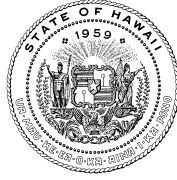


JOSH GREEN, M.D.
GOVERNOR
KE KIA'AINA



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 LABOR

MARCH 19, 2026, 9:35 A.M.
CONFERENCE ROOM 309 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 2543, S.D. 2

RELATING TO STATE CONSTRUCTION PROJECTS

Chair Sayama, Vice Chair Lee, and members of the Committee, thank you for the opportunity to submit testimony on S.B. 2543, S.D. 2.

The Department of Accounting and General Services (DAGS) provides **comments** on S.B. 2543, S.D. 2 which establishes within the Office of the Comptroller a five-year Office of the Construction Manager 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 submission of final plans, drawings, specifications and other documents to the Disability and Communication Access Board for review to ensure compliance with state accessibility laws. 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.

The Office of the Construction Manager Pilot program would require \$10.55 M in FY 2027 funding to implement in the initial year. This amount would cover recurring funding of base salaries for 90 authorized positions comprising architectural, engineering, construction inspection and clerical positions including supervisory positions. It also would cover recurring funding for annual rent of private leased space as there is no known state-owned facility available to accommodate 90 new positions and related space needs. Lastly, it would need non-recurring funding to provide required furnishings and equipment for the 90 authorized positions as well as support spaces such as conference rooms, storage areas and similar non-position spaces.

We are deeply concerned that creating an operation of this size would require significant diversion of already stretched and limited resources within the department in order to establish, recruit and fill the necessary positions. The department would need to find private office space to house the operation. The amount of time and effort needed to complete these tasks are estimated to take anywhere from 6-12 months.

Additionally, the office would dissolve after five years: who would take such a short-term job? We anticipate significant difficulty in recruiting, attracting and keeping skilled staff to properly manage the newly created office. We believe this approach will set this

office up for failure before it even begins reviewing the first plan not to mention adding to the delay in moving projects forward. We would recommend that, instead of creating an entirely new process, consideration be given to the creation of a permitting process working group to identify opportunities that will reduce time, reduce cost, and improve efficiency for DAGS and DOE projects.

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

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041 • WEBSITE: honolulu.gov/dpp

RICK BLANGIARDI
MAYOR
MEIA



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 LABOR

March 19, 2026
Conference Room 309

- TO:** The Honorable Jackson D. Sayama, Chair, The Honorable Mike Lee, Vice Chair, and Members of the House Committee on Labor
- RE:** COMMENTS ON SENATE BILL NO. 2543, SD 2, RELATING TO STATE CONSTRUCTION PROJECTS

The Department of Planning and Permitting (DPP) **offers comments** on Senate Bill No. 2543, SD 2, which establishes within the Office of the Comptroller a five-year Office of the State Construction Manager Pilot Program headed by a full-time State Construction Manager, 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 Department of Planning and Permitting of the City and County of Honolulu to review and approve permit applications submitted for state construction projects administered by DAGS and DOE.

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.

The Honorable Jackson D. Sayama, Chair
The Honorable Mike Lee, Vice Chair
and Members of the House Committee on Labor
Hawai'i House of Representatives
March 19, 2026
Senate Bill No. 2543, SD 2
Page 2

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 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,



Dawn Takeuchi Apuna
Director

March 19, 2026

Representative Jackson D. Sayama, Chair
Representative Mike Lee, Vice Chair
Members of the House Committee on Labor
Thirty-Third Legislature, Regular Session of 2026

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

Hearing Date: March 19, 2026, at 9:35 AM

Aloha Chair Sayama, Vice Chair Lee and Members of the Committees,

Mahalo for the opportunity to submit testimony on behalf of the Hawaii Iron Worker’s Stabilization Fund in **STRONG SUPPORT** of SB 2543, SD2. 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 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.

The bill’s emphasis on reporting and transparency further strengthens accountability. By requiring regular reporting on project performance, SB 2543, SD2 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.

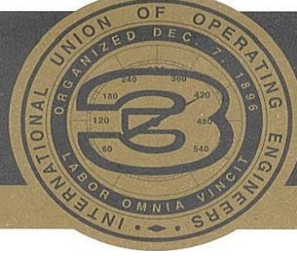
For construction workers, effective project management means safer job sites, clearer direction, and more predictable work schedules. For the public, it means schools, hospitals, and infrastructure projects that are delivered on time and within budget. SB 2543, SD2 aligns these interests by focusing 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 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



March 17, 2026

Honorable, Jackson D. Sayama, House Committee on Labor, Chair
Honorable, Mike Lee, House Committee on Labor Vice Chair
Honorable Members of the House Committee on Labor

RE: SB2543 SD2- RELATING TO STATE CONSTRUCTION PROJECTS.

