

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



**DEPT. COMM. NO. 217**

KEITH A. REGAN  
COMPTROLLER  
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN  
DEPUTY COMPTROLLER  
KA HOPE LUNA HO'OMALU HANA LAULĀ

**STATE OF HAWAII | KA MOKU'ĀINA O HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ**  
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

December 29, 2025

VIA ELECTRONIC MAIL

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirty-Third State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Nadine K. Nakamura,  
Speaker and Members of the  
House of Representatives  
Thirty-Third State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Department of Accounting and General Services Report on House Concurrent Resolution 59 (2025), pursuant to House Concurrent Resolution 59 (2025).

In accordance with Section 93-16, HRS, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at:  
<https://ags.hawaii.gov/wp-content/uploads/2025/12/HCR-59-2025-Report.pdf>.

Sincerely,

KEITH A. REGAN  
Comptroller

Enclosure

bc: Governor's Office  
Lieutenant Governor's Office  
Legislative Reference Bureau  
Legislative Auditor  
Department of Budget and Finance

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**  
**REPORT ON HOUSE CONCURRENT RESOLUTION 59 (2025)**

**DECEMBER 2025**

**SUBMITTED TO**  
**THE THIRTY-THIRD STATE LEGISLATURE**

## INTRODUCTION

The Hawai'i State Legislature in its 2025 Session requested the Department of Accounting and General Services (DAGS) "study the feasibility of limiting the costs of project and construction management costs in each state construction project to ten percent of the total cost of the project and submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session 2026." This request was made of DAGS via House Concurrent Resolution 59 from the 2025 Legislative Session. (Appendix A.) This report responds to that request.

The methodology DAGS employed was to survey 20 State departments and agencies in the Executive Branch. Attached agencies and the Judiciary were not solicited. The request for information was tendered via a memorandum issued under the signature of the Comptroller of DAGS, with an attached spreadsheet and a written questionnaire, both of which were to be filled out by the respondents. (The memo, spreadsheet and questionnaire are in Appendix B.) The recipients were advised that if they did not have any projects of their own to report and/or if DAGS carried out all of their projects on their behalf, to so indicate as their response.

To conduct this study, we requested data and information on the costs that departments or agencies contracted for Project Management (PM) and Construction Management (CM) services within the last five years; i.e., Fiscal Years 2021 – 2025, including completed and ongoing contracts.

As of this writing, 14 of the departments and agencies that were solicited responded. They are:

Department of Accounting and General Services (DAGS),  
Department of Agriculture and Biodiversity (DAB),  
Department of the Attorney General (AG),  
Department of Budget and Finance (B&F),  
Department of Corrections and Rehabilitation (OCR),  
Department of Defense (DOD),  
Department of Education (DOE),  
Department of Health (DOH),  
Department of Human Resources Development (DHRD),  
Department of Labor and Industrial Relations (DLIR),  
Department of Land and Natural Resources (DLNR),  
Department of Taxation (DoTAX),  
Hawai'i State Public Library System (HSPLS),  
and  
University of Hawai'i System (UH).

We remain open to receiving any information the other departments and agencies may provide subsequently, along with soliciting information from germane attached agencies, for a possible future survey effort.

Of the 14 responding entities, six provided substantive data. The others responded that they did not on their own engage in any capital improvement and physical facility projects, or they delegated any such projects to DAGS to carry out on their behalf. We anticipate most, if not all, of those who didn't provide a response as of this writing would say one of these two conditions applies to them.

The six entities that provided substantive information were:

- Department of Accounting and General Services (DAGS),
- Department of Agriculture and Biosecurity (DAB),
- Department of Defense (DOD),
- Department of Education (DOE),
- Department of Land and Natural Resources (DLNR),
- and
- University of Hawai'i System (UH).

These six entities are the ones in the State that regularly carry out projects directly on their own and therefore have relevant data to report. (There is one more entity, Department of Transportation, which we believe could possibly be added to that list, and we have sought information from them.)

The following is a brief, capsule summary of what the six entities provided.

### **DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES (DAGS)**

As the primary organization within State government whose mission is to undertake and carry out capital improvement and other physical facility-related projects statewide, DAGS has a reasonably good sampling of those on which Project Management (PM)/Construction Management (CM) services were contracted. DAGS identified 15 projects/ contracts for this study.

Only one of DAGS' identified projects, the Hawai'i Emergency Management Agency - Disaster Warning & Communication Devices, Statewide project, required PM services to be contracted. The percentage of PM costs relative to the total design cost came in at a very high 84.1%. The unique nature of this project requires an extraordinary amount of coordination involving many disparate parties, including various state, county, and in a number of cases, federal agencies, landowners of the various sites and their tenants, members of the public, and others. This degree to which the extensive coordination tasks and requirements needed to be performed, while also meeting regulatory strictures and

environmental concerns, along with the sheer multiplicity of sites across the State which need to be selected and vetted, made planning and design for various sirens and related notification devices challenging and time-consuming, to say the least.

All of the other of DAGS' listed projects had no PM services, but did have CM services for certain projects. Overall, DAGS does not utilize CM services for most of its CIP projects. In the last decade, only a few large, complex, or remote projects employed CM services due to staff shortages. The percentages of construction cost for the CM services were somewhat varied, but on all except for one, the percentage of CM cost to overall project cost was below 10%, averaging 8.8%.

The one project that exceeded 10% was the Hāna Public School Library Structural Repairs project, at 35.5%. This comparatively high figure can be attributed to the remoteness of the project site in Hāna, Maui; site observation and inspection visits by the contract construction management personnel involved a full day's travel for each site visit. It is also possible that, in certain cases, the work of the site observation and inspection visit required more than just a single day at a time, which would translate to lodging, meal and per diem costs.

It should also be pointed out that our Maui District Office (MDO) was severely short-staffed, including lacking an Engineering Program Manager who oversees all of the projects under construction within Maui County. This key position was filled recently as of November 2025. Out of necessity, an increasingly heavy reliance on contract construction managers developed to fill the void.

For DAGS, these examples underscore the need for PM and/or CM services, as driven by project complexity, geographic location and staff shortages, among other factors.

DAGS' opinion is that capping PM/CM costs at 10% is not feasible and not recommended because of the amount of these types of unique, complex projects which cannot be handled solely by in-house staff, compounded by staff shortages. If such a cap were imposed, making it infeasible to retain PM/CM specialists, DAGS would have to decline projects in which PM/CM contracted firms would be essential and necessary.

While there are no policies at present to specifically limit PM/CM costs, DAGS' policies and procedures governing all consultant agreements are applicable to PM/CM scoping and fee reviews and would apply to the hiring of PM/CM firms just as it does for all other design professional consultant services.

Lastly, on the matter of DAGS' longstanding staff shortages, it has been suggested increases in salaries and benefits would help attract engineers, architects, and inspectors. We hope more in-house resources will offset the need for certain PM/CM contract services and their costs.

DAGS' submittal materials are attached as Appendix C.

### **DEPARTMENT OF AGRICULTURE AND BIOSECURITY (DAB)**

DAB reported that it contracted CM services were contracted for 12 of its projects. The CM expenditures for those projects as percentages of their respective total construction costs varied considerably, from a low of 3% to a high of 19%. While seven of the 12 projects had CM costs in excess of 10%, the overall CM average of all the projects taken together turned out to be 10%. DAB advised that none of its identified projects engaged PM services.

DAB cited project complexity and geographic location as factors that influence the decision to contract PM and/or CM services. DAB added it believes capping PM and CM costs at 10% would not be feasible, which its results bear out. If CM costs were to be capped, DAB would have to reduce the scope of CM services on projects by reducing inspections that the contracted CM entity would provide, in order to stay below the cap. DAB staff members involved with these projects are mindful of keeping CM costs low relative to the overall project costs.

DAB's submittal materials are attached as Appendix D.

### **DEPARTMENT OF DEFENSE (DOD)**

DOD identified only one project deemed germane to this study, which consists of various upgrades and improvements to its Birkhimer Emergency Operations Center facility. The project did not involve any design PM services, but did engage CM services pegged at 16% of the current total construction cost. DOD advises the project is ongoing and design and construction costs may be in flux, so the resulting cost figures when the job is fully completed could be different; the final CM percentage figure could be significantly different from the present 16%.

DOD said the factors that most significantly influence the decision to contract PM / CM services are project complexity and if night / overtime work is necessary, due to operational considerations. In the past, it found CM (and potentially PM) costs for its projects have characteristically been at or above the 10% level. Consequently, it does not believe PM / CM costs should be capped at 10%.

DOD has suggested there should be a list of PM and CM firms that are vetted, and part of the State Procurement Office's Price and Vendor List Contracts system.

DOD's submittal materials are attached as Appendix E.

## **DEPARTMENT OF EDUCATION (DOE)**

The DOE during the study period reported two outsourced Project Management Services Contracts with an average of 6.93% of the total architectural and engineering design costs. One of the projects is completed, while the other is still active.

It also reported a total of 32 outsourced Construction Management Services Contracts with seven of these contracts being a combination of PM and CM Services contracts with an average of 10.1% of the total construction contract costs. Two projects are completed, and 30 projects remain active.

Because there is limited data on contracts completed during the study period of five years, it is not possible to determine the final cost percentage of the PM and CM Services contracts.

However, as of the time the data was reported, nine of the 32 CM Services contracts exceed the 10% of the construction costs. The DOE that factors that may contribute to costs exceeding 10% are:

- Smaller or more complex projects – especially in remote areas or involving extensive coordination – often require proportionally higher oversight to ensure safety, quality, and timely delivery;
- Unforeseen conditions;
- Market constraints or project-specific risks.

DOE's submittal materials are attached as Appendix F.

## **DEPARTMENT OF LAND AND NATURAL RESOURCES (DLNR)**

Like DOD, DLNR identified only one project it believes germane to this study: improvements to the Lahaina Small Boat Harbor Ferry Pier on Maui. There were no PM services involved, and the CM cost was less than 1% of the total construction cost. Despite that, DLNR is not in favor of capping PM and CM costs at 10%, with the explanation that, like DAB, the scope of work for contracted PM / CM firms would necessarily be greatly reduced, which may then be insufficient for the needs of the particular project. DLNR commented further that project complexity and staffing shortages are the factors that most influence the decision to contract PM / CM services.

DLNR's submittal materials are attached as Appendix G.

## **UNIVERSITY OF HAWAII SYSTEM (UH)**

The UH system is undoubtedly one of the larger players within the State in the areas of capital improvements and physical facility development and management. This is not surprising, given its volume of ongoing projects and existing facilities across the State.

The numerical data that UH provided identifies a total of 121 applicable projects, with none having required design PM services, but for all of which it contracted services for CM. Of those, only on two projects did CM costs exceed ten percent (10%) of the total construction cost, one at 12.6% and the other at 13.74%. Other than those two, the contracted CM costs for the majority of UH's projects were well under 5% of the total construction cost. The overall average percentage for UH's CM costs as a portion of total construction costs came in at just 2.94%.

UH indicated the single most significant factor that strongly influences the decision to contract for CM services is geographic location; understandable, given the statewide orientation of its wide-ranging capital improvement and physical facility development and management needs. UH's opinion is that capping PM and CM costs at 10% of the total respective total costs would not be feasible, as the cap would not allow the flexibility needed due to reasons of scope, location, complexity, duration and budget for UH's projects across the state. UH said it has existing internal policies to evaluate PM and CM costs.

UH's submittal materials are attached as Appendix H.

## **SUMMARY CONCLUSIONS AND RECOMMENDATIONS**

This conclusions and recommendations summary focuses on the substantive input and data that the foregoing six departments and agencies provided. The major theme is that the vast majority of PM and CM services already constitute less than 10% of the design and construction cost amounts, respectively. In the few cases where they are over 10%, there are unique and unavoidable conditions and aspects of the affected projects that necessitate an inordinately high level of those management services. The responding departments and agencies noted that key factors where PM/CM services would be concerned are project complexity, geographic location and shortages of their own project staff.

All respondents conveyed they are not in favor of the potential cap, as it would unduly constrain them if they ever needed an intensive level of the PM/CM services for certain especially complex projects. Some of the entities have policies and practices that monitor and possibly restrain PM/CM costs that they deem too high. Others do not have such policies and practices but are conscious about the judicious use of PM/CM contract services.

In sum, our recommendation is that the potential 10% cap is largely unnecessary, if the objective is to keep the costs of the specialized management services below that level; as the data has shown that the majority of projects do not rise to that level. For now and the foreseeable future, maintaining the status quo is most appropriate and advised.

# APPENDIX A

## House Concurrent Resolution No. 59 from the 2025 Legislative Session

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## 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.

1           WHEREAS, the State expends more than \$1 billion per year on  
2 capital improvement projects, including construction or  
3 renovation of roads, buildings, harbors, and airports; and  
4

5           WHEREAS, Honolulu has some of the highest construction  
6 costs in the world due, in part, to the high cost of  
7 transporting goods to Hawaii, the cost of fuel, and high labor  
8 costs; and  
9

10           WHEREAS, the costs for project and construction management,  
11 which traditionally should account for seven to eleven percent  
12 of a project, have increased significantly over the last decade,  
13 with some contractors charging as much as fifteen percent of a  
14 project's cost for management expenses; and  
15

16           WHEREAS, being able to control rising construction costs  
17 would help to more efficiently use state funds; now, therefore,  
18

19           BE IT RESOLVED by the House of Representatives of the  
20 Thirty-third Legislature of the State of Hawaii, Regular Session  
21 of 2025, the Senate concurring, that the Department of  
22 Accounting and General Services is requested to study the  
23 feasibility of limiting the costs of project and construction  
24 management costs in each state construction project to ten  
25 percent of the total cost of the project; and  
26

27           BE IT FURTHER RESOLVED that the Department of Accounting  
28 and General Services is requested to submit a report of its  
29 findings and recommendations, including any proposed



# H.C.R. NO. 59

1 legislation, to the Legislature no later than twenty days prior  
2 to the convening of the Regular Session of 2026; and

3  
4  
5  
6  
7  
8

BE IT FURTHER RESOLVED that a certified copy of this  
Concurrent Resolution be transmitted to the Comptroller.

OFFERED BY:

 | ....

MAR 05 2025



## **APPENDIX B**

### Memorandum of Request, Spreadsheet, and Questionnaire



**STATE OF HAWAII | KA MOKU'AINA O HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULA**  
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

Sep 11, 2025

S-095.25

**MEMORANDUM**

**TO:** Heads of Departments and Agencies (Distribution List Attached)

**FROM:** Keith A. Regan /A ?  
Comptroller v Q

**SUBJECT:** House Concurrent Resolution No. 59 from 2025 Legislative Session

The Department of Accounting & General Services (DAGS) has been tasked to study the feasibility of limiting the costs of project management (PM) and construction management (CM) in each state construction project to ten (10) percent of the total costs of the project, pursuant to House Concurrent Resolution No. 59 from the 2025 Legislative Session (copy attached for reference).

To conduct this study, we request data and information on the costs your department or agency has contracted for PM and CM services within the last five (5) years; i.e., Fiscal Years 2021-2025, including those that may be currently ongoing. Please complete the attached spreadsheet and questionnaire and return them to the below-named by or before October 10, 2025. Please let us know if there should be any questions as you and your staff prepare your responses and said materials. Additionally, DAGS may conduct interviews with your capital improvement project (CIP) staff person(s) for additional consultation.

For the purposes of this study, we are limiting the scope of "project costs" to just architectural/ engineering (A/E) design and construction costs, since they are the common denominator typical to projects that the State undertakes, and on the basis that not all projects require planning, land acquisition, or equipment.

If your department or agency does not do any A/E design and/or construction projects independently, separate and apart from DAGS, please so advise as your response. On the other hand, if your department or agency utilizes DAGS exclusively to carry out your A/E design and/or construction projects, please advise accordingly.

If there are any questions, you or your staff may contact Dennis Chen, Branch Chief of the Staff Services Office in DAGS' Public Works Division, at phone no. (808) 586-0520 or via e-mail at <dennis.yk.chen@hawaii.gov>. Thank you in advance for your cooperation and assistance.

DYKC/ssl

Attachments

cc: Gordon Wood, DAGS-PWD / PWA  
Gordon Chen, DAGS-PWD / CMB  
Eric Nishimoto, DAGS-PWD / **PMB**  
Dennis Chen, DAGS-PWD / SSO



## PM/CM Cost Questionnaire for State CIP Projects

### GENERAL INFORMATION

Department or Agency Name: \_\_\_\_\_

Division/ Program Handling

Design and/or Construction Projects: \_\_\_\_\_

Point of Contact (Name, Title, Phone, Email): \_\_\_\_\_

\_\_\_\_\_

### PROJECT AND CONSTRUCTION MANAGEMENT COSTS

1. For projects completed or are ongoing between FY21 and FY25, what was the **average percentage** of total cost spent on:

a. Project management (PM): \_\_\_\_ %

b. Construction management (CM): \_\_\_\_ %

c. Combined **PM/CM**: \_\_\_\_ %

2. In your experience, what factors most significantly influence your decision to contract PM/CM services?

Project complexity

Geographic location

Department or Agency staffing shortages

Other \_\_\_\_\_

### FEASIBILITY AND IMPACT ASSESSMENT

3. Would capping PM/CM costs at 10% of total project costs be feasible for your department's or agency's projects?

Yes

No

If yes, please provide brief explanation why as an attachment to this questionnaire.

4. What challenges would your department or agency face in implementing such a cap? Please describe below, or on separate attachment to this questionnaire.

5. Are there existing internal policies or practices to limit or evaluate PM/CM costs? If yes, please describe below, or on separate attachment to this questionnaire.

#### **STRATEGIES TO CONTROL MANAGEMENT COSTS**

6. What specific actions or policy changes could help your department or agency **control or reduce PM/CM costs** without compromising project quality, timeliness, or safety? Please describe below, or on separate attachment to this questionnaire.

#### **ADDITIONAL COMMENTS OR SUGGESTIONS:**

## APPENDIX C

### Department of Accounting and General Services (DAGS) Submission





## PM/CM Cost Questionnaire for State CIP Projects

### GENERAL INFORMATION

Department or Agency Name: Department of Accounting & General Services

Division/ Program Handling

Design and/or Construction Projects:  P-u-b- c\_Wo\_rk\_s\_Div\_s\_i-o-n \_\_\_\_\_

Point of Contact (Name, Title, Phone, Email):

Dennis Chen, Staff Services Office, dernnis.yk.cheni@lhawaii.gov, 808-586-0520

### PROJECT AND CONSTRUCTION MANAGEMENT COSTS

1. For projects completed or are ongoing between FY21 and FY25, what was the **average percentage** of total cost spent on:

a. Project management (PM): 98.47%

b. Construction management (CM): 8.88%

c. Combined PM/CM: 97.35%

2. In your experience, what factors most significantly influence your decision to contract PM/CM services?

Project complexity

Geographic location

Department or Agency staffing shortages

Other \_\_\_\_\_

### FEASIBILITY AND IMPACT ASSESSMENT

3. Would capping PM/CM costs at 10% of total project costs be feasible for your department's or agency's projects?

Yes

No

If yes, please provide brief explanation why as an attachment to this questionnaire.

4. What challenges would your department or agency face in implementing such a cap? Please describe below, or on separate attachment to this questionnaire.

A cap would prevent us from doing certain projects, or we may not be able to complete certain projects if there is a cap imposed.

5. Are there existing internal policies or practices to limit or evaluate PM/CM costs? If yes, please describe below, or on separate attachment to this questionnaire.

There are no policies at present to limit PM/CM costs, although DAGS' policies and procedures governing all consultant agreements are applicable to PM/CM scoping and fee reviews. We do have guidelines in our Budget Table A8a that specify external CM for projects of \$10 million or more at a budget rate of \$100,000 per month for O'ahu projects and \$120,000 per month for neighbor island projects. Depending on the progress of construction on any given project, renegotiations of PM/CM fees may be appropriate.

#### **STRATEGIES TO CONTROL MANAGEMENT COSTS**

6. What specific actions or policy changes could help your department or agency **control or reduce PM/CM costs** without compromising project quality, timeliness, or safety? Please describe below, or on separate attachment to this questionnaire.

- We need salary increases, and benefit increases to attract engineers, architects, and inspectors from the private sector to come to work in State government.
- We need a lot more staff positions in order to more adequately meet the current needs and demands of the many complex and often large capital improvement-type projects that we undertake. The hope is that if we have more in-house resources available, it may help to at least partially offset the need for certain PM/CM contract services and their attendant costs.

#### **ADDITIONAL COMMENTS OR SUGGESTIONS:**

Some background regarding the legislative intent of HCR No. 59 would be helpful.

## APPENDIX D

### Department of Agriculture and Biosecurity (DAB) Submission

PL1 C M SERVICES COST DATA - HOUSE BUDGET RES. (BUIL) IN NO. 59, LEGISLATIVE SESSION 2020

Department or Agency Name: Agriculture and Blosecurity

Department or Agency Contact (Provide Name, Phone Number, and E-Mail Address):

Name: Glenn Okamoto

Phone No.: 808-973-9436

Email Address: gwnn.m\_okamoto@PitdW111.BOV

GENERAL INFORMATION		DESIGN			CONSTRUCTION					ADDITIONAL OTHER INFORMATION			
A	B	C	D	E	F	G	H	J	K	L	M	N	P
Agency Project No.	Project Title/ Name	Total Architectural / Engineering (A/E) Design Cost	Project Management (PM) Services Contracted Costs	Design Project Management Services Cost as Percentage of Total A/E Design Cost (D/C)	Base Construction Cost	Construction Change Order Cost	Total Construction Cost (G+ H)	Construction Management (CM) Services Contracted Costs	Construction Management Services Cost as Percentage of Total Construction Cost (J/H)	Date PM or CM Services Started	Date PM or CM Services Ended	If Ongoing, Estimated Date of PM or CM Services Ending	Remarks/ Explanation*
JOB DOASWOI-A	STATE IRRG SYSTEM RESERVOIR SAFETY IMPR, PROJECT- PAAJULO RESVR.(HI-00131) PUU Piihehu (HI-00123) & PUU KAPU (HI-00042)	\$3,111,837	\$0	0	\$7,783,202	\$593,079	\$8,376,281	\$1,450,000	17%				Construction costs Does not include Waimanalo Reservoir and Kualapu'u Reservoir projects which were completed prior to FY2021.
DOA0-07	KUNIA AGRICULTURAL PARK, CLUSTER DEVELOPMENT, OAHU, Hawaii	\$1,000,000	\$0	0	pending			\$500,000		pending	TBD	TBD	Project ongoing, No CJP funding for construction. Estimated base construction cost. Add'l CM funds anticipated.
DOAH-20	KAMUELA VACUUM COOLING PLANT-PHOTOVOLTAIC SYSTEM, KAMUELA, HI	\$126,941		0	\$797,140	\$39,735	\$836,875	\$21,000	3%				limited CM, not full time.
DOA0-15	WAIMANALO IRRIGATION SYSTEM & KAHUKU AGRICULTURAL PARK IMPROVEMENTS	\$668,957	\$0	0	\$3,025,787	\$329,307	\$3,355,094	\$317,548	9%	07/01/22	ongoing	03/01/26	Ongoing. Limited CM only, not full time. Pending HECO inspection for construction and testing.
DOAH-23	WAIMEA IRRIGATION SYSTEM- DRAINAGE IMPROVEMENTS- WAIMEA, Hawaii	\$235,290	\$0	0	\$564,918	\$31,324	\$596,242	\$114,151	19%	09/05/24	ongoing	03/01/26	Ongoing construction. Limited CM, not full time.
DOAH26	KAMUELAVACUUM COOLING PLANT-MASTER PLAN IMPLEMENTATION KAMUELA	\$202,495		0	\$894,543	\$74,847	\$969,390	\$159,300	16%	05/21/21	ongoing	ongong	Pending closure.
DOAM,02	EAST MAUI WATER SYSTEMS IMPROVEMENT PROJECT- DESIGN & PERMITTING	\$702,050	\$0	0	\$3,228,322	\$55,307	\$3,283,629	\$95,052	3%	06/01/21	01/24/23	01/24/23	Limited CM, not full time.
DOA0-23	TAILEE RESERVOIR IMPROVEMENTS -STATEWIDE	\$391,600	\$0	0	\$609,580	\$60,043	\$669,623	\$0	0%				CM services not required.
DOA0-23	PUU PULEHU RESERVOIR IMPROVEMENTS- STATEWIDE	\$1,895,053	\$0	0	pending			pending					Construction pending completion at design.
DOA0-17	WAIMANALO IRRIGATION SYST MAUNAWILI VALLEY IMPROVEMENTS, PHASE 2, WAIMANALO, OAHU, Hawaii	\$493,703	\$0	0	\$3,381,931	\$0	\$3,381,931	\$496,644	15%	02/14/25	ongoing	12/01/26	Ongoing construction, Limited CM, not full time.
DOA0-21	KALAELOA HARVESTING FACILITY IMPROVEMENTS	\$314,236	\$0	0.0%	\$3,686,426	\$313,574	\$4,000,000	\$180,541	5%	01/27/22	ongoing	03/31/26	
DOAH24	LOWER HAMAKUA DITCH FLUME #8, #25, #37, #38 & #49 IMPROVEMENTS HAMAKUA HI	\$494,465	\$0	0.0%	\$2,216,200	\$178,800	\$2,395,000	\$252,249	11%	12/12/22	ongoing	03/31/26	
DOAH27	LOWER HAMAKUA DITCH WAIPIO VALLEY MISC IMPROVEMENTS HAMAKUA, Hawaii	\$680,000	\$0	0.0%	\$1,964,925	\$150,000	\$2,114,925	\$222,751	11%	12/12/22	ongoing	03/31/26	
DOAMIO	MOLOKAI IRRIG SYST • PUMP REPL & IMPROV	\$939,593	\$0	0.0%	pending			pending					Construction pending completion of design.
DOA026	WAIKUPANAHASTREAM CULVERT REPAIR- WAIMANALO OAHU HI	\$91,316	\$0	0.0%	pending			\$0		NA	NA		Construction pending completion of design.
	STATE IRRIG SYST RESERVIOR SFTYIMPROVE STATEWIDE PUU PULEHU, KUALAPUU & WAIMANALO RESERVOIR MISC IMPROVEMENTS	\$398,245	\$0	0.0%	pending			pending					Construction pending completion of design.
	LWR HAMAKUADITCH • FLUMES 1,2,4,5,9,10,11,19,26,&28 & MISC	\$711,927	\$0	0.0%	pending			pending					Construction pending completion of design.
DOAMIS06	Walkolu Valley Miscellaneous Improvements Molokai, Hawaii	\$404,943	\$0	0.0%	\$7,779,287	\$757,791	\$8,537,078	\$499,000	6%	12/12/22	07/30/25		
DOAH-17	Lower Hiimakua Ditch Watershed, Pa'aullo Distribution Improvements, Hiimakua, Hawaii	\$234,850	\$0	0.0%	\$578,931	\$14,819	\$593,750	\$82,400	14%	08/13/19	OB/12/21		

NAN

## PM/CM Cost Questionnaire for State CIP Projects

### GENERAL INFORMATION

Department or Agency Name: Agriculture and Biosecurity

Division/ Program Handling **Glenn Okamoto** Digitally signed by Glenn Okamoto  
Design and/or Construction Projects: enn amo o Date: 2025.12.04 oa:20:20-10:00-

Point of Contact (Name, Title, Phone, Email): Glenn Okamoto

Hawaii and Kauai Section Head, 808-973-9436, glenn.m.okamoto@hawaii.gov

---

### PROJECT AND CONSTRUCTION MANAGEMENT COSTS

1. For projects completed or are ongoing between FY21 and FY25, what was the **average percentage** of total cost spent on:

- a. Project management (PM): 0 %
- b. Construction management (CM): 10 %
- c. Combined PM/CM: 10 %

2. In your experience, what factors most significantly influence your decision to contract **PM/CM** services?

- Project complexity
- Geographic location
- Department or Agency staffing shortages
- Other \_\_\_\_\_

### FEASIBILITY AND IMPACT ASSESSMENT

3. Would capping PM/CM costs at 10% of total project costs be feasible for your department's or agency's projects?

- Yes
- No

If yes, please provide brief explanation why as an attachment to this questionnaire.

4. What challenges would your department or agency face in implementing such a cap? Please describe below, or on separate attachment to this questionnaire.

The CM may have to reduce inspections throughout the project to meet the cap.

**D**

5. Are there existing internal policies or practices to limit or evaluate PM/CM costs? If yes, please describe below, or on separate attachment to this questionnaire.

No, however Project Managers are mindful to keep CM costs low relative to the

#### **STRATEGIES TO CONTROL MANAGEMENT COSTS**

6. What specific actions or policy changes could help your department or agency **control or reduce PM/CM costs** without compromising project quality, timeliness, or safety? Please describe below, or on separate attachment to this questionnaire.

Unknown. Increased CM budgets would enable more thorough review and overs

#### **ADDITIONAL COMMENTS OR SUGGESTIONS:**

# APPENDIX E

## Department of Defense (DOD) Submission

**PM & CM SERVICES COST DATA - HOUSE CONCURRENT RESOLUTION NO. 59, LEGISLATIVE SESSION 2025**

Department or Agency Name: Department of Defense - Engineering Office  
 Department or Agency Contact (Provide Name, Phone Number, and E-mail Address):  
 Name: Shao Yu Lee  
 Phone No.: (808) 369-3567  
 E-mail Address: Shi10YIL@Comptroller.DOD

GENERAL INFORMATION		DESIGN			CONSTRUCTION				ADDITIONAL OTHER INFORMATION				
A	B	C	D		F	G	H		M	N			
Agency Project No.	Project Title/ Name	Total Architectural/Engineering (A/E) Design Cost	Project Management (PM) Services Contracted Costs	Design Project Management Services Cost as Percentage of Total A/E Design Cost (D/C)	Base Construction Cost	Construction Change Order Cost	Total Construction (G + H)	Construction Management (CM) Services Contracted Costs	Construction Management Services Cost as Percentage of Total Construction Cost (J/H)	Date PM or CM Services Started	Date PM or CM Services Ended	CM Services Ending	Remarks/ Explanation*
CA-202313-D1   CA-202313-D2   CA-202313-C	Birkhimer EOC Upgrades and Improvements/ Construction Management Services for Berkhimer EOC Upgrades and Improvements/ Birkhimer Emergency Operation Center Upgrades and Improvements, Oahu, State of Hawaii, Department of Defense, Hawai'i Emergency Management Agency	\$ 863,230.00	\$	0.00%	\$ 6,876,763.00	\$	\$ 6,876,763.00	\$ 1,100,000.00	16.00%	04110124		04120126	Construction is ongoing. The design phase will conclude when construction is complete. Design includes additional phases of construction, pending additional funds.

\*If the percentage amounts are in excess of 10% for PM and/or CM Services (columns E and/or K, respectively), please provide an explanation why it exceeded 10%. Use separate attachments/ sheets if necessary.

## PM/CM Cost Questionnaire for State CIP Projects

### GENERAL INFORMATION

Department or Agency Name:   D  E  F  E  N  S  E  

Division/ Program Handling **ENGINEERING** Digitally signed by ENGINEERING  
Design and/or Construction Projects: Date: 2025.10.0a 10:0736-10:00

Point of Contact (Name, Title, Phone, Email): **MAJ Shao Yu Lee**

Chief Engineering Officer, 808-369-3488, shaoyu.l.lee@hawaii.gov

### PROJECT AND CONSTRUCTION MANAGEMENT COSTS

1. For projects completed or are ongoing between FY21 and FY25, what was the **average percentage** of total cost spent on:

a. Project management (PM): N/A %

b. Construction management (CM):   1  6   %

c. Combined PM/CM: **16** %

2. In your experience, what factors most significantly influence your decision to contract PM/CM services?

12] Project complexity

Geographic location

Department or Agency staffing shortages

0 Other **If night work or overtime services will be required.**

### FEASIBILITY AND IMPACT ASSESSMENT

3. Would capping PM/CM costs at 10% of total project costs be feasible for your department's or agency's projects?

Yes

i.J No

If yes, please provide brief explanation why as an attachment to this questionnaire.

4. What challenges would your department or agency face in implementing such a cap? Please describe below, or on separate attachment to this questionnaire.

See Attachment 1 - Continuation State PMCM Questionnaire

5. Are there existing internal policies or practices to limit or evaluate **PM/CM** costs? If yes, please describe below, or on separate attachment to this questionnaire.

See Attachment 1 - Continuation State PMCM Questionnaire

#### **STRATEGIES TO CONTROL MANAGEMENT COSTS**

6. What specific actions or policy changes could help your department or agency **control or reduce PM/CM costs** without compromising project quality, timeliness, or safety? Please describe below, or on separate attachment to this questionnaire.

See Attachment 1 - Continuation State PMCM Questionnaire

#### **ADDITIONAL COMMENTS OR SUGGESTIONS:**

See Attachment 1 - Continuation State PMCM Questionnaire

## ATTACHMENT 1-CONTINUATION OF PMCM QUESTIONNAIRE

### FEASIBILITY AND IMPACT ASSESSMENT

4. What challenges would your department or agency face in implementing such a cap? Please describe below, or on separate attachment to this questionnaire.

We normally provide PM services in-house or use DAGS. For larger projects where we have not used DAGS, we have contracted out CM services. Fees for these are based on complexity and can typically be over 10% of the construction cost of a project. Limiting costs to 10% would make it difficult to contract this work. In the case for the Birkhimer Upgrades and Improvements project shown above, **CM** services were ~16% of total project costs.

5. Are there existing internal policies or practices to limit or evaluate **PM/CM** costs? If yes, please describe below, or on a separate attachment to this questionnaire.

For the Birkhimer Upgrades and Improvements project, we went through the RFP solicitation process and evaluated potential CM firms based on Experience and Professional Qualifications, Past Performance, and Capacity to Accomplish Work.

Once we selected a CM firm based on selection criteria, we negotiated a fee that was fair and reasonable based on labor rates and quantity of hours expected to be required to manage the construction of the project.

### STRATEGIES TO CONTROL MANAGEMENT COSTS

6. What specific actions or policy changes could help your department or agency control or reduce PM/CM costs without compromising project quality, timeliness, or safety? Please describe below, or on separate attachment to this questionnaire.

If possible, having a list of PMs/CMs that have been vetted and are on the State Procurement Office's Price & Vendor List Contracts page could be helpful.

### ADDITIONAL COMMENTS OR SUGGESTIONS

From 2020 to 2025, we contracted CM Services for the Birkhimer Upgrades and Improvements Project. Total construction costs were awarded at \$6,876,763. Cost for CM Services were awarded at \$1,100,000 for a percentage of 16%. Please note that the cost of construction will increase/ decrease due to additions and deletions to the scope of work which will in turn cause the% of the cost of CM Services to Construction to increase/ decrease accordingly.

# **APPENDIX F**

Department of Education (DOE)  
Submission

PM & CM SERVICES COST DATA- HOUSE CONCURRENT RESOLUTION NO. 59, LEGISLATIVE SESSION 2025														
Department or Agency Name: Department of Education Department or Agency Contact (Provide Name, Phone Number, and E-Mail Address):														
Name: Jadine Urasaki														
Phone No.: 1808-784-5040														
Email Address: jadine.umsalti@doe.hawaii.gov														
GENERAL INFORMATION		DESIGN			CONSTRUCTION					ADDITIONAL OTHER INFORMATION				
A	B	C	D	E	F	G	H	I	J	K	L	M	N	P
Agency Project No.	Project Title / Name	Total Architectural/Engineering (A/E) Design Cost	Project Management (PM) Services Contracted Costs	Design Project Management Services Cost as Percentage of Total A/E Design Cost (O/C)	Base Construction Cost	Construction Change Order Cost	Total Construction Cost (G+H)	Construction Management (CM) Services Contracted Costs	Construction Management Services Cost as Percentage of Total Construction Cost (J/H)	Date PM or CM Services Started	Date PM or CM Services Ended	If Ongoing, Estimated Date of PM or CM Services Ending	Remarks / Explanation"	
				#DIV/0!					#DIV/0!					
DOE Job No. Q61DD0-19	Construction Management - Island of Hawaii			#DIV/0!	\$55,000,000	\$8,000,000	\$63,000,000	\$2,000,000	3.17%	12/14/2018	1/8/2024		Projects within the contract still active	
DOE Job No. 061220-2D	Statewide Construction Management Consulting Services			#DIV/0!	\$48,000,000	\$6,000,000	\$54,000,000	\$1,000,000	1.85%	10/12/2021		6/30/2026	Still active	
DOE Job No. P61226-21	MATOC I Construction Management System and Construction Management Oahu			#DIV/0!	\$6,565,824	\$397,543	\$6,963,367	\$715,000	10.27%	11/30/2021		3/31/2026	Still active	
DOE Job No. 061004-16	Construction Management - Oahu Areas			#DIV/0!	\$64,754,205	\$8,869,776	\$73,623,981	\$3,990,961	5.42%	7/8/2016	1/31/2025		Projects within the contract still active	
DOE Job No. 061006-17	Construction Management- Oahu Area6			#DIV/0!	\$39,897,267	\$5,779,916	\$45,677,183	\$29,911,284	65.48%	11/28/2017		6/30/2026	Still active	
DOE Job No. 061011-14	Construction Management- Oahu Area 1			#DIV/0!	\$22,319,950	\$28,190,281	\$50,510,231	\$4,000,000	7.90%	8/6/2015	11/30/2023		Projects within the contract still active	
DOE Job No. 0612D9-20	Construction Management - Kauai Area2			#DIV/0!	\$2,991,243	\$130,682	\$3,121,925	\$731,022	23.27%	6/15/2020	6/14/2022		Completed	
DOE Job No. 061218-2D	Statewide Construction Management Consulting Services			#DIV/0!	\$152,167,874	\$5,442,931	\$157,610,805	\$9,070,872	5.76%	5/25/2022	5/23/2024		Projects within the contract still active	

PM & CM SERVICES COST DATA- HOUSE CONCURRENT RESOLUTION NO. 59, LEGISLATIVE SESSION 2025													
Department of Agency Name: Department of Education Department of Agency Contact (Provide Name, Phone Number, and E-Mail Address):													
Name: Jadine Urasaki													
Phone No.: 808-784-5040													
Email Address: jadine.urasaki@doe.hawaii.gov													
GENERAL INFORMATION		DESIGN			CONSTRUCTION					ADDITIONAL OTHER INFORMATION			
A	B	C	D	E	F	G	H	J	K	L	M	N	P
DOE Job No. 061221-20	Statewide Construction Management Consulting Services			#DIV/0!	\$38,463,666	\$2,151,756	\$40,615,422	\$2,801,383	6.90%	5/24/2022	5/22/2024		Projects within the contract still active
DOE Job No. 061223,.19	Construction Management - Maui			#DIV/0!	\$56,865,269	\$5,785,361	\$62,650,630	\$2,531,178	4.04%	4/16/2021	9/30/2025		Projects within the contract still active
DOE Job No. 061223,.20	Statewide Construction Management Consulting Services			#DIV/0!	\$8,622,954	\$763,473	\$9,386,427	\$2,203,063	23.47%	5/22/2022	5/22/2024		Projects within the contract still active
DOE Job No. 061274-22	Construction Management - Central & Windward Oahu Unit 4			#DIV/0!	\$22,580,561	\$0	\$22,580,561	\$1,245,048	5.51%	8/1/2024		7/31/2026	Still active
DOE Job No. 061276-22	Statewide Construction Management Services Unit 1			IDIV/0!	\$1,400,000	\$0	\$0	\$850,000	#DIV/0!	4/16/2025		4/15/2027	Still active
DOE Job No. 061278-22	Construction Management- Statewide Telecommunications & Electrical			#DIV/0!	\$7,014,880	\$18,895	\$7,033,775	\$850,000	12.08%	3/14/2025		6/24/2026	Still active
DOE Job No. 061404-24	Construction Management - Kauai			#DIV/0!	\$29,919,000	\$698,979	\$30,617,979	\$2,010,000	6.56%	4/15/2025		4/14/2027	Still active
DOE Job No. 061405-24	Construction Management - Maui			#DIV/0!	\$13,325,347	\$0	\$13,325,347	\$720,000	5.40%	4/15/2025		4/13/2027	Still active
DOE Job No. 061005-17	CM Services - Island of Oahu Area 7			#DIV/0!	\$41,970,819	\$4,769,031	\$46,739,850	\$2,924,128	6.26%	12/16/2022		4/30/2026	Still active
DOE Job No. 061222-20	Statewide Construction Management Consulting Services			#DIV/0!	\$9,678,411	\$65,693	\$9,744,104	\$1,000,000	10.26%	5/24/2022	5/23/2024		Projects within the contract still active
DOE Job No. 061231-21	Construction Management .wahiawa Center for Workforce Excellence			HDIV/0!	\$72,000,000	\$677,300	\$72,677,300	\$1,019,000	1.40%	8/14/2025		8/14/2027	Still active

PM & CM SERVICES COST DATA- HOUSE CONCURRENT RESOLUTION NO. 59, LEGISLATIVE SESSION 2025													
Department or Agency Name: Department of Education Department or Agency Contact (Provide Name, Phone Number, and E-MailAddress):													
Name: Jadine Urasaki													
Phone No.: 808-784-5040													
Email Address: j«dloe,ura...aki@ki2bi.us													
GENERAL INFORMATION		DESIGN			CONSTRUCTION					ADDITIONAL OTHER INFORMATION			
A	B	C	D	E	F	G	H	J	K	L	M	N	P
DOE Job No.073254-23	Construction Management -Central Kitchen-North Central			#DIV/0!	\$28,000,000	\$1,260,377	\$29,260,377	\$966,114	3.30%	2/24/2025		2/24/2027	Still active
DOE Job No. 094000-19	Construction Management -Mokapu ES			#DIV/0!	\$124,223,600	\$2,371,162	\$126,594,762	\$4,227,653	3.34%	4/24/2023		9/3/2028	Still active
DOE Job No. Q61211,,20	Statewide Construction Management Consulting Services			#DIV/0!	\$22,582,514	\$299,781	\$22,882,295	\$2,701,000	11.80%	5/24/2022		5/23/2027	Still active
DOE Job No. 061204-19	CM Services for Various Projects, Maui District			#DIV/0!	\$19,074,839	\$529,664	\$19,604,503	\$2,000,000	10.20%	3/15/2019		7/23/2026	Still active
DOE Job No. 0550D0-17	Construction Management Services (CM) for I-kihei HS, New School Phase 1			#DIV/0!	\$103,062,140	\$34,329,041	\$137,391,181	\$4,933,751	3.59%	10/12/2020		11/14/2025	Completed
DOE Job No. 0610D3-18	Construction Management Services (CM) for Island of Kauai			#DIV/0!	\$6,542,591	\$598,753	\$7,141,344	\$3,000,000	42.01%	4/12/2018		12/31/2025	Still active
DOE Job No. Q61221,,21	Statewide Project Management Consulting Services	\$68,557,004	\$4,749,358	6.93%						1/25/2022		1/25/2027	Still active
DOE Job No. Q61221-19	Project Management Services for Unit II	\$9,407,219	\$548,006	5.83%						9/17/2020	9/16/2023		Completed
DOE Job No. P61206-22	Various Central District - District Project Coordination			#DIV/0!			\$65,719,614	\$2,486,625	3.78%	4/18/2022		4/17/2026	Still active: hybrid/combination of project management construction management on Job Order Contracting/Prequalified Small Contractor IDIQ Contracts

PM & CM SERVICES COST DATA- HOUSE CONCURRENT RESOLUTION NO. 59, LEGISLATIVE SESSION 2025													
Department or Agency Name: Department of Education Department or Agency Contact (Provide Name, Phone Number, and E-Mail Address):													
Name: iJadine Urasaki													
Phone No.: 808-784-5040													
Email Address: iilcine.ura.aaki@doe.hawaii.us													
GENERAL INFORMATION			DESIGN			CONSTRUCTION				ADDITIONAL OTHER INFORMATION			
A	B	C	D	E	F	G	H	J	K	L	M	N	P
DOE Job No. P61208-22	Leeward District - District Project Coordination			mIV/0!			\$73,308,013	\$2,451,691	3.34%	4/18/2022		4/17/2026	Still active: hybrid/combination of project management on Job Order Contracting/Prequalified Small Contractor IDIQ Contracts
DOE Job No. P61210-22	Windward District - District Project Coordination			WIV/0!			\$44,614,918	\$2,140,158	4.80%	4/18/2022		4/17/2026	Still active: hybrid/combination of project management on Job Order Contracting/Prequalified Small Contractor IDIQ Contracts
DOE Job No. P61212-22	Hawaii District - District Project Coordination			#DIV/0!			\$58,462,479	\$4,016,726	6.87%	4/18/2022		4/17/2026	Still active: hybrid/combination of project management on Job Order Contracting/Prequalified Small Contractor IDIQ Contracts
DOE Job No. P61214-22	Maui District - District Project Coordination			#DIV/0!			\$102,849,607	\$5,605,727	5.45%	4/18/2022		4/17/2026	Still active: hybrid/combination of project management on Job Order Contracting/Prequalified Small Contractor IDIQ Contracts
DOE Job No. P61216-22	Kauai District - District Project Coordination			oDIV/0!			\$25,109,563	\$1,785,624	7.11%	4/18/2022		4/17/2026	Still active: hybrid/combination of project management on Job Order Contracting/Prequalified Small Contractor IDIQ Contracts
DOE Job No. P61204-22	Honolulu District - District Project Coordination			#DIV/0!			\$64,579,613	\$3,191,323	4.94%	4/18/2022		4/17/2026	Still active: hybrid/combination of project management on Job Order Contracting/Prequalified Small Contractor IDIQ Contracts
*If the percentage amounts are in excess of 10% for PM and/or CM Services (columns E and/or K, respectively), please provide an explanation why it exceeded 10%. Use separate attachments / sheets if necessary.													

## PM/CM Cost Questionnaire for State CIP Projects

### GENERAL INFORMATION

Department or Agency Name: D\_e\_p\_a\_r\_t\_m\_e\_n\_t\_o\_f\_E\_d\_u\_c\_a\_t\_i\_o\_n

Division/ Program Handling: Jadine Urasaki, P.E., LEED  
Design and/or Construction Projects: A\_P Digitally signed by Jadine Urasaki, P.E.,  
LEED AP  
Date: 2020.11.11.00:11:00:1s -1\_0-0\_0-

Point of Contact (Name, Title, Phone, Email): Jadine Urasaki, Public Works Administrator  
808.784.5040, Jadine.Urasaki@k12.hi.us

### PROJECT AND CONSTRUCTION MANAGEMENT COSTS

1. For projects completed or are ongoing between FY21 and FY25, what was the **average percentage** of total cost spent on:

- a. Project management (PM): 6.38 %
- b. Construction management (CM): 10.1 %
- c. Combined PM/CM: 16.4B %

2. In your experience, what factors most significantly influence your decision to contract PM/CM services?

Project complexity

Geographic location

Department or Agency staffing shortages

Other \_\_\_\_\_

### FEASIBILITY AND IMPACT ASSESSMENT

3. Would capping PM/CM costs at 10% of total project costs be feasible for your department's or agency's projects?

Yes

No

If yes, please provide brief explanation why as an attachment to this questionnaire.

4. What challenges would your department or agency face in implementing such a cap? Please describe below, or on separate attachment to this questionnaire.

See attached

5. Are there existing internal policies or practices to limit or evaluate PM/CM costs? If yes, please describe below, or on separate attachment to this questionnaire.

See attached

#### **STRATEGIES TO CONTROL MANAGEMENT COSTS**

6. What specific actions or policy changes could help your department or agency **control or reduce PM/CM costs** without compromising project quality, timeliness, or safety? Please describe below, or on separate attachment to this questionnaire.

See attached

#### **ADDITIONAL COMMENTS OR SUGGESTIONS:**

## **Responses to PM/CM Cost questionnaire for State CIP Projects**

*4. What challenges would your department or agency face in implementing such a cap? Please describe below, or on a separate attachment to this questionnaire.*

The Department of Education's Facilities Development Branch (FOB) currently maintains project and construction management (PM/CM) average cost below 10% of total project value on average. While we support the intent to control administrative costs, implementing a fixed cap of 10% across all projects presents operational challenges. Smaller or more complex projects-especially those in remote areas or involving extensive coordination-often require proportionally higher oversight to ensure safety, quality, and timely delivery.

A rigid cap could limit our ability to respond to unforeseen conditions, market constraints, or project-specific risks. Instead, FOB is committed to maintaining cost discipline through internal controls, milestone-based consultant payments, and performance tracking. We will continue to keep PM/CM costs as low as practicable, while preserving the flexibility needed to manage diverse capital projects effectively.

*5. Are there existing internal policies or practices to limit or evaluate PM/CM Costs? If yes, please describe below, or on separate attachment to this questionnaire.*

While we do not currently have formal written policies specifically outlining the evaluation or limitation of Project Management (PM) and Construction Management (CM) costs, we do follow established internal practices to ensure these costs are reasonable and aligned with project scope and complexity. Our evaluation process typically includes:

**Benchmarking Against Industry Standards:** We compare proposed PM/CM costs against historical data from similar projects to ensure competitiveness and fairness.

**Scope-Based Assessment:** PM/CM costs are reviewed in relation to the overall project scope, duration, and complexity. Larger or more complex projects may justify higher PM/CM percentages due to increased coordination and oversight requirements.

**Review of Level of Effort and Staffing Plans:** We assess the proposed staffing levels, roles, and responsibilities to ensure they are appropriate and necessary for the successful execution of the project.

**Cost Reasonableness Review:** Our internal teams conduct a detailed review of the cost breakdowns to validate that the proposed PM/CM costs are proportionate and justifiable.

Negotiation and Adjustments: If proposed PM/CM costs exceed expected thresholds, we engage in discussions with the contractor or consultant to adjust the costs accordingly.

These practices help maintain fiscal responsibility and ensure that PM/CM costs are aligned with project needs and budget constraints.

*6. What specific actions or policy changes could help your department or agency **control or reduce PM/CM costs** without compromising project quality, timeliness, or safety? Please describe below, or on a separate attachment to this questionnaire.*

The Department of Education's Facilities Development Branch (FOB) recognizes the importance of controlling project and construction management (PM/CM) costs and is actively exploring strategies to strengthen cost discipline. While we have not yet formalized a comprehensive policy framework, we are evaluating measures such as standardized scopes of work, milestone-based consultant payments, and performance tracking tools to improve oversight and accountability.

Our goal is to identify scalable, resource-conscious practices that align with existing staffing and funding levels, while preserving the flexibility needed to manage diverse and complex capital projects. These efforts will help ensure that PM/CM costs remain as efficient and justifiable as possible, without compromising project quality, safety, or delivery timelines.

## **APPENDIX G**

Department of Land and Natural Resources  
(DLNR) Submission



PM/CM Cost Questionnaire for State CIP Projects

**GENERAL INFORMATION**

Department or Agency Name: Land and Natural Resources/Engineering Division

Division/ Program Handling

Design and/or Construction Projects: \_\_\_\_\_

Point of Contact (Name, Title, Phone, Email): Denise Manuel, Engineer

808-587-0246, denise.m.manuel@hawaii.gov

**PROJECT AND CONSTRUCTION MANAGEMENT COSTS**

1. For projects completed or are ongoing between FY21 and FY25, what was the **average percentage** of total cost spent on:

a. Project management (PM): 0 %

b. Construction management (CM): 0 %

c. Combined **PM/CM:**0 %

2. In your experience, what factors most significantly influence your decision to contract PM/CM services?

Project complexity

Geographic location

Department or Agency staffing shortages

Other \_\_\_\_\_

**FEASIBILITY AND IMPACT ASSESSMENT**

3. Would capping PM/CM costs at 10% of total project costs be feasible for your department's or agency's projects?

Yes

No

If yes, please provide brief explanation why as an attachment to this questionnaire.

4. What challenges would your department or agency face in implementing such a cap? Please describe below, or on separate attachment to this questionnaire.  
with a cap on the amount, the capped amount may not be sufficient to carry out the PM or CM needs of the project

5. Are there existing internal policies or practices to limit or evaluate PM/CM costs? If yes, please describe below, or on separate attachment to this questionnaire.

No

#### **STRATEGIES TO CONTROL MANAGEMENT COSTS**

6. What specific actions or policy changes could help your department or agency **control or reduce PM/CM costs** without compromising project quality, timeliness, or safety? Please describe below, or on separate attachment to this questionnaire.

No comments

#### **ADDITIONAL COMMENTS OR SUGGESTIONS:**

# **APPENDIX H**

University of Hawai'i System (UH)  
Submission

PM & CM SERVICES COST DATA- HOUSE CONCURRENT RESOLUTION NO. 59, LEGISLATIVE SESSION 2025.

Department or Agency Name: UH+ Capital Projects Business Office  
 Department or Agency Contact (Provide Name, Phone Number, and E-Mail Address):  
 Name: -  
 Phone No.:  
 Email Address:

GENERAL INFORMATION		DESIGN		CONSTRUCTION					ADDITIONAL OTHER INFORMATION				
Agency Project No.	Project Title/Name	Total Architectural/Engineering/VE/EI Design Cost	Professional Services Contracted Costs	Design/Protect Management Services Cost as Percentage of Total A/E Design Cost (DIC)	Base Construction Cost	Construction Change Order Cost	Total Construction Cost (G+H)	Construction Management (CM) Services Contracted Costs	Construction Management Services Cost as Percentage of Total Construction Cost (J/K)	Date PM or CM Services Started	Date PM or CM Services Ended	Estimated Completion Date	Remarks/Explanation
1234569	KCCOuharynInsttuteofthePac111cPhase2		#01/01	\$25,746,434	\$11,310,161	\$37,056,595	\$1,448,85	3.9%	07/06/20		09/30/25		
1234570	Waimanalo Research Station, General Repairs and Demolition Tractor Storage Shed & Lecker/Showers Risk Demo		#01/01	\$1,003,500	\$335,93	\$1,339,433	\$34,75	2.59%	03/27/18		12/13/22		
1234582	RIM1B-07 Elevator Modernization, Phase IV		#01/01	\$6,700,000	\$3,782,222	\$10,482,222	\$724,97	6.92%	05/24/22		05/01/25		
1234648	Komohana Research and Extension Center, Phase 3 General Repairs		#01/01	\$3,450,934	\$3,138,934	\$6,589,868	\$516,11	7.83%	12/18/23		01/14/25		A contributing factor for the CM Services exceeding 10% of the construction cost is due to the remotelocationoftheprojectsite.
1234841	IOIG SHS Construction (KICW) Hale Aloha MA Renovation		#DIV/01		\$4,284,037	\$9,555,408	\$14,53	0.15%	06/18/24		08/19/24		
1235201	K11u'tokahala Nat. Exterior Reprinting & Miscellaneous Repair		#01/01	\$778,001	\$63,958	\$841,958	\$25,04	2.97%	09/12/24		12/26/24		
1235116	Healoni Research Station - Misc Repairs and Miscellaneous Phase 2		#DIV/01		\$79,93	\$937,21	\$118,07	12.80%	08/24/20		05/08/25		A contributing factor for the CM Services exceeding 10% of the construction cost is due to the remotelocationoftheprojectsite.
1234972	PV Installation at Cancer Freezer Building and CHORE Hale		#DIV/01		\$241,530	\$7,603	\$7,603	3.15%	12/10/24		05/12/25		
1234967	4467 Automotive Shop Renovation/Retrol Exhaust System, Kauai CC		#01/01		\$1,635,76	\$41,19	\$1,676,95	2.52%	01/03/25		01/03/26		
1235035	Fire Alarm System Upgrade, campuswide, KauCC		#01/01	\$5,962,875	\$85,58	\$6,048,455	\$17,35	0.29%	01/03/25		01/03/26		
1235038	Light Pole Repair and Replacement, Campuswide, KauCC		#01/01	\$2,537,70	\$11,305	\$2,549,005	\$16,53	0.65%	01/03/25		05/26/25		
1235099	Repair Makai Research Pier, Waimanalo, Hawaii		#DIV/01	\$197,62	\$0	\$197,62	\$27,15	13.74%	05/02/22		04/27/23		
1235143	4453 Natural Science, Science Lab Upgrade		#DIV/01	\$2,375,07	\$50,928	\$2,425,998	\$11,14	0.46%	01/03/25		09/16/25		
1235205	CTAHR Waiakoa Research Station		#01/01	\$5,485,12	\$0	\$5,485,12	\$174,86	3.19%	07/08/24		07/08/25		
1235309	Repair Makai RH at each Pier Phase 2		#01/01	\$4,548,600	\$0	\$4,548,600	\$225,08	4.95%	07/08/24		07/07/26		
MA-2020-01-WO-#89	Hamilion Library Roof Improvements S04		#DIV/01	\$5,19	\$5,19	\$10,38	\$19	3.72%	11/14/22		02/109/23		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-WO-#83	Hawan Insmt 11e of Geophysics Roof Improvement 2022		#DIV/01	\$650,68	\$650,68	\$1,301,36	\$24,18	3.72%	09/19/22		10/07/24		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-WO-#90	Holmes Hall Roof Improvement 2022 S04		#DIV/01	\$8,94	\$8,94	\$17,88	\$3	3.72%	11/28/22		04/05/23		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#88	Mamae Science Building Roof Improvements 2022 S04		#DIV/01	\$1,58	\$1,58	\$3,16	\$5	3.72%	11/14/22		06/08/23		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#85	Castle Memorial Annex Roof Improvement 2022		#DIV/01	\$34,87	\$34,87	\$69,74	\$1,29	3.72%	11/14/22		02/09/23		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#84	Dance Building Roof Improvements 2022 S03, S04		#DIV/01	\$10,26	\$10,26	\$20,52	\$3	3.72%	09/19/22		02/13/23		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#78	Flood Building 1 and 2 Roof Imp Improvements 2022		#DIV/01	\$62	\$62	\$124	\$2	3.72%	07/05/22		10/07/22		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-179	George Hall Roof Improvements 2022		#DIV/01	\$1,40	\$1,40	\$2,80	\$5	3.72%	07/05/22		10/07/22		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#91	Hawaii Institute of Geophysics Roof Improvement 2022 Phase 1 S04		#DIV/01	\$27	\$27	\$54	\$1	3.72%	09/21/22		04/05/23		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#81	Moore Hall Roof Improvement 2022		#DIV/01	\$7,83	\$7,83	\$15,66	\$3	3.72%	08/18/22		04/21/23		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#82	Music Complex Phase 2 Roof Improvements 2022 S03		#DIV/01	\$96	\$96	\$192	\$3	1.54%	09/05/22		02/09/23		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#90	St. John's Pinnac Science Laboratory 2 Roof Improvements 2022		#DIV/01	\$1,15	\$1,15	\$2,30	\$4	3.72%	07/10/22		10/07/22		CM Contract 243286 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#87	Africa ROTC Roof Improvements 2022		#DIV/01	\$15,98	\$15,98	\$31,96	\$3	3.72%	10/10/22		12/13/22		CM Contract 243286 managed multiple work orders and small purchase construction
Small Purchase Construction	Biomed Science Building, Rooms 1310, 310A Improvement		#01/01	\$94,42	\$94,42	\$188,84	\$2,39	3.72%	05/16/22		02/09/23		CM Contract 243286 managed multiple work orders and small purchase construction
Small Purchase Construction	Biomed Science Building, Rooms 1501A, 1501B, 1501C, Improvement		#01/01	\$75,97	\$75,97	\$151,94	\$2,82	3.72%	08/22/22		12/01/22		CM Contract 243286 managed multiple work orders and small purchase construction
Small Purchase Construction	Biomed Science Building, Rooms 1705, 1705A, 1705B, 1705C, Improvement		#01/01	\$91,50	\$91,50	\$183,00	\$3,02	3.72%	08/09/22		03/29/23		CM Contract 243286 managed multiple work orders and small purchase construction
Small Purchase Construction	Makoi Campus 13 Improvement 2022		#01/01	\$131,75	\$131,75	\$263,50	\$4,89	3.72%	09/29/22		03/01/23		CM Contract 254534 managed multiple work orders and small purchase construction
Small Purchase Construction	Biomedical Science Building Room: T410, T410A, T411 Improvement		#01/01	\$136,02	\$136,02	\$272,04	\$1,54	1.54%	12/18/23		06/13/24		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-WO-#1	Multiple Hall Rooms 3 & 10 Restoration		#01/01	\$12,29	\$12,29	\$24,58	\$18	1.54%	12/19/22		11/21/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#14	Biological Experiment Building Roof Improvement 2023		#DIV/01	\$1,68	\$1,68	\$3,36	\$2	1.54%	08/07/23		02/21/24		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#116	Bin Building Roof Improvement 2023		#DIV/01	\$13,03	\$13,03	\$26,06	\$20	1.54%	06/08/23		03/15/24		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#97	Hawan Ten House Roof Improvement 2023		#DIV/01	\$10,11	\$10,11	\$20,22	\$15	1.54%	02/27/23		06/08/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#94	Kennedy Theater Roof Improvement 2023		#DIV/01	\$562,79	\$562,79	\$1,125,58	\$84	1.54%	02/09/23		11/30/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#112	Kuykendall Hall Roof Improvement 2023		#DIV/01	\$57,56	\$57,56	\$115,12	\$89	1.54%	07/05/23		02/26/24		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#95	Moore HDU Roof Imp Improvements S01		#01/01	\$725,30	\$725,30	\$1,450,60	\$11,14	1.54%	03/09/23		07/19/24		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#91	Queen Liliuokalani Center For Student Services Roof Improvement 2022		#01/01	\$3,05	\$3,05	\$6,10	\$4	1.54%	11/28/22		05/26/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#96	St. John Plam Science Laboratory Roof Improvements 2023		#01/01	\$480,62	\$480,62	\$961,24	\$7,38	1.54%	02/06/23		12/14/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#99	Yatanabe Hall Roof Improvement 2023		#01/01	\$8,44	\$8,44	\$16,88	\$13	1.54%	02/20/23		03/29/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-100	Webster Hall Roof Improvement 12023		#01/01	\$3,07	\$3,07	\$6,14	\$4	1.54%	02/12/23		03/29/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#101	Africa ROTC L Roof Improvement 2022		#DIV/01	\$15,98	\$15,98	\$31,96	\$26	1.54%	03/06/23		04/06/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#117	Clarence TC Chng Athletics Complex 1 Roof Improvement 2023		#01/01	\$4,15	\$4,15	\$8,30	\$6	1.54%	09/13/23		01/02/24		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#93	Duke Kahanamoku Aquatic Complex Roof Improvement 2022 S04, S05		#DIV/01	\$4,56	\$4,56	\$9,12	\$7	1.54%	01/17/23		08/09/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-11107	Kamaliukuakani Center for Hawaiian Studies Roof Improvement 2022		#DIV/01	\$1,18	\$1,18	\$2,36	\$18	1.54%	05/04/23		05/26/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#115	Lower campus 4 - ROTC Roof Improvement 2023		#01/01	\$15,89	\$15,89	\$31,78	\$24	1.54%	09/11/23		11/15/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#104	Physical Education Athletic Complex Roof Improvement 2023		#DIV/01	\$341,53	\$341,53	\$683,06	\$54	1.54%	04/17/23		07/06/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#105	Physical Education Athletic Complex Roof Improvement 2023		#DIV/01	\$2,73	\$2,73	\$5,46	\$4	1.54%	05/10/23		05/26/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#118	Physical Education Athletic Complex Roof Improvements 2023 Phase 2		#DIV/01	\$3,85	\$3,85	\$7,70	\$6	1.54%	09/18/23		11/15/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#92	Physical Education Athletic Complex Roof Improvements 2022		#DIV/01	\$1,80	\$1,80	\$3,60	\$2	1.54%	01/09/23		02/09/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-109	HIIDIO Acad Services 2023		#01/01	\$219,85	\$219,85	\$439,70	\$3,75	1.54%	05/15/23		09/28/24		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-1106	University Ave. Building 1 Roof Improvement 2023		#DIV/01	\$1,80	\$1,80	\$3,60	\$2	1.54%	05/03/23		05/08/23		CM Contract 254534 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#113	WO Campus Services Roof Improvement 2023		#DIV/01	\$12,41	\$12,41	\$24,82	\$19	1.54%	07/05/23		09/22/25		CM Contract 254534 managed multiple work orders and small purchase construction
Small Purchase Construction	Biomed Science Building, Rooms 1514 & 1514A Improvement		#DIV/01	\$69,99	\$69,99	\$139,98	\$13	1.88%	04/01/24		10/16/24		CM Contract 269020 managed multiple work orders and small purchase construction
230567	Duke Kahanamoku Aquatic Complex Pool Standards Costmo Replacement Phase 2		#01/01	\$1,389,31	\$1,389,31	\$2,778,62	\$207,07	1.88%	06/12/24		07/30/25		CM Contract 269020 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#121	Everly Hall Roof Improvement 2023		#01/01	\$25,56	\$25,56	\$51,12	\$48	1.88%	10/05/23		08/28/24		CM Contract 269020 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#137	Hale Waiwai Building F Roof Improvements 2024		#01/01	\$3,71	\$3,71	\$7,42	\$7	1.88%	08/05/24		10/23/24		CM Contract 269020 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#120	Hale Waiwai Roof Improvement 2023		#01/01	\$15,68	\$15,68	\$31,36	\$29	1.88%	10/24/23		01/15/24		CM Contract 269020 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#132	Stan Sherritt Roof Improvement 2024 Phase 2		#01/01	\$3,38	\$3,38	\$6,76	\$6	1.88%	05/20/24		11/05/24		CM Contract 269020 managed multiple work orders and small purchase construction
MA-2020-01-1-WO-#138	Art Building Roof Improvement 2024		#01/01	\$13,88	\$13,88	\$27,76	\$26	1.88%	08/26/24		10/12/24		CM Contract 269020 managed multiple work orders and small purchase construction



## PM/CM Cost Questionnaire for State CIP Projects

### GENERAL INFORMATION

**Department or Agency Name:** UH - Capital Projects Business Office

**Division/ Program Handling** J f f T . Digitally signed by Jeffrey Tagami  
**Design and/or Construction Projects:** e rey agam1 Date: 2025.10.1015:47:53-10'00'

**Point of Contact (Name, Title, Phone, Email):** Jeffrey Tagami

Fiscal Specialist, (808) 956-6803, jstagami@hawaii.edu

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### PROJECT AND CONSTRUCTION MANAGEMENT COSTS

1. For projects completed or are ongoing between FY21 and FY25, what was the **average percentage** of total cost spent on:

- a. Project management (PM): NIA %
- b. Construction management (CM): 2.94 %
- c. Combined PM/CM: 2.94 %

2. In your experience, what factors most significantly influence your decision to contract PM/CM services?

Project complexity

Geographic location

Department or Agency staffing shortages

Other \_\_\_\_\_

### FEASIBILITY AND IMPACT ASSESSMENT

3. Would capping PM/CM costs at 10% of total project costs be feasible for your department's or agency's projects?

Yes

No

If yes, please provide brief explanation why as an attachment to this questionnaire.

4. What challenges would your department or agency face in implementing such a cap? Please describe below, or on separate attachment to this questionnaire.

It may provide challenges to our department since it provides us the flexibility to ensure we have the appropriate expertise to manage a construction project depending on a number of factors (e.g., scope, location, complexity, duration, budget, etc.).

5. Are there existing internal policies or practices to limit or evaluate PM/CM costs? If yes, please describe below, or on separate attachment to this questionnaire.

Yes, there are existing internal policies to evaluate PM/CM costs. In-house estimates of the project management cost are performed and compared to the proposed cost. A selection process (3-member team) via the professional services method of procurement, is used to select a company for each project unless an already established IDIQ contract is used for construction management services. Finally, a percentage comparison of the proposed management cost versus the total project cost is taken. A range between 5% - 15% is normal.

#### **STRATEGIES TO CONTROL MANAGEMENT COSTS**

6. What specific actions or policy changes could help your department or agency **control or reduce PM/CM costs** without compromising project quality, timeliness, or safety? Please describe below, or on separate attachment to this questionnaire.

No comment

#### **ADDITIONAL COMMENTS OR SUGGESTIONS:**

No comment