STAND. COM. REP. NO. 1290 Honolulu, Hawaii MAR 17, 2023 RE: S.B. No. 1400 S.D. 1 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 1400, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CAPITAL ADVANCEMENT CONTRACTS,"

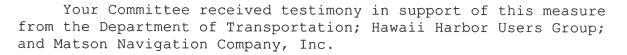
begs leave to report as follows:

The purpose of this measure is to provide the Department of Transportation with greater flexibility in executing capital advancement contracts for harbor improvements by:

- Increasing the contract value of contracts the Department can execute without legislative approval from \$2,000,000 to \$5,000,000;
- (2) Repealing the requirement that capital advancement contracts having a value of more than \$2,000,000 receive legislative approval through a concurrent resolution; and
- (3) Increasing the total aggregate value of capital advancement contracts that the Department may enter in any fiscal year from \$5,000,000 to \$20,000,000.

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Your Committee finds that capital advancement contracts have proven effective in expediting project delivery, especially for projects that increase port resilience and operational efficiency; however, caps on contract amounts and legislative approval requirements in existing law limit the scope and type of work, as well as the number of projects that can be completed through these types of contracts. By increasing these caps, the Department of Transportation can accomplish more in improving harbor facilities. Your Committee further finds that the Department of Transportation anticipates escalating project costs due to inflation and rising costs of materials and labor. The increase in contract amounts provided for in this measure will help facilitate improved project delivery despite inflation and cost increases.

Your Committee has amended this measure by changing the effective date to June 30, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1400, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1400, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Transportation,

CHRIS TODD, Chair

State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Transportation

Bill/Resolution No.: SBI400, SDI TRN, FIN Date: 3/14,23				
The committee is reconsidering its previous decision on the measure.				
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)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. TODD, Chris (C)				
2. KILA, Darius K. (VC)				AND STREET, ST
3. AIU, Micah P.K.				
4. EVSLIN, Luke A.	V			
5. HASHIMOTO, Troy N.				
6. KITAGAWA, Lisa				
0. KITAGAWA, LISa				
7. MARTEN, Lisa	V			
8. ONISHI, Richard H.K.				
9. MATSUMOTO, Lauren				
TOTAL (9)	1			
The recommendation is: Image: Adopted figure in the image				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				