Aloha Chair and Members of the Committee,

My name is Ana Tuiasosopo, and I am a Trustee and District Representative for the International Union of Operating Engineers (IUOE) Local 3, representing heavy equipment operators, mechanics, surveyors, and other skilled tradespeople in Hawai'i's construction industry. I submit our STRONG SUPPORT for SB2543 SD2.

This measure establishes a five-year Office of the State Construction Manager Pilot Program within the Office of the Comptroller to provide centralized design review and construction oversight for projects administered by the Department of Accounting and General Services (DAGS) and the Hawaii Department of Education (DOE). This is a practical, accountability-focused reform that directly addresses long-standing challenges in state construction delivery — including inconsistent design review, permit delays, cost overruns, and fragmented oversight.

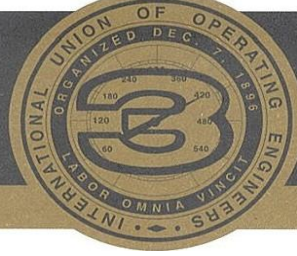
State construction projects, particularly school and public facility improvements, are often delayed by overlapping reviews, inconsistent interpretations, and limited coordination between agencies and county permitting authorities. By centralizing design review expertise under a qualified, licensed construction professional and assigning dedicated staff to the Department of Planning and Permitting for state projects, SB 2543 SD 2 creates a clearer line of responsibility and accountability. This structure promotes consistency, improves communication, and reduces unnecessary delays all while preserving professional standards.

Importantly, the bill requires the State Construction Manager to be a licensed professional under chapter 464 and prohibits outside private practice. This ensures independence, technical competence, and avoidance of conflicts of interest. The establishment of a Design Review Special Fund also provides a transparent and sustainable funding mechanism tied directly to services rendered.

For the construction industry, this pilot program means:

- More predictable project timelines
- Earlier identification of design deficiencies
- Reduced change orders and rework
- Stronger coordination between design, permitting, and construction phases
- Improved fiscal accountability for taxpayer-funded projects

For schools and public facilities, it means projects are delivered more efficiently, safely, and with better quality control. For taxpayers, it means better value and reduced exposure to costly project delays. This five-year pilot provides the Legislature with measurable outcomes, annual reporting, and a sunset date, ensuring transparency and the opportunity for refinement before permanent adoption. It is a thoughtful, performance-based reform rather than a permanent structural change without oversight.



Hawai'i's public construction system manages billions of dollars in capital improvement projects. Strengthening centralized technical oversight is not an expansion of bureaucracy — it is an investment in coordination, quality control, and long-term cost containment.

For these reasons, I respectfully urge the Committee to pass SB 2543, SD2.

Sincerely,

Ana Tuiasosopo
District Representative, Trustee



Iron Workers Stabilization Fund

T. George Paris
Managing Director

March 17, 2026

Chair Jackson D. Sayama
Vice Chair Mike Lee
House Committee on Labor
Thirty-Third Legislature, Regular Session of 2026

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

Hearing Date: March 19, 2026 at 9:35 AM

Aloha Chair Sayama, Vice Chair Lee and Members of the Committees,

Mahalo for the opportunity to submit testimony on behalf of the Hawaii Iron Workers Stabilization Fund in **STRONG SUPPORT** of SB 2543, SD2 – 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 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'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. Mahalo for the opportunity to testify.

Sincerely,

T. George Paris
Managing Director



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii
House of Representatives
Committee on Labor

Testimony by
Hawaii Government Employees Association

March 19, 2026

S.B. 2543 S.D.2 – RELATING TO STATE CONSTRUCTION
PROJECTS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes **S.B. 2543 S.D.2, specifically page 3 lines 13 through 16**, which allows the state construction manager to employ or contract with qualified architect and engineers without regard to Hawaii Revised Statutes (HRS) Chapter 76. **We respectfully request an amendment in Section 1 Subsection (f), that would require the State Construction Manager to employ staff with regard to Chapter 76.**

While we have no objections to the creation of the Office of the State Construction Manager, we do have concerns about the need to grant the State Construction Manager the authority to unilaterally hire architects and engineers without regard to civil service law; effectively opening the door to potentially 90 exempt positions within this proposed office, and more exempt positions within state government. Across of all jurisdictions, architects' and engineers' duties have been historically provided by civil serve employees. This measure asks the Legislature to legitimize a Department of Human Resources Development (DHRD) workaround that creates positions outside the State's civil service system, proving that DHRD is failing in recruiting and retaining civil service employees. If the state of Hawaii wants to retain quality employees, more efforts should be made to reform the state hiring process and offer competitive market salaries.

