

Honolulu, Hawaii

April 28, 2011

RE: H.B. No. 985
H.D. 2
S.D. 2
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 985, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to provide for the selection of the most qualified offerors for design-build contracts and to encourage the participation of Hawaii-based companies, including local small firms, in the design-build contract proposal process.

Your Committee on Conference finds that the current procurement process for design-build contracts requires offerors to prepare, in most instances, conceptual design drawings as part of their proposals. This requires a considerable initial investment and may prevent many local firms from submitting proposals for design-build contracts. As a result, purchasing agencies may experience a decrease in competition and an increase in prices, and may

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potentially be forced to sacrifice design and construction creativity.

The intent of your Committee on Conference is to improve the selection of proposals for construction projects and allow agencies to choose the most qualified offerors. In addition, the payment of a conceptual design fee would provide an incentive for smaller local firms to submit proposals and allow for the smaller local firms to more effectively compete with larger national design and construction firms for public contracts.

Your Committee on Conference has amended this measure by:

- (1) Inserting the contents of S.B. No. 779, S.D. 2, H.D. 2, Regular Session of 2011, which is substantially similar but makes the following amendments:
 - (A) Deletes language specifying that the design-build method shall be used only in contracts that have a high cost of preparing proposals;
 - (B) Deletes language referencing a second request for proposals to be issued to pre-qualified offerors;
 - (C) Inserts language requiring a request for proposals to be issued to prequalify offerors to select a short list of no more than three responsible offerors; and
 - (D) Deletes the savings clause;
- (2) Amending the definition of "design-build" to mean a project delivery method in which the procurement officer enters into a single contract for design and construction;
- (3) Clarifying that a conceptual design fee may be paid to non-selected offerors that submit a technically responsive proposal; provided that the cost of the entire project is greater than \$1,000,000;
- (4) Requiring criteria for pre-qualification of offerors, design requirements, development documents, proposal evaluation criteria, terms of the payment of a conceptual design fee, and any other pertinent information to be stated in the request for proposals;
- (5) Changing its effective date to July 1, 2011; and

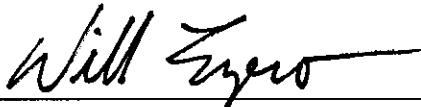


- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

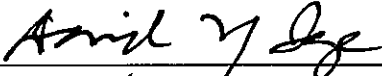
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 985, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 985, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE



WILL ESPERO, Chair

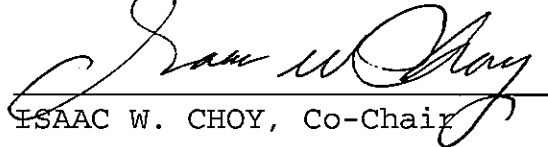


DAVID Y. ICE, Co-Chair

ON THE PART OF THE HOUSE



ANGUS L.K. MCKELVEY, Co-Chair



ISAAC W. CHOY, Co-Chair



Hawaii State Legislature
Record of Votes of a
Conference Committee

CLR60

Bill / Concurrent Resolution No.: HB 985, HD 2, SD 2	Date/Time: <i>4/27/2011 3:43 pm</i>
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The recommendation of the House and Senate managers is to pass with amendments (CD).


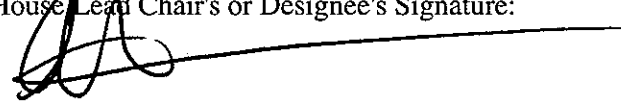
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
ESPERO, Will, Chr.	✓	✓			MCKELVEY, Angus L.K., Co-Chr.	✓			
IGE, David Y., Co-Chr.	✓				CHOY, Isaac W., Co-Chr.	✓			
KIDANI, Michelle			✓		EVANS, Cindy	✓			
RYAN, Pohai		✓			ICHIYAMA, Linda	✓			
					MARUMOTO, Barbara C.	✓			
TOTAL	2	1	1	0	TOTAL	5			

A = Aye
WR = Aye with Reservations
N = Nay
E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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