My name is C. Mike Kido, External Affairs for the Pacific Resource Partnership (PRP), a labor-management consortium representing over 240 signatory contractors and the Hawai'i Carpenters Union.

PRP is in support of SR 99/SCR162 – Urging the Governor to Begin Discussions and Plans to Establish Public-Private Partnerships to Build Prisons and Correctional Facilities in the State.

Public-private partnerships (PPPs) qualify as one of several modern acquisition methods that govern the relationship between the public and private sectors to produce an asset or deliver a service for the benefit of public sector infrastructure.

The U.S. DOT guidance in this area provides that early involvement of the private sector in public infrastructure projects can bring creativity, efficiency, and capital to address complex transportation problems facing state and local governments. In collecting and disseminating information on Public-private partnerships programs and projects, the U.S. DOT has developed a web resource that identifies twenty-three states and one U.S. territory that have authorized enabling legislation for highway projects.

Hawai'i is included in the list of states with some form of PPP legislation.¹ This legislation, however, should be analyzed in the context of the Hawai'i Public Procurement Code (the "Procurement Code"). Most important, the Procurement Code does not prohibit PPPs. In fact, the Procurement Code is based, in significant part, on the American Bar Association's 2000 Model Procurement Code (MPC), which was drafted to address the full range of issues arising in the procurement of supplies, services, and construction, including emerging models for long term procurement pursuant to Public Private Partnerships.²

Hawaii's economy is still trying to emerge from the great recession that struck the United States back in 2008. The weak economy severely reduced all forms of revenue collected by the State. Because of its revenue shortfall, the State has found it difficult to construct new infrastructure, including buildings and other facilities. In light of these circumstances, public-private partnerships have emerged as a promising, viable alternative model and are predicted to gain even greater prominence and popularity in the future. Public-private partnerships offer a way to address the States significant backlog of deferred facility maintenance and provide another tool for the department of accounting and general services to undertake much needed repairs and maintenance work as well as new construction projects.

Thank you for allowing us to share our opinion and we kindly ask for your favorable consideration on SR 99/SCR162.

¹ See HRS § 206E-34 requiring the establishment of a state cultural public market within the Hawai'i Community Development Authority (the "Authority" or HCDA); see also HRS § 266-19.5 authorizing capital advancement contracts with private parties.

² The 2007 Model Code for Public Infrastructure Procurement (MC PIP) specifically addresses the procurement and policy issues involved when design, construction, operations, maintenance, and/or finance are merged into single procurements for public infrastructure.

NEIL ABERCROMBIE
GOVERNOR

LATE TESTIMONY



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
919 Ala Moana Boulevard, 4th Floor
Honolulu, Hawaii 96814

JODIE F. MAESAKA-HIRATA
DIRECTOR

MARTHA TORNEY
Deputy Director
Administration

JOE W. BOOKER, JR.
Deputy Director
Corrections

KEITH KAMITA
Deputy Director
Law Enforcement

No. _____

**TESTIMONY ON SENATE RESOLUTION 99/ SENATE CONCURRENT RESOLUTION 162
URGING THE GOVERNOR TO BEGIN DISCUSSIONS AND PLANS TO ESTABLISH
PUBLIC-PRIVATE PARTNERSHIPS TO BUILD PRISONS AND CORRECTIONAL
FACILITIES IN THE STATE**

by

Jodie F. Maesaka-Hirata, Director
Department of Public Safety

Senate Committee on Public Safety, Government Operations, and Military Affairs
Senator Will Espero, Chair
Senator Michelle Kidani, Vice Chair

Thursday, March 31, 2011, 2:50 PM
State Capitol, Conference Room 224

Chair Espero, Vice Chair Kidani, and Members of the Committee:

The Department of Public Safety (PSD) supports the intent of Senate Resolution 99/ Senate Concurrent Resolution 162 that urges the Governor to begin discussions and plans to establish public-private partnerships to build prisons and correctional facilities in the State. PSD is in the process of developing a comprehensive reentry plan that would include a thorough evaluation of public-private partnerships to develop new reentry facilities, as well as other correctional facilities. Therefore, we ask that this resolution be held in lieu of the development of PSD's comprehensive reentry plan. PSD appreciates the support of the Legislature in our reentry endeavors, and we look forward to future support on our completed comprehensive plan.

Thank you for the opportunity to provide testimony on this measure.

LATE TESTIMONY

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 31, 2011 11:42 AM
To: PGM Testimony
Cc: mmatsumoto@ssfm.com
Subject: Testimony for SR99 on 3/31/2011 2:50:00 PM

Testimony for PGM 3/31/2011 2:50:00 PM SR99

Conference room: 224
Testifier position: support
Testifier will be present: No
Submitted by: Michael P. Matsumoto
Organization: SSFM International, Inc.
Address:
Phone:
E-mail: mmatsumoto@ssfm.com
Submitted on: 3/31/2011

Comments:

Our company strongly supports SR 99 urging the Governor to begin discussions and plans to establish public-private partnerships to build prisons and correctional facilities in the State.

