

Honolulu, Hawaii

APR 06

, 2018

RE: S.B. No. 2705  
S.D. 2  
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2705, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC-PRIVATE PARTNERSHIPS,"

begs leave to report as follows:

The purpose of this measure is to assist the State and county governments in undertaking certain capital improvement projects in a more cost-effective and efficient manner by:

- (1) Establishing the Office of Public-Private Partnership within the Department of Accounting and General Services (DAGS) and placing statutory language establishing the Office, duties of the Office, and annual reporting requirements of the Office within the Hawaii Public Procurement Code;
- (2) Allowing the Comptroller to appoint a civil service exempt public-private partnership coordinator to administer the Office of Public-Private Partnership;
- (3) Adding specific public-private partnership delivery methods to the Hawaii Public Procurement Code, including related conditions and requirements;



- (4) Requiring, as part of the public-private partnership procurement process:
  - (A) The Governor, in the case of a State project, or the Mayor, in the case of a county project, to provide initial approval of a recommendation from the head of the purchasing agency to proceed with a public-private partnership; and
  - (B) The Director of Budget and Finance and the Comptroller, in the case of a State project, or the Mayor, in the case of a county project, to provide final approval of a recommendation from the head of the purchasing agency to execute a public-private partnership;
- (5) Specifying responsible persons designated to attend meetings and otherwise staying apprised of important events and decisions related to a public-private partnership after initial approval, and in anticipation of final approval, of a public-private partnership;
- (6) Requiring, if an operational phase is part of the project delivery, the use of public worker union positions customarily and historically used for such an operation; and
- (7) Appropriating funds for establishing the Office of Public-Private Partnership and filling the State Public-Private Partnership Coordinator position and one additional position within DAGS.

The Office of Planning and an individual supported this measure. Ohana Ho'opakele, Hawai'i Friends of Restorative Justice, Americans for Democratic Action Hawaii, Common Cause Hawaii, The Drug Policy Forum of Hawaii, Life of the Land, Young Progressives Demanding Action-Hawaii, Community Alliance on Prisons, IMUAlliance, Hawaii Justice Coalition, and many concerned individuals opposed this measure. The Office of the Governor, State Procurement Office, DAGS, Department of Land and Natural Resources, Department of Business, Economic Development and Tourism, Department of Transportation, Hawaii Public Housing Authority, American Civil Liberties Union of Hawai'i, The Chamber of Commerce Hawaii, Building Industry Association of Hawaii,



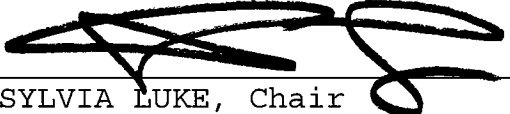
Ulupono Initiative, United Public Workers, AFSCME, Local 646, AFL-CIO, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provided comments.

Your Committee has amended this measure by:

- (1) Deleting language specifying responsible persons designated to attend meetings and otherwise staying apprised of important events and decisions related to a public-private partnership after initial approval, and in anticipation of final approval, of a public-private partnership;
- (2) Deleting language requiring the Director of Budget and Finance and the Comptroller, in the case of a State project, or the Mayor, in the case of a county project, to provide final approval of a recommendation from the head of the purchasing agency to execute a public-private partnership; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2705, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2705, S.D. 2, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
\_\_\_\_\_  
SYLVIA LUKE, Chair



