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**At least 19 state
engineering entities
manage their own
capital improvement
projects in Hawai'i.**

Study of State Departmental Engineering Sections That Manage Capital Improvement Projects

Report No. 15-13, November 2015

Decentralized CIP engineering functions serve the public interest, but departments and agencies should adopt consistent policies for project management

Departments and agencies assert it would not serve the public interest to centralize all State engineering functions

Of 19 departments and agencies surveyed, 14 said capital improvement projects (CIPs) should not be handled centrally by the Department of Accounting and General Services (DAGS). Just one said centralizing CIPs could be beneficial. Supporting the position that centralizing CIP functions would be impracticable, departments and agencies cited issues related to managing federal funds, the specialized nature of many department-managed CIPs, and statutes granting certain departments authority to manage their own CIPs for efficiency. DAGS concurred that centralizing CIPs under its auspices would be impracticable.

Departments and agencies manage CIPs to varying standards

Although departments and agencies generally believe they should maintain control over their own CIPs, there is a lack of consistency in how they manage their projects relative to areas of legislative concern (namely, timelines, contract management, and end-user satisfaction). More than a third of the entities surveyed do not keep timelines as required by best practices; entities do not consistently track deliverables and payments according to State Procurement Office (SPO) advice; and almost half the entities do not measure or monitor stakeholder satisfaction in accordance with best practices.

We recommend that departments and agencies use timelines that include a comprehensive list of all activities required on a project, and not simply rely on contractor timelines, which may not reflect all project phases. We also recommend that departments and agencies follow SPO guidance for tracking payments and deliverables by using a contract administration worksheet that includes milestones or deliverables, which are marked as items are completed. Finally, we recommend departments and agencies identify and involve stakeholders throughout a project's execution and closing, including providing information about project costs, schedules, and performance.

Agency response

We transmitted a draft of this report to the Department of Accounting and General Services on October 29, 2015. The department chose not to submit a response.