This is a union busting measure. Over the past six years, the State has increased exempt positions by about 600, or 25 percent. Many of these exempt employees are members of our union, and proposals like this create employees with fewer rights, which weakens our ability to advocate for union members. Furthermore, this increase in exempt employees not only undermines the civil service system but also points to an ugly truth: one day, exempt positions in state government may outnumber civil service positions.

Thank you for the opportunity to testify in opposition to S.B. 2543 S.D.2.

Respectfully submitted,

Randy Perreira
Executive Director



March 18, 2026

TO: Honorable Jackson D. Sayama, Chair
Honorable Mike Lee, Vice Chair
House Committee on Labor

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

Hawaii State Council
A Chapter of the
American Institute of Architects

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AIA Hawaii
Center for Architecture
828 Fort St. Mall, Suite 100
Honolulu, HI 96813-4452

T 808-628-7243
contact@aiahonolulu.org
aiahonolulu.org/hsc

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Aloha Chair, Vice Chair, and Members of the House Committee on Labor

Mahalo for the opportunity to provide **COMMENTS on SB 2543 SD2**, which would establish the Office of the State Construction Manager within the DAGS and assign that office responsibility to organize, manage, and oversee design review and issue design approvals for *all* state construction projects, by assigning employee(s) directly from the Honolulu Department of Planning and Permitting to handle these final approvals.

Our concern is for the nature of this new construction manager role and their coordination with subordinates within the Honolulu DPP. AIA also requests additional clarification on financial policy for this new Office of the State Construction Manager role and their subordinates.

AIA respectfully request that the Committee:

1. Clarify funding and allocation for the design review special fund, controlled by the comptroller. Including the roles played by the one full-time equivalent of the state construction manager position and the additional full-time equivalent positions within the office of the state construction manager and the Honolulu DPP.
2. Many architects and engineers that work on State projects understand that each state agency chooses to operate and manage construction projects in a way that aligns with their individual structures. For example, state divisions may choose usage of this pilot program for Design Build (DB) projects as the structure of such projects aligns with the role of the state construction manager. The roles may be easier to align compared to Design Bid Build projects. Clarification is requested to determine if DB project delivery is the intended use of this pilot program.

This amendment would ensure transparency in the utilization of the design review special funds and ensures that design review remains within the scope of professionals legally and ethically responsible for protecting public health, safety, and welfare.

AIA generally supports efforts to improve construction delivery and project oversight but would like the Legislature to provide appropriate funding and further develop the role for the Office of the State Construction Manager.

Mahalo for your consideration.

Respectfully submitted,

Melanie Islam, AIA
President
AIA Hawai'i

OCG LLC

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

March 18, 2026

Chair Jackson D. Sayama
Vice Chair Mike Lee
House Committee on Labor

RE: SB 2543 SD2 - Relating to State Construction Projects

Aloha Chair Sayama, Vice Chairs Lee 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. 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 HB 2543 SB2 is working in the right direction. For these reasons, we strongly support Bill 2543 SB2 and we ask the committee to pass HB 2543 SD2. Thank you for the opportunity to testify.

Mahalo,



Gary T. Kurokawa

SB 2543 SD2 Relating to State Construction Projects

Thank You Chair, Vice Chair, Committee Members, for letting me testify in opposition to SB 2543 SD2.

I am Milton Nitta, a Non-Professional Construction Engineer. I have an extensive background and training in the construction project process. I have actively participated in the inception of a project all the way to the final acceptance inspection. My project experience is from a very small \$20K to very large \$300M. I have been a Contracting Officer on three different occasions, reflecting my training in procurement. I have training in Project Management Professional (PMP), but I did not take the test to become a certified PMP.

Testimonies favoring SB 2543 SD2's and HB 2514's creation of a new Office of the State Construction Manager (OSCM) indicates that this Construction Manager (CM) will be a cure-all to most of what ails many construction projects, mainly over-budget and not done on time. I contend that SB2543 SD2 does not allow this new Construction Manager to achieve a better construction process. SB 2543 SD2 mandates the CM duties are to review all documents necessary for all state construction projects, ensure conformance to all applicable laws and standards, and assign an Inspector to "observe" the construction work. These duties are a small part of the entire construction project process. Therefore, the CM will have a very small impact on the construction project. Also, the responsibility of all of the project construction documents to adhere to all laws and standards is the responsibility of the Architect/Engineer contracted to provide the plans and specifications for the construction project. State agents in DAGS does design reviews before the plans and specifications are sent out for bidding. Adding design review by the Construction Manager will have very little added value to the process.