LATE TESTIMONY



501 Sumner Street
Suite 620
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Fax: (808) 521-7348
www.ssfm.com

March 31, 2011

Senator Will Espero
Hawai'i State Senate
Hawai'i State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: Senate Resolution
TESTIMONY – S.R. NO. 99

Chairman Espero and Members of the Committee on Public Safety, Government Operations,
Military Affairs

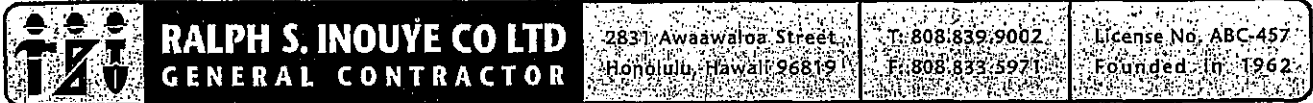
SSFM stands in strong support of SR 99 concerning the use of a "Public-Private Partnership" to
build correctional facilities in the State of Hawai'i.

In today's economic climate the most expeditious way to design, finance and build such facilities
is through a Public-Private Partnership which brings together the expertise and resources of
various entities in both the public and private sectors.

Jo-Anna K. Herkes
Deputy, Engineering Group

jherkes@ssfm.com
808-356-1260

LATE TESTIMONY



March 31, 2011

To: The Honorable Senator Will Espero, Chair and Members of the Senate Committee on Public Safety, Government Operations, and Military Affairs

Subject: S.R. 99 - Urging the Governor to Begin Discussions and Plans to Establish Public-Private Partnerships to Build Prisons and Correctional Facilities in the State.

NOTICE OF HEARING

DATE: Thursday, March 31, 2011
TIME: 2:50pm
PLACE: Conference Room 224

Dear Chair Espero and Members the Committee:

My name is Lance Inouye, President of Ralph S. Inouye Co., Ltd. (RSI), a Hawaii General Contractor since 1962. RSI fully **supports** passage of S.R. 99 Urging the Governor to Begin Discussions and plans to Establish Public-Private Partnerships to Build Prisons and Correctional Facilities in the State.

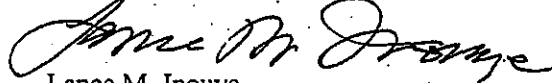
RSI suggests that with the Governor's desire to bring Hawaii prisoners back home from out of state coupled with the severe budget problems facing the State, the public-private partnership approach may be a good way of helping deal with both of these issues. It appears there are able private companies willing to step up to help make this work for the State. Furthermore, another of the Governor's goals is to get the languishing economy of our State back on track. Building new prisons and correctional facilities in the State would not only create local construction and public safety work that would help stimulate the economy, it would also provide a better rehabilitative environment for our local inmates by bringing them close to their supportive families and friends.

RSI **supports** S.R. 99 and recommends its passage.

Thank you for the opportunity to testify on this matter.

Sincerely,

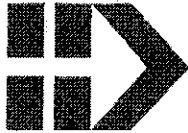
RALPH S. INOUE CO. LTD.



Lance M. Inouye
President & CEO

LMI:ma

LATE TESTIMONY



HAWAIIAN DREDGING
CONSTRUCTION COMPANY

P.O. Box 4088
Honolulu, HI 96812-4088
Phone: (808) 735-3211
Fax: (808) 735-7416

March 31, 2011

Hearing date: March 31, 2011

Senate Committee on Public Safety, Government Operations & Military Affairs

Time /Place: Conference Room 224 at 2:50 p.m.

RE: SUPPORT FOR SR 99

Dear Chair Espero, Vice Chair Kidani, and Committee Members:

My name is Allan Lock, and I am the Vice President for Marketing, Estimating, and Preconstruction Services for **Hawaiian Dredging Construction Company**. As Hawaii's largest, full service general contractor, we employ over 650 employees—3 years ago we employed twice as many people.

As you know, Hawaii's construction industry has been decimated by the current economic decline. Construction is the State's third largest economic engine.

Please strongly support this Senate Resolution. Our employees—our citizens—our companies need construction jobs. Building more prisons here would provide other types of employment as well.

We urge you and the Governor to begin discussions and plans regarding facilitating public-private partnerships to build prisons and correctional facilities. The benefits would be huge.

Mahalo for this opportunity to give testimony.

Aloha,

Allan Lock

Vice President for Marketing, Estimating, and Preconstruction Services
Hawaiian Dredging Construction Company

Direct: 808-735-3344