

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:

- (1) 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.

2023-2516 SB1400 HD1 HSCR HMSO



Your Committee received testimony in support of this measure from the Department of Transportation; Hawaii Harbor Users Group; and Matson Navigation Company, Inc.

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,



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CHRIS TODD, Chair



