HB2901 HD2 LATE2

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March 17, 2010

TO: THE HONORABLE SENATOR BRIAN T. TANIGUCHI, CHAIR AND

MEMBERS OF THE COMMITTEE ON JUDICIARY AND GOVERNMENT

OPERATIONS

SUBJECT: H.B.2901, HD2 RELATING TO PROCUREMENT.

NOTICE OF HEARING

DATE: Thursday, March 18, 2010

TIME: 10:00 a.m.

PLACE: Conference Room 016

Dear Chair and Members of the Committee:

The General Contractors Association (GCA), an organization comprised of over five hundred and seventy (570) general contractors, subcontractors, and construction related firms, supports the passage of H.B. 2910, HD2 Relating To Procurement with modification.

H.B. 2901, HD2 proposes to enactment a two part system for the procurement of design build construction projects. The first phase envisions a qualification phase where the contracting agency selects the best qualified team from the initial submittals. The initial phase submittals would be of limited scope and detail. In the second phase the selected teams would submit its proposal with detail design, scope of work, construction schedules and costs. This two step process which includes the provision of stipends to unsuccessful Offerors of proposals, will reduce the cost for potential bidders on design build projects and encourage the most qualified design build teams to participate by increasing the chances of success if selected for the second phase.

Since the development and preparation of a design build proposal is complex and costly, teams selected for the second phase would be paid a stipend, the amount to be determined by the contracting agency. The GCA recommends that the number of teams selected to participate in the second phase be limited to minimum two (2) and no more than four (4) teams. Limiting the number of teams will reduce the cost to the state and should attract more participants who will have a greater chance of being selected if there are only three finalist.

Due to the variety of project types let out by the different agencies of the State, GCA feels it may not be appropriate to identify four (4) distinct and prioritized evaluation factors into the bill. Agencies should be allowed the flexibility to modify evaluation factors in determining their selected offers for the second step of the procurement. As an example, other factors besides the four listed may be of equal or greater importance based on the type of project – such as project management approach, quality control, safety record, management of traffic, etc.

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The GCA believes that the institution of this two step procedure for the procurement of design build construction projects will result in enhanced proposal quality and provide the state with the most innovative and cost effective proposals.

The GCA recommends that the Senate Committee on the Judiciary And Government Operations pass H.B. 2901, HD2 with some modification.

Thank you for the opportunity to provide our views on this issue.