Honolulu, Hawaii

February 6

RE: H.B. No. 2581

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2581 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC-PRIVATE PARTNERSHIPS," begs leave to report as follows:

The purpose of this measure is to:

- Establish the Office of Public-Private Partnership within the Department of Accounting and General Services to support state and county agencies in the use of best practices in contracting for public-private partnerships, and to appropriate funds for its establishment; and
- Add design-build-operate-maintain and design-buildfinance-operate-maintain project delivery methods to the Hawaii Public Procurement Code and related conditions and requirements.

The Office of Planning, Johnson Controls, and Ulupono Initiative testified in support of this measure. The Department of Business, Economic Development and Tourism, Department of Transportation, State Procurement Office, The Chamber of Commerce Hawaii, and Building Industry Association of Hawaii testified in support of the intent of this measure. The Department of Accounting and General Services; Hawaii Government Employees

Association, AFSCME Local 152, AFL-CIO; and United Public Workers commented on this measure.

Your Committee notes that public-private partnerships include a variety of project delivery methods. At the public hearing on this measure, concerns were raised in testimonies regarding the need to include language in this measure to allow for the lease, lease-like, or concession arrangements for state-owned facilities and infrastructure, including land. Should this measure proceed further in the legislative process, your Committee respectfully requests the Committee on Economic Development and Business to entertain these concerns.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2581 and recommends that it pass Second Reading and be referred to your Committee on Economic Development & Business.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

AARON LING JOHANSON, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB	Committee Referral: LAB, EDB,		Date: 01 FEB 2018		
☐ The committee is reconsidering its previous		1			
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)					
LAB Members	Ayes	Ayes (WR) Nays	Excused	
1. JOHANSON, Aaron Ling (C)		The action of the company of the com			
2. HOLT, Daniel (VC)					
3. EVANS, Cindy					
D. D. May					
4. ICHIYAMA, Linda					
5. KEOHOKALOLE, Jarrett			eren en e		
6. YAMASHITA, Kyle T.					
6. YAMASHITA, Kyle T.					
7. MATSUMOTO, Lauren Kealohi	ilani				
		<u>.</u>			
TOTAL (7)	7	D	0	0	
The recommendation is: Adopted If joint referral, committee acronym(s) Adopted did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					