The task of creating this OSCM will be the responsibility of the DAGS Comptroller. The Comptroller has submitted written testimony on three occasions, once each for HB 2514 dated Feb 5, 2026, SB 2543 dated Feb 10, 2026, and SB 2543 SD 1 dated Feb 25, 2026. The Comptroller indicating that the OSCM will need 100 or more, 10-12 and 90 positions indicates that the Comptroller does not have a solid idea on what the OSCM will look like. The Comptroller also indicates that he anticipates difficulty recruiting personnel to fully populate the OSCM. The Comptroller also stated that OSCM is just a new layer of bureaucracy.

I oppose SB 2543 SD2 for the following reasons:

1. The assigned duties to the OSCM are so minimal that it will have little or no impact on the construction project. Therefore, the OSCM will be an unnecessary bureaucratic layer in the construction process.
2. The Comptroller and the OSCB will have difficulty finding 90 persons that are trained and have enough experience that will want to work for a 5-year pilot program. The

only place that you can get capable Engineers/Architects is from the Army's Corps of Engineers or the Navy's Resident Officer in Charge of Construction/Pac Div. None of the active Federal Engineers will want to leave a Fed job to work for the State. You may get a few retirees, but for a smaller monthly pay, only 5 years employment with no retirement pay or additional medical benefits, I don't think so. Also, many of the Fed Engineers do not have the Professional Engineers certificate, a State requirement. Not having the required personnel will create an ineffective organization and will not produce the desired result of lower costs and projects completing on time.

3. The State should not be exempted from the County building permit process, nor should the State intervene in any way the County building permit process. At the very least it will leave an impression that State construction process cannot pass all of the building permit process, or it will have an impression that the County will have less oversight on State projects compared to Private projects.

I worked for the DAGS Construction Management Branch (CMB) for 5 years as a Construction Inspector II, SR-19, very low in the CMB org chart. There was very poor managerial guidance and a complete lack of training. I observed the Engineers/Architects in the CMB making many contractual and technical errors. The operating processes in CMB create delays to the construction projects.

To reduce problems in the current DAGS construction process, I recommend:

1. Training for the existing Engineers/Architects: to include, Construction Contract Law, Procurement Regulations. Also, support all Engineers/Architects to become a certified Project Management Professional.
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, Solar 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, 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 only contracts with professional Architect/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.

The worst project I worked on at CMB was at both the female and male juvenile facilities in Waimanalo. My Engineer boss handed me a set of Plans and Specifications on Friday afternoon and informed me that the Pre-Construction Meeting is scheduled for Monday. Spent most of my weekend reviewing the plans and specs, wrote up all of the design errors, I think about 30. Went to the meeting, when I started pointing out the design errors, the Contractor ask to see my plans and specs, took a quick look and declared that I had old drawings. I asked my Engineer WTF. He looked at me and said that is what he was given. I never got a set of contractual plans and specifications. During the construction, I had to ask the Contractor and the Subs if I could see their plans so I would know what they were doing. Most were accommodating one Sub told me to get my own drawings from CMB. My boss' boss came out to the jobsite one day looking at some newly installed chain link fencing. He proceeded to instruct the Contractor to remove some of the fencing and relocate the gate. He was not authorized to order changes to the "contract". I estimated the work to have value of \$5K. I wrote the incident in my daily report, Boss' boss must have seen it because I was removed from that project by boss' boss. To this day I don't believe that that project had a set of contractual plans and specifications.

The Comptroller has requested \$10.55M/FY and 90 FTE. The Comptroller's Public Works Division has about 69 FTEs that executes the entire construction project process. I estimate that the payroll at \$5.3M/year for these 69 FTEs. Say that the DOE construction management team is about the same, the total annual payroll will be about \$10.6M. This seems to indicate that the Comptroller is proposing to duplicate existing construction project management FTEs. How is this efficient? Will the new team and the existing team be doing the same projects? Or are they splitting the projects between themselves? If so how is twice the staff to do the same number of projects saving any money?

I propose that we immediately save \$50M over the projected 5-year pilot program by not passing this bill.

Thank you for allowing me to testify.

Milton Nitta, Construction Engineer