
A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 SECTION 1. The legislature finds that state agencies are
2 interested in using energy savings performance contracting to
3 improve the energy efficiency of their facilities, thereby
4 addressing deferred maintenance and achieving a reduction in a
5 facility's life cycle operating costs. Energy savings
6 performance contracting is an agreement between an agency and a
7 company by which the company, without any initial agency funds,
8 will design, finance, implement, and maintain changes to a
9 facility to increase energy efficiency. The company guarantees
10 that savings will be achieved due to their changes and the
11 agency agrees to pay the company a part of the resulting
12 savings. Thus, wasted energy and operating costs are turned
13 into capital improvements.

14 Despite the advantages of energy savings performance
15 contracts, requests for proposals can take eighteen to sixty
16 months to complete, whereas the negotiated partner approach, by
17 which an agency may negotiate directly with certain vendors to
18 execute a performance contract, exempt from the state



1 procurement code, can bring about energy savings improvements in
2 twelve to eighteen months. The legislature also finds that a
3 negotiated partner pilot program is an appropriate means of
4 determining the ability of the negotiated partner approach to
5 allow agencies to take full advantage of energy savings
6 performance contracts.

7 The purpose of this Act is to establish a two-year pilot
8 program using the negotiated partner approach to execute energy
9 savings performance contracts.

10 SECTION 2. (a) There shall be established within the
11 department of accounting and general services a pilot program
12 using the negotiated partner approach to execute energy savings
13 performance contracts. The pilot program shall:

14 (1) Allow any state agency to negotiate directly with a
15 vendor on the list of qualified vendors for a sole-
16 source energy savings performance contract for one
17 building or structure under the agency's jurisdiction,
18 not withstanding chapter 103D, Hawaii Revised
19 Statutes; and

20 (2) Operate from July 1, 2012, to June 30, 2014.

21 (b) By December 31, 2012, the department shall compile a
22 list of qualified vendors eligible to participate in the pilot



1 program under this Act through the issuance of a request for
2 qualifications.

3 (c) Notwithstanding any law to the contrary relating to
4 the award of public contracts, an energy savings performance
5 contract under the pilot program shall do so in accordance with
6 the following provisions:

7 (1) The contract shall be signed by June 30, 2013, with
8 the construction of improvements completed by June 30,
9 2014;

10 (2) The term of the contract shall not exceed twenty years
11 from the date of completion of the construction of
12 improvements;

13 (3) The contract shall provide that the agency ultimately
14 shall receive title to the energy system being
15 financed under the contract; and

16 (4) The contract shall provide that total payments shall
17 not exceed total savings and may provide that annual
18 payments shall not exceed annual savings.

19 SECTION 3. Nothing in this Act shall prevent or preclude
20 an agency from soliciting or executing an energy savings
21 performance contract outside of the pilot program pursuant to
22 chapter 103D, Hawaii Revised Statutes.



1 SECTION 4. This Act shall take effect upon its approval.

2

INTRODUCED BY:

Jimmy Murray
Roderic Cubanilla

Juan
Kulfo

John M. Moran

My
John Moran

Ra

John

Fred
Linda L. Chizama



H.B. NO. 2670

Report Title:

Negotiated Partner Approach Pilot Program; Energy Savings Contracts

Description:

Establishes the negotiated partner approach pilot program for energy savings contracts, which allows agencies to forego requests for proposals and negotiate directly with qualified vendors. Requires the pilot program to be operational from 7/1/12 to 6/30/14.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

