



GOV. MSG. NO. 1350

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 12, 2016

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on July 12, 2016, the following bill was signed into law:

HB2018 HD1 SD1 CD1

RELATING TO GOVERNMENT PROCESSES
AND SERVICES
ACT 241 (16)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO GOVERNMENT PROCESSES AND SERVICES.

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

1 SECTION 1. The legislature finds that there are great
2 inconsistencies and a general lack of accountability in the
3 management and construction of government capital improvement
4 projects. In response to these concerns, the legislature
5 adopted and the governor signed into law Act 177, Session Laws
6 of Hawaii 2015, which directed the auditor to review the
7 process, efficiencies, and accountability of various
8 departmental engineering sections that manage general fund
9 capital improvement projects.

10 The purpose of this Act is to implement the auditor's
11 recommendations.

12 SECTION 2. Chapter 103, Hawaii Revised Statutes, is
13 amended by adding a new section to be appropriately designated
14 and to read as follows:

15 "§103- Capital improvement projects; personnel training;
16 management. (a) The comptroller shall conduct annual training
17 for the engineering personnel of all executive departments and
18 state agencies that manage their own capital improvement



1 projects to ensure compliance with state adopted standards and
2 procedures of best practices in the management and construction
3 of capital improvement projects. Each department and agency
4 shall provide orientation training for new employees subject to
5 this subsection and who are hired during the interim between
6 annual trainings.

7 (b) All executive departments and state agencies that
8 manage their own capital improvement projects shall:

9 (1) Use timelines that include a comprehensive list of all
10 activities required on a project, and not simply rely
11 on contractor timelines, which may not reflect all
12 project phases. At a minimum, the list shall include
13 all phases in a project's life cycle, namely, the
14 initiation, planning, design, bid, construction, and
15 post construction phases;

16 (2) Follow state procurement office guidance for tracking
17 payments and deliverables by using a contract
18 administration worksheet that includes milestones or
19 deliverables, which are marked off as items are
20 completed; and



1 (3) To help ensure end-user satisfaction with their
2 capital improvement projects, identify and involve
3 stakeholders throughout a project's execution and
4 closing, including providing information about project
5 costs, schedules, and performance."

6 SECTION 3. No later than twenty days prior to the
7 convening of the regular session of 2017, the department of
8 accounting and general services shall submit a status report to
9 the legislature on the implementation of practices required by
10 this Act.

11 SECTION 4. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on July 1, 2016.

APPROVED this 12 day of JUL , 2016



GOVERNOR OF THE STATE OF HAWAII

