

STAND. COM. REP. NO.

437

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 779
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Public Safety, Government Operations, and Military Affairs, to which was referred S.B. No. 779 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that construction projects may be procured using the design-build process of combining design and construction into a single contract.

Your Committee received testimony in support of this measure from one State department, one State agency, and twenty-four entities. Your Committee received testimony in opposition to this measure from two State departments, one county department, and one county agency.

Your Committee finds that the current procurement process for design-build project contracts requires offerors to prepare, in most instances, conceptual design drawings as part of their proposals. This requires a considerable initial investment and may prevent many local firms from submitting proposals for design-build contracts. As a result, purchasing agencies may experience a decrease in competition, an increase in prices, and may potentially be forced to sacrifice design and construction creativity.

The intent of your Committee is to provide for the selection of the most qualified offerors for design-build projects and to

2011-1392 SSCR SMA.doc



encourage the participation of Hawaii-based companies, including local small firms, in the design-build proposal process.

Your Committee has amended this measure by:

- (1) Adding a definition of "design-build" that is recommended by the 2000 Model Procurement Code for State and Local Governments, issued by the American Bar Association;
- (2) Authorizing the procurement officer to procure services using the design-build method under certain specified conditions, upon recommendation of the State Procurement Office;
- (3) Deleting language relating to the procedures for a two-phased approach;
- (4) Allowing up to three responsible offerors to comprise the short list of offerors for purposes of submittal of proposals or discussions and evaluations;
- (5) Clarifying the authorization for payment of a conceptual design fee;
- (6) Changing the term "requester" to "non-selected offeror" throughout the measure;
- (7) Changing the effective date from July 1, 2011, to January 1, 2012; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 779, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Public Safety,
Government Operations, and
Military Affairs,

Will Espero

WILL ESPERO, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Public Safety, Government Operations, and
Military Affairs
PGM

| | | | | |
|--|--|-------------------------|----------|----------|
| Bill / Resolution No.:* SB 779 | Committee Referral: PGM, WAM | Date: 2-17-11 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| ESPERO, Will (C) | / | | | |
| KIDANI, Michelle N. (VC) | / | | | |
| BAKER, Rosalyn H. | / | | | |
| RYAN, Pohai | / | | | |
| SLOM, Sam | | | / | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL | 4 | 0 | 1 | 0 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <i>Michelle N. Kidani</i> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes