



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/24/2026

Time: 09:00 AM

Location: 411 VIA VIDEOCONFERENCE

Committee: WAL

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB2543, HD1, RELATING TO STATE CONSTRUCTION PROJECTS.

Purpose of Bill: Establishes a five-year Office of the State Construction Manager Pilot Program to provide guidance and recommendations on the design review of state construction projects administered by the Department of Accounting and General Services and Department of Education. Requires the Office to assign employees to the certain county agencies to review and approve permit applications under the Pilot Program. Establishes the Design Review Special Fund. Appropriates funds for the Pilot Program and necessary positions. Effective 7/1/3000. (HD1)

Department's Position:

The Hawaii State Department of Education (Department) appreciates the Legislature's intent to improve coordination and efficiency of state construction projects through the establishment of an Office of the State Construction Manager Pilot Program. The Department respectfully provides the following comments for consideration.

The Department is concerned that the mandatory oversight by a centralized Office of the State Construction Manager may unintentionally introduce an additional layer of bureaucracy, duplicating existing efforts within the Department's Office of Facilities and Operations, Facilities Development Branch. The Department already manages a complex and diverse portfolio of K-12 educational facilities that requires a specialized understanding of school operations, campus safety, and instructional program needs. Introducing an external design review process may result in conflicting directives, miscommunication, further delays, and unanticipated costs, rather than streamlining project delivery. While this measure intends to support the Department of Accounting and General Services (DAGS) and the Department by assigning employees to county permitting agencies, the Department notes the need for specific K-12 facility expertise to be effective. Without this alignment, the new process may not adequately address the unique requirements of the Department projects.

This measure requires hiring numerous technical positions and assigning staff to county agencies. Given current workforce shortages, the Department is concerned that the temporary five-year pilot may not attract enough qualified personnel to carry out the program's intended functions, thereby limiting its effectiveness before the pilot

ends.

The DAGS has previously recommended establishing this measure as a strictly five-year pilot program to test the feasibility of the initiative. While the current draft explicitly identifies this initiative as a pilot program with a specific sunset date, the Department is concerned about the long-term financial impacts of the Design Review Special Fund. The establishment of a special fund is to be supported by "fees collected from state agencies", reducing the limited Department resources available for actual school construction and improvements.

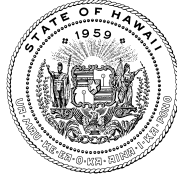
The Department supports efforts that genuinely streamline project delivery and improve coordination. However, the Department respectfully notes that the success of this pilot program relies heavily on the availability of qualified personnel and clear governance structures. Without these foundational components, the pilot program may not achieve its intended outcomes within the five-year period.

If the Legislature chooses to move forward with this measure, the Department requests that the measure be amended to:

- Provide the Department with the discretion to opt into the pilot program for specific complex projects rather than requiring all Capital Improvement Program (CIP) projects to undergo this review; and
- Ensure that CIP and operating funds appropriated to the Department are not diverted or used to finance or support the Design Review Special Fund.

Thank you for the opportunity to testify on SB 2543, SD 2, HD 1.

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



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

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
COMMITTEE ON WATER AND LAND

MARCH 24, 2026, 9:00 A.M.
CONFERENCE ROOM 411 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 2543, S.D. 2, H.D. 1

RELATING TO STATE CONSTRUCTION PROJECTS

Chair Hashem, Vice Chair Morikawa, and members of the Committee, thank you for the opportunity to submit testimony on S.B. 2543, S.D. 2, H.D. 1.

The Department of Accounting and General Services (DAGS) provides **support with comments** on S.B. 2543, S.D. 2, H.D. 1 which establishes within the Office of the Comptroller a five-year Office of the Construction Manager (Office) pilot program headed by a full-time State Construction Manager, to provide guidance and recommendations on the design of state construction projects administered by DAGS and the Department of Education (DOE). This measure requires the Office to assign employees to county agencies to review and approve permit applications under the Pilot Program. This measure provides for the establishment of a design review special fund and positions. In

addition, this measure requires the Comptroller, in consultation with the State Construction Manager, to adopt rules to implement this measure no later than December 31, 2027. The Comptroller must also submit an annual report to the Governor and Legislature before the regular sessions of 2027 to 2031. Lastly, this measure requires the dissolution of the Office of the State Construction Manager on June 30, 2031.

We would recommend the following changes to the measure:

1. On page 2, line 5: "...state construction projects with an estimated design value of \$2,000,000 or more administered by the department of..."
2. On page 2, line 16-19: [~~"any changes to the final plans, drawings, specifications, or other documents shall require resubmittal to the disability and communication access board for review"~~] all plans, drawings, specifications, and any other documents necessary for state construction projects subject to review by the disability and communication access board shall be completed within 15 days of receipt; failure to meet this deadline shall result in the recordation of a "no comments received" designation for the project by the disability and communication access board;
3. On page 2, line 21: "...for state construction projects subject to this section;"
4. On page 3, line 1: "Assign an inspector to each eligible state construction project..."
5. On page 6, line 13: "...the sum of \$12,500,000 or so...."
6. On page 7, lines 1 through 12: [~~"full-time equivalent (— FTE) positions within the office of the state construction manager, including — full-time equivalent (— FTE) positions to be assigned to the:"~~] Full-time equivalent positions not

to exceed 90 FTE within the office of the state construction manager including support for positions with each of the four counties dependent on the needs for each respective jurisdiction provided that positions shall be funded through the office of the state construction manager but shall be employees of each respective county and shall be restricted to working on only state permits within each respective jurisdiction; provided further that each county shall provide a quarterly report to the office of the state construction manager as prescribed by the department of accounting and general services.”

The above changes will be necessary in order for the department to effectively move forward with the intent and purpose of this measure. We appreciate the committees support of these changes.

Thank you for the opportunity to provide testimony on this measure.

DEPARTMENT OF PLANNING AND PERMITTING
KA 'OIHANA HO'OLĀLĀ A ME NĀ PALAPALA 'AE
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR
MEJA



DAWN TAKEUCHI APUNA
DIRECTOR
PO'O

BRYAN GALLAGHER, P.E.
DEPUTY DIRECTOR
HOPE PO'O

REGINA MALEPEAI
2ND DEPUTY DIRECTOR
HOPE PO'O KUALUA

TESTIMONY OF THE DEPARTMENT OF PLANNING AND PERMITTING

BEFORE THE HOUSE COMMITTEE ON WATER AND LAND

March 24, 2026
Conference Room 411

TO: The Honorable Mark J. Hashem, Chair, The Honorable Dee Morikawa, Vice Chair, and Members of the House Committee on Water and Land

RE: COMMENTS ON SENATE BILL NO. 2543, SD 2, HD 1, RELATING TO STATE CONSTRUCTION PROJECTS

The Department of Planning and Permitting (DPP) **offers comments** on Senate Bill No. 2543, SD 2, HD 1, which establishes a five-year Office of the State Construction Manager Pilot Program to provide guidance and recommendations on the design review of State construction projects administered by the Department of Accounting and General Services (DAGS) and Department of Education (DOE). This Bill also requires the Office to assign employees to the certain county agencies to review and approve permit applications under the Pilot Program.

The DPP appreciates the intent of this measure, which is to expedite State construction projects by dedicating staff to DPP for the sole purpose of reviewing and approving State building permits. Unfortunately, while well-intended, this Bill fails to grasp and understand what is involved in the permit review process and the number of people from various technical disciplines that are involved, from intake clerks and plan reviewers (building, plumbing, electrical) to land use/zoning staff and inspectors from the various disciplines and fields. The measure also does not acknowledge the numerous agencies outside of DPP, including, but not limited to, the Honolulu Fire Department, Board of Water Supply, Department of Health, and the State Historic Preservation Division, that review permit applications independently of DPP and add to the DPP permit processing timeline.

It also is unclear who will determine the qualifications of the proposed plan reviewers and who will employ them. There is no information regarding the minimum number of years of code compliance review experience required and/or expertise

The Honorable Mark J. Hashem, Chair
The Honorable Dee Morikawa, Vice Chair
and Members of the House Committee on Water and Land
Hawai'i House of Representatives
March 24, 2026
Senate Bill No. 2543, SD 2, HD 1
Page 2

necessary to oversee technical disciplines including, but not limited to, licensure status of the proposed staff. Historically, DPP has a very difficult time hiring staff with the requisite experience and skills necessary to efficiently process permit applications and there is no indication State- provided staff would have the necessary experience and skills required to assist DPP in the challenge.

This Bill would allow the State Construction Manager to hire staff, including architects and engineers. This measure also allocates funds for a yet-to-be-determined number of full-time positions that would then be assigned to the DPP. As an alternative consideration, this allocation of funds might be better spent to hire the full complement of staff for a State Building Permit Office under the State Construction Manager to review and approve permits for State projects. For discussion only, this model could theoretically place the entire permit process for State projects under one State agency, which would be able to control the speed at which State permits are reviewed, issued and closed. A State Building Permit Office also could also help take the burden off DPP staff, as we currently process an average of 280 State applications annually.

There is much involved in reviewing, approving and closing a permit. DPP's primary regulatory goal is the health and safety of those who occupy a structure, and efficient but careful review of plans is of utmost importance. We welcome opportunities to expedite State projects and my understanding is the City Managing Director spoke with leadership at DAGS and requested a list of all State projects so he could begin working with DPP on improved processing of State project permits. We continue to look for solutions in collaboration with the State and are willing to meet and discuss.

Thank you for the opportunity to testify.

Very truly yours,


for Dawn Takeuchi Apuna
Director

March 21, 2026

Representative Mark J. Hashem, Chair
Representative Dee Morikawa, Vice Chair
Members of the House Committee on Water & Land
Thirty-Third Legislature, Regular Session of 2026

RE: **STRONG SUPPORT** for SB 2543, SD2, HD1 – Relating to State Construction Projects

Hearing Date: March 24, 2026, at 9:00 AM

Aloha Chair Hashem, Vice Chair Morikawa and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of the Hawaii Iron Worker's Stabilization Fund in **STRONG SUPPORT** of SB 2543, SD2, HD1. This bill is an important step toward improving the efficiency and fiscal discipline of state construction projects by establishing a centralized State Construction Manager.

From the perspective of construction workers who build state projects every day, one of the largest sources of public waste is not labor or materials — it is budgeting overruns, inconsistent oversight, and avoidable project delays. Too often, state construction projects move forward without clear accountability for schedules, sequencing, constructability, or coordination among agencies, designers, and contractors. When no single entity is responsible for managing the construction process holistically, inefficiencies compound and costs escalate.

SB 2543, SD2, HD1 directly addresses this problem by creating a State Construction Manager whose role is focused on managing projects from a construction standpoint, not just on paper. A dedicated construction manager brings practical, real-world understanding of how projects are built — ensuring that timelines are realistic, scopes are coordinated, and construction issues are identified early on.

Centralized construction management reduces waste by minimizing change orders, work stoppages, and rework caused by miscommunication or poor sequencing. When construction is properly managed, labor and materials are used efficiently, and projects are far less likely to experience costly delays that burden taxpayers. This approach promotes smarter use of public funds without sacrificing quality or safety. Also note that we do not believe this to require a significant increase in FTEs for the state. If focused on projects above a certain threshold, monitoring the state construction projects could be managed with a smaller number of employees and consultants to assist the state CM.

The bill's emphasis on reporting and transparency further strengthens accountability. By requiring regular reporting on project performance, SB 2543, SD2, HD1 allows policymakers to better understand where delays and cost overruns occur and how future projects can be improved. This level of oversight helps ensure that state construction dollars are spent as intended and that systemic problems are corrected rather than repeated.

For construction workers, effective project management means safer job sites, clearer direction, and more predictable work schedules. For the public, it means schools, hospitals, and infrastructure projects that are delivered on time and within budget. SB 2543, SD2 aligns these interests by focusing on construction management as a tool to prevent waste before it happens, rather than reacting after costs have already ballooned.

For these reasons, we strongly urge this committee to pass SB 2543, SD2, HD1 in support of Hawai'i's working men and women.

Mahalo,

A handwritten signature in black ink, appearing to read "Michael L. Iosua". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael L. Iosua

OCG LLC

Onipa'a Consulting Group 3535 Maluhia Street * Honolulu, Hawaii 96816 * Phone (808) 808*381*9529

March 22, 2026

Chair Mark J. Hashem
Vice Chair Dee Morikawa
House Committee on Water & Land

RE: SB 2543, SD2, HD1 - Relating to State Construction Projects

Aloha Chair Hashem, Vice Chair Morikawa and members of the committee,

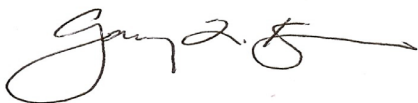
Mahalo for the opportunity to submit testimony on behalf of the Hawaii Iron Worker's Stabilization Fund in **Support** of HB 2543, SD2, HD1. In summary, the bill is intended to centralize State construction projects under the responsibility of the State Construction Manager to promote efficiency, consistency, transparency and fiscal accountability.

Currently many state projects are developed and managed in silos throughout many individual State Departments which often lack the expertise to properly develop and manage complex projects. Departments may have expertise in engineering and design, however, lack project management and fiscal oversight or vice versa leading to project time delays and cost overruns.

We recognize that staffing shortages among the Departments also contribute to ineffective project implementations. Many of the staffing shortages are results of vacant positions being unfunded or unfilled. Many of the positions required for the Office of the State Construction Manager already exist within Departments and consolidation into one central agency will leverage resources without dramatically increasing costs, promoting consistency and efficiency.

It is not unreasonable for taxpayers to ask for projects to be delivered on a timely and cost-effective basis, and SB 2543, SB2, HD1 is working in the right direction. For these reasons we ask the committee to pass HB 2543 SD2. Thank you for the opportunity to testify.

Mahalo,



Gary T. Kurokawa



TESTIMONY ON SB 2543, SD2 HD1

Relating to State Construction Projects

Before the House Committee on Water & Land

Honorable Mark Hashem, Chair
Honorable Dee Morikawa, Vice Chair

March 22, 2026

Submitted by:
Legislative Advocacy Committee
American Institute of Architects, Hawai'i State Council

Position: Comments

The American Institute of Architects

AIA Hawaii State Council
828 Fort Street Mall, Suite 100
Honolulu, HI 96813

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contact@aiahonolulu.org
aiahonolulu.org/AIAHawaiiStateCouncil

Dear Chair, Vice Chair, and Members of the Committee,

Mahalo for the opportunity to provide testimony on **SB 2543, SD2, HD1**. AIA Hawai'i appreciates the amendments made to date, including the requirement that the state construction manager hold a valid license under chapter 464, Hawaii Revised Statutes, for at least five years, and the clarification that assigned county employees would review and approve permit applications for covered state construction projects.

However, AIA Hawai'i continues to have concerns regarding the bill's application to the design phase of state projects. As drafted, the bill authorizes the Office of the State Construction Manager to review plans, drawings, specifications, and other design documents and to provide centralized design review services for state construction projects. In AIA Hawai'i's view, this role is not appropriate for the State's typical design-bid-build projects, where design is completed before construction begins and before a contractor is in place. Adding another layer of design-phase review in those projects would likely increase review time, extend project schedules, and add cost without improving project delivery.

AIA Hawai'i recognizes that a construction manager may have a more meaningful coordination role on projects using a design-build delivery method, where design and construction activities overlap. Accordingly, AIA Hawai'i respectfully requests that the Committee either remove the Office of the State Construction Manager from the design review process for design-bid-build projects or expressly limit the pilot program to design-build projects.

Accordingly, because this measure is now at a later stage of the legislative process, AIA Hawai'i respectfully offers the following specific amendments for the Committee's consideration:

PROPOSED AMENDMENTS TO SB 2543, SD2, HD1

1. Amend subsection 1(e)(1) by deleting it in its entirety, unless the bill is expressly limited to design-build project delivery.
2. Amend subsection 1(e)(2) as follows:
“(2) Provide [~~exclusive centralized design review services~~] coordination services for state construction projects utilizing a design-build project delivery method for state construction projects, as authorized by the applicable state agency.”
3. Amend subsection 1(i) as follows:
“(i) No later than December 31, 2027, the comptroller, in consultation with the state construction manager, shall adopt rules pursuant to chapter 91 to implement this section, including rules limiting the role of the office of the state construction manager to project types and delivery methods for which that role is appropriate.”
4. Insert a new subsection after subsection (l) to read as follows:
“The pilot program shall apply only to projects utilizing the design-build project delivery method, unless otherwise expressly authorized by law.”

AIA Hawai'i supports the intent to improve public project delivery and interagency coordination. With the above comments, this measure as is would only improve efficiency for Design-Build projects while hampering the efficiency efforts of the design professional necessary to protect public health, safety, and welfare during Design-Bid-Build project delivery methods.

Thank you for the opportunity to testify.

Mahalo nui,



Reid Mizue, AIA
AIA Hawaii Legislative Advocacy Committee



Iron Workers Stabilization Fund

T. George Paris
Managing Director

March 21, 2026

Chair Mark J. Hashem
Vice Chair Dee Morikawa
House Committee on Water & Land
Thirty-Third Legislature, Regular Session of 2026

RE: **STRONG SUPPORT** for SB 2543, SD2, HD1 – RELATING TO STATE CONSTRUCTION PROJECTS

Hearing Date: March 24, 2026 at 9:00 AM

Aloha Chair Hashem, Vice Chair Morikawa and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of the Hawaii Iron Workers Stabilization Fund in **STRONG SUPPORT** of SB 2543, SD2, HD1 – RELATING TO STATE CONSTRUCTION PROJECTS. This legislation would establish an independent state construction manager tasked with organizing, managing, and overseeing all state construction projects. This bill represents a commonsense reform that will improve state project delivery and reduce waste on taxpayer-funded construction work.

Hawaii's public construction projects have consistently experienced delays, cost overruns, and change orders resulting from fragmented oversight. Mistakes in design and insufficient manpower for continued review of projects in the process often result in wasted time, materials, disputes, and contested claims that ultimately increase costs — sometimes dramatically — at the expense of Hawaii's residents and businesses. A unified oversight framework, led by a central and independent state construction manager with professional experience, will help prevent inefficiencies before and during construction and prevent continuous change orders.

By centralizing design oversight, SB 2543, SD2, HD1 will promote:

- **Consistency and Quality Control** – A state construction manager with expertise in planning, supervising projects and construction budgets will ensure that all state projects meet consistent standards and compliance with bidding.



Iron Workers Stabilization Fund

- **Transparency and Accountability** – The state construction manager will assist in ensuring one central point of communication between architects, engineers and workers to ensure accountability. The annual report required by the bill will provide the Legislature and the public with insight into how state projects are performing, helping to inform better budgeting and planning.
- **Better Use of Skilled Labor** – When state projects are well designed and coordinated, union craftworkers can work efficiently and safely, maximizing productivity and minimizing idle time caused by design conflicts or changes.

Hawaii's taxpayers deserve assurance that state construction dollars are spent wisely. SB 2543, SD2, HD1's establishment of a professional and independent state construction manager is a proactive step toward reducing waste on public projects and ensuring that the final product reflects thoughtful planning and stewardship of public funds. At the same time, this reform supports quality workmanship and good union jobs by decreasing unnecessary disruptions and improving project predictability.

For these reasons, we respectfully ask the committee to pass SB 2543, SD2, HD1. Mahalo for the opportunity to testify.

Sincerely,

T. George Paris
Managing Director



**HAWAII BUILDING &
CONSTRUCTION** TRADES
COUNCIL

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Roofers Local 221

March 23, 2025

House Committee on Water & Land
State Capitol, Room 411
415 South Beretania Street
Honolulu, HI 96813

RE: SB 2543 SD2 HD1 Relating to State Construction Projects

Aloha Chair Hashem, Vice Chair Morikawa, and Members of the Committee:

My name is Gino Soquena, Executive Director of the Hawaii Building & Construction Trades Council (HBCTC) which is comprised of 17 construction trade unions here in the State of Hawaii. Thank you for the opportunity to offer written testimony in **STRONG SUPPORT** of SB2543 SD2 HD1 which establishes a 5 year Office of the State Construction Manager Pilot Program.

We see many construction projects that are affected by cost increases, delays, poor quality of work, etc. The creation of a State Construction Manager that is qualified, licensed and has experience in construction would help mitigate cost increases and wasteful spending saving our taxpayers money. For these reasons, the Hawaii Building & Construction Trades Council respectfully request that you pass SB2543 SD2 HD1.

Mahalo Nui Loa,

Gino Soquena

Gino Soquena, Executive Director
Hawaii Building & Construction Trades Council

SB-2543-HD-1

Submitted on: 3/21/2026 10:51:16 AM

Testimony for WAL on 3/24/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Comment

IRAN WAR IS COSTING TAXPAYERS 1BILLION \$ A DAY. LEGISLATURES MUST BE FISCAL RESPONSIBLE THIS SESSION REGARDING MEASURES SEEKING APPROPRIATES, TAX CREDIT, ETC.

2543 SB RELATING TO STATE CONSTRUCTION PROJECTS.

SB2543 SD2 HD1

Milton Nitta is opposed to creation of the Office of the Construction Manager and all of the aspects of this Bill for an Act.

I can truly say that I have been there and done that and this bill will not get there and will not do any of the following: establish accountability; become proficient in the construction management process; and complete construction projects that are within budget and on time.

The bill requires the Construction Manager to “provide guidance and recommendations on the design review”. This task is a small part of the entire construction project process and is currently being done by both the Project Management (PMB) and Construction Management Branches (CMB) at DAGS. Based on my experience working at CMB, I personally agree that this design review process could be more effective. I recommend training the existing PMB and CMB personnel to become proficient in reviewing designs.

The bill creates positions in the Department of Public Works (DPP) in 4 Hawaii counties. The goal is to process building permits for State construction Projects. This is puzzling since the written testimony by the Honolulu DPP for SB2543 SD2 indicates that it would be difficult to recruit anyone that would be able to review and issue building permits. The Honolulu DPP goes on to recommend that the State create a State DPP to process all State building permits. If you decide to include this in this Bill, I present that creating a State DPP will be more daunting than creating the Office of the Construction Engineer, where are you going to get the people?

The Bill requires the Construction Manager “Assign an inspector to each state construction project for the purposes of observing the construction work”. There is no value to an Inspector observing the construction. My Job as a construction Inspector in the CMB, was to assure that the Contractor complied with all of the contract requirements. When I detected non-compliance to the contract, a deficiency report was generated, the report provided to the Contractor and payments withheld until the deficiency was corrected. “observing the construction work” does nothing.

My story. BS Mech Engineering UH 1969. US Army Captain Military Construction Engineer 3 years. 8 years Hawaiian Dredging and Construction Company, Cost Engineer, Buyer, Project Engineer, Superintendent. 25 years Department of the Army Civilian, US Army Corps of Engineers (USACE) and US Army Medical Command, Construction Engineer, Project Manager, Health Clinic Facility Manager. At the USACE my first Construction Contract Management project, Tripler Addition Wings F G & H, 5 years \$100M, 1200 requests for information, 300 change orders. Took me 5 years, the entire duration of this Tripler Additon project to feel competent to handle a construction contract. It took great managerial guidance from my boss the Resident Engineer and all of the training in procurement, construction contract law, and technical subjects for me to reach this level

of proficiency. My second Tripler 5 year \$100M Renovation project, I continued to have excellent managerial guidance from the same Resident Engineer, plus additional training and refresher training so that a year before the end of the Tripler Renovation, when the Resident Engineer retired, I took his place along with his additional duty as the Administrative Contracting Officer (ACO). As ACO I was authorized to sign change orders. When I did the \$300M Misawa Japan Hospital, I was confident of my ability to manage the project and it came in on time and on budget, in addition the Contractor was awarded a certificate for achieving 500K injury free labor hours. These are only the big projects, I did many smaller CIP, repair and maintenance and renovation projects, that were Design-Bid-Build, Design-Build, and Delivery Order contracts.

Then I worked for DAGS Construction Management Branch(CMB) for 5 years as a Construction Inspector II, SR-19. A lot of construction management problems are generated in the CMB. Some of it is in the Project Management Branch (PMB), but I cannot be specific since I only work with the PMB and not within the PMB. I observed and pointed out many contractual and technical errors that were being committed by CMB personnel. The CMB Manager EM-07 held monthly staff meetings and would issue instructions that I objected to because it did not conform to the construction contracts. I complained to the Public Works Administrator EM-08 that the CMB Engineers knew little to nothing about Construction Contract Law, his reply, The Engineers can read the court case studies published in the magazine "Engineering News Record". My reply, they would not understand the court cases or how the case applied to the job they were doing. The CMB engineers did not know technical information, I took me 30 minutes trying to explain the difference between a generator full load test at 80% power factor. Full or 100% load and 80% power factor are different things, but he could not reconcile the 80% and 100% as being different. One Engineer said that Government time extensions are "no cost", not according to the Eichleay Formula established by case law.

Been There Done That. All the things that you expect this new Construction Manager to do. And AGAIN this Bill ain't going to get there, not in 5 years. The biggest problem is that the Comptroller will not get the people needed that are trained and have the experience by year one of this pilot program. And probably not in the entire 5 year pilot life span.

Instead, I suggest you allocate funds to train the personnel that are already doing the construction management, decentralize authority, and fine the AE Designers for errors found in the project documents.

1. Training for the existing Engineers/Architects: to include, Construction Contract Law, Procurement Regulations. Also, support all Engineers/Architects to become certified Project Management Professionals.
2. Training for the existing Engineers/Architects and Inspectors: to include, Mechanical Systems commissioning, Electrical Code, Plumbing Code, ADA, HIPAA, Fire Code,

Safety OSHA, Hazardous Materials, Seismic and Load requirements, renewable resource generation, etc.

3. Decentralize authority at DAGS. Have more than one person authorizing change orders and partial payment requests. Allow your professional Engineer/Architects to make decisions on problems that the Contractor encounters in the field instead of always sending conflicts to the designer for resolution. This will save a bunch of time and money. As an Army Civilian Engineer, I made many decisions when conflicts were identified by the contractor. The contractor and I would agree to a solution, if a change order was needed, I would write up the change order and send it to the Contracting Officer for signature, sometimes that was me. No designer involvement!
4. Since the State has contracts with professional Architect/Engineer Design Firms, the designs that the State orders should be perfect, Right. Therefore, there is no need for a design review by the State? Not by my experience. The design contract should include a clause that requires the designer to pay the state for each design error that the State identifies, say \$1K per error. If that were the case the State would have recovered over \$200K, I found more than 200 design errors on a \$300K job at OCCC.

Suggest the Comptroller reach out to the US Army Corps of Engineers at Fort Shafter Building 230 for assistance and guidance on their procedures for construction management. The COE also conducts training classes managed by the COE Learning Center. The U.S. Army Corps of Engineers Learning Center Website is at [U. S. Army Corps of Engineers Learning Center](#). A description is at [About U. S. Army Corps of Engineers Learning Center](#), and it states:

The U.S. Army Corps of Engineers (USACE) Learning Center (ULC) is the institution for learning and training for USACE employees. It is under supervision of the Headquarters Directorate of Human Resources. The ULC manages and implements the Proponent-Sponsored Engineer Corps Training (PROSPECT) Program.

- This program provides job-related training through technical and professional courses to meet the unique needs of the Army Corps of Engineers and other government agencies, serving approximately 15,000 USACE students each year.
- For over 30 years the PROSPECT program has been offering selected courses worldwide.
- We are currently located at 100 Secured Gateway, Suite 150 Huntsville, Alabama 35808.
- The course catalog for the PROSPECT Program currently lists over 150 courses that cover a wide variety of topics supporting the missions of Army Corps of Engineers. These courses are available to federal, state or local government employees.

- Highly dedicated instructors who excel in their areas of expertise are selected from headquarters, divisions, districts, laboratories, the ULC, or from universities or private firms to design and teach the PROSPECT courses.

Improve the DAGS personnel that currently manages construction projects, with good managerial guidance and training.

Thanks for letting me testify.

Milton Nitta

Non-Professional Construction Engineer