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March 28, 2012

**Senate Committee on Ways and Means**

**Hearing Date: Thursday, March 29, 9:00 a.m., Conference Room 211**

Honorable David Y. Ige, Chair, Michelle N. Kidani, Vice Chair, and Members of the Senate Committee on Ways and Means

**Subject: HB1398 HD1, Relating to the Hawaii Public Housing Authority**

Dear Chair Ige and Vice Chair Kidani:

The American Council of Engineering Companies of Hawaii (ACECH), representing 65 member firms with approximately 1,500 employees throughout Hawaii, understands that the intent of this bill is to promote the development of much needed public housing projects. However, we are concerned about the possible exemption from well-established and respected procurement procedures for Architect-Engineer services.

Section 2, Item (b) exempts the Authority from Chapter 103D "for all contracts". We maintain that following well-established procurement rules is in the best interest of the State and its taxpayers. While speeding up the process is an admirable goal, in our experience in working with State agencies, contract administration provides far more significant delays than the procurement process.

ACECH strongly defends Qualification-Based Selection (QBS) for the procurement of design professional services. HRS 103D-304 provides for fair and proper award of public contracts, in a manner open and transparent to the public. This QBS approach provides the nationally recognized best method for procurement of design professional services.

The legislature has seen fit in the past to retain the provisions of HRS 103D-304 when it exempts agencies from other provisions of the procurement code (e.g., when it granted exemptions to University of Hawaii). We strongly urge this committee to retain the procurement requirements of 103D-304 for selection of design professionals if it passes this bill.

We thank you for the opportunity to provide comments on this bill. Please do not hesitate to contact us if you have any questions regarding our comments.

Respectfully submitted,

AMERICAN COUNCIL OF ENGINEERING COMPANIES OF HAWAII

Janice C. Marsters, Ph.D.  
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