

Honolulu, Hawaii

APR 17 2025

RE: H.C.R. No. 59

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Government Operations, to which was  
referred H.C.R. No. 59 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF  
ACCOUNTING AND GENERAL SERVICES TO STUDY THE FEASIBILITY OF  
LIMITING THE COSTS OF PROJECT AND CONSTRUCTION MANAGEMENT IN  
EACH STATE CONSTRUCTION PROJECT TO TEN PERCENT OF THE TOTAL  
COST OF THE PROJECT,"

begs leave to report as follows:

The purpose and intent of this measure is to request the  
Department of Accounting and General Services to study the  
feasibility of limiting the costs of project and construction  
management in each state construction project to ten percent of  
the total cost of the project.

Your Committee received testimony in support of this measure  
from the Department of Accounting and General Services and one  
individual.

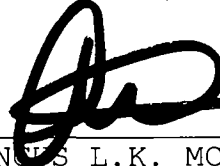
Your Committee finds that the State expends more than \$1  
billion annually on capital improvement projects, a large portion  
of which is allocated to exceptionally high construction costs due  
to the high price of labor, fuel, and transporting goods to the  
islands. Your Committee further finds that already high  
construction costs have been inflated by significant hikes in the  
costs of project and construction management in recent years.  
These costs, which traditionally accounted for seven to eleven



percent of a project, have risen to as high as fifteen percent of a project's cost in the last decade. Therefore, this measure will facilitate more efficient use of state funds by requesting the Department of Accounting and General Services to conduct a feasibility study on limiting project and construction management costs to ten percent of the total cost of a state construction project.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 59, and recommends its adoption.

Respectfully submitted on  
behalf of the members of the  
Committee on Government  
Operations,



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ANGUS L.K. MCKELVEY, Chair



**Record of Votes**  
**Committee on Government Operations**  
**GVO**

\*Only one measure per Record of Votes