



AIRPORT CONCESSIONAIRES COMMITTEE

Honorable Ryan Yamane
Chair, Committee on Transportation
House of Representatives
Hawaii State Capitol
Honolulu, Hawaii

Hearing: January 29, 2014, Room 309, 10 am

RE: HB 2147 - RELATING TO CONCESSIONS

Chair Yamane and Honorable Committee Members:

My name is Peter Fithian and I represent the Airport Concessionaires Committee. The Committee represents the majority of the concessions at Hawaii's public airports.

Our Committee supports this bill with attached amendment seeking clarity and some flexibility.

Given ever changing technology, we support better services with latest technological advances for Hawaii's air travelers (visitors and residents) along with enhanced airport revenues.

Hawaii prides itself on being a first-class tourist destination but we clearly can improve in a number of services and offerings at our public airports and increase revenues and better control expenses at our airports at the same time. Two (2) of these areas are airport advertising and wireless/communication/internet services at our public airports.

This bill will give Hawaii's DOT flexibility and the "option" to either bid these concessions or negotiate agreements for these concessions like other concessions presently exempted under current law that have such an option.

The advertising concession and wireless/communication (including internet with possible advertising, etc.) concession, are well suited to be negotiated rather than bid at the discretion of Hawaii's DOT.

***Airport Concessionaires Committee
Re HB 2147, January 29, 2014 testimony
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There are newer, brighter, screens, monitors and equipment being developed and advertised each month. In a bid situation it often takes staff 6 to 9 months to draft a bid document whose equipment and other criteria most likely are understandably outmoded by the time the bid document is advertised and put out to bid.

Further, staff is typically precluded from talking with prospective bidders and/or vendors of equipment and technology to avoid allegations of impropriety. However, if negotiation is allowed for these concessions, Hawaii's DOT will be allowed to talk with two (2) or more interested parties and negotiate terms to get the latest in technological advances best suited for our public airports with guaranteed revenues and/or reduced costs deemed advantageous for our public airports.

We respectfully urge you to pass this bill which will provide greater flexibility and an option for these concessions given the circumstances. Let's provide this option to our public airports and other public agencies that may similarly benefit from such an option already granted to other concessions under present law. Thank you.

PROPOSED AMENDMENT

HOUSE OF REPRESENTATIVES
TWENTY-SEVENTH LEGISLATURE, 2014
STATE OF HAWAII

H.B. NO. 2147

A BILL FOR AN ACT

RELATING TO CONCESSIONS.

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

1 SECTION 1. The legislature finds that the rapid
2 development of technology has altered the way in which
3 advertising and sales are rendered. Similarly, communications
4 technology evolves quickly to accommodate changing needs for
5 connectivity and compatibility with personal hardware. As such,
6 flexible procedures are needed within government contracts to
7 ensure efficiency and best economic results.

8 The purpose of this Act is to provide government agencies
9 with flexibility in the negotiation of concession contracts,
10 specifically those that involve evolving media technology.

ADVERTISING AND COMMUNICATIONS
A X

AND RELATED SERVICES.

11 SECTION 2. Section 102-2, Hawaii Revised Statutes, is
12 amended by amending subsection (b) to read as follows:

13 "(b) The bidding requirements of subsection (a) shall not
14 apply to concessions or space on public property set aside for
15 the following purposes:

- 16 (1) For operation of ground transportation services and
- 17 parking lot operations at airports, except for motor
- 18 vehicle rental operations under chapter 437D;



1 (9) For operation of concessions at county zoos, botanic
 2 gardens, or other county parks which are
 3 environmentally, culturally, historically, or
 4 operationally unique and are supported, by nonprofit
 5 corporations incorporated in accordance with state law
 6 solely for purposes of supporting county aims and
 7 goals of the zoo, botanic garden, or other county
 8 park, and operating under agreement with the
 9 appropriate agency solely for such purposes, aims, and
 10 goals;

11 (10) For operation of concessions that furnish goods or
 12 services for which there is only one source, as
 13 determined by the head of the awarding government
 14 agency in writing that shall be included in the
 15 contract file; [~~and~~]

16 (11) For any of the operations of the Hawaii health systems
 17 corporation and its regional system boards[-];

18 (12) For operation of concessions providing wireless, and
 19 INTERNET AND RELATED
 20 communication services; and

21 (13) For operation of concessions consisting solely of
 advertising. AND RELATED SERVICES



NEIL ABERCROMBIE
GOVERNOR



LATE

Testimony of
GLENN M. OKIMOTO
DIRECTOR

Deputy Directors
FORD N. FUCHIGAMI
RANDY GRUNE
AUDREY HIDANO
JADINE URASAKI

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

January 29, 2014
10:00 a.m.
State Capitol, Room 309

H.B. 2147
RELATING TO CONCESSIONS

House Committee on Transportation

The Department of Transportation **supports** House Bill No. 2147, Relating to Concessions. This bill adds two more types of concessions to the list of concessions not required to be issued through the sealed public bid process. The rapid evolution of communications and media technology make the inclusion of those providing wireless and communication services and those consisting solely of advertising, logical additions to this list.

Being able to forgo the formal bidding process will better enable the State to provide these services in a manner consistent with the expectations of the general public.

Thank you for the opportunity to provide this testimony.

takayama2 -Brandon

From: David.J.Rodriguez@hawaii.gov
Sent: Tuesday, January 28, 2014 1:12 PM
To: TRNtestimony
Cc: Janice.F.Arakaki@hawaii.gov; Coleen.F.Yoshina@hawaii.gov; charlene.ito@hawaii.gov; sheri.yoshizawa@hawaii.gov; Lynette.H.Marushige@hawaii.gov; Veronica.AM.Cheong@hawaii.gov; Galen.Wong@hawaii.gov; Jean.Oshita@hawaii.gov; jon.k.matsuo@hawaii.gov; CherylAnn.A.Cantere@hawaii.gov; Dean.Nakagawa@hawaii.gov
Subject: TRN Jan 29 @ 10am
Attachments: HB1811 ACT46.pdf; HB2147 Concessions.pdf; HB1702 Kapalama.pdf; HB1610 2014 Roads in Limbo.pdf; HB1509 Mobile Device.pdf; HB1706 Bikeways.pdf; HB1771 Civil Air Patrol.pdf; HB1667 Veterans Exemption.pdf; HB1586 SMA.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

The DOT submits testimony for the following agenda:

http://www.capitol.hawaii.gov/session2014/hearingnotices/HEARING_TRN_01-29-14_.HTM

Thank you for the opportunity to provide testimony.

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