

PROCUREMENT POLICY BOARD MEETING

May 29, 2013

1:30 pm

Conference Room 410

1151 Punchbowl Street

Honolulu, Hawaii 96813

Members Present

Howard Garval
Ronald Hirano
Gregory King
David Langille
Dean Seki
Kathy Suzuki-Kitagawa

Others

Aaron Fujioka, State Procurement Office
Ruth Yamaguchi, State Procurement Office
Corinne Higa, State Procurement Office
Kevin Vegas, Grainger Industrial Supply
Shannon Alivado, General Contractors Association
Lance Inouye, General Contractors Association

Agenda Item I - Call to Order

Chair Gregory King called the meeting to order at 1:30 pm.

Agenda Item II – Approval of Minutes of December 18, 2012.

Mr. David Langille made a motion, seconded by Ms. Kathy Suzuki-Kitagawa, to approve the minutes of the December 18, 2012 meeting.

The motion was unanimously approved.

Agenda Item III – Proposed amendments to HRS chapter 103F administrative rules for purchases of health and human services.

Mr. Aaron Fujioka stated that the State Procurement Office conducted Informational Briefings that were publicly noticed and e-mailed to a list of providers. Public agencies and private service providers input were received and have been incorporated in the rules presented today to the Board for consideration and approval.

Ms. Corinne Higa reviewed the various sections with the Board highlighting the major amendments and pointed out those that were included from the informational sessions. Deputy Attorney General Stella Kam suggested that it would be helpful to designate in the rules what type of days the rules are following. "Work", "Calendar" or "Business" Days.

Mr. Ronald Hirano requested clarification on the terminology in §3-148-202 ". . . mutual agreement." and why the resolution by written form, signed by both parties was eliminated. Mr. Fujioka explained that by the department resolving the protest by the remedies available, documentation would be placed in the procurement file and if it is not a mutual agreement, protestor would then file a formal protest. Following a lengthy discussion, several suggestions were made.

Mr. Garval had concerns about the amendment eliminating §3-148-504(b). He believes the department would have an unfair advantage with free access to the head of the purchasing agency that the provider does not have and would like to keep the portion of the protestor being informed of any discussion between the department and head of department.

Mr. Garval also pointed out 2 typographical errors on page 17 of §3-148-503(b).

Mr. Ronald Hirano made a motion, seconded by Mr. Dean Seki, for the adoption of proposed amendments to HAR chapters 3-14-1, 3-142, 3-143, 3-146, 3-148 and 3-149 with the suggested changes as follows:

- 1) Deputy Attorney General Stella Kam by adding "work" "business" or "calendar" before "days";
- 2) Chair King for HAR §3-148-202 amending the language to: "A protest may at any time, be informally resolved between the protestor and the purchasing agency. A protest resolved informally shall be communicated in writing to all parties, and shall be noted in the procurement file"; and
- 3) Mr. Howard Garval for correcting the typographical errors on page 17 of HAR §3-148-503(b) and for HAR §3-148-504(b) amending the language to . "During a protest the head of the purchasing agency may communicate with either the department staff involved in the procurement or the protesting provider, but both parties to the protest will be informed of such communication."

The motion was unanimously approved.

Agenda Item IV – *Discussion on procurement streamlining requested by member Dean Seki.*

Mr. Seki wanted the Board to discuss the streamlining of procurement with the thought of introducing legislation, but feels the Board should concentrate on their primary goal of promulgating rules for HRS chapters 103D and 103F.

Agenda Item V - Summary of legislation requested by member Greg King.

Mr. Fujioka stated that HB 114 designates the Administrator of SPO as the University's Chief Procurement Officer for construction and professional services, limited to HRS chapter 464 for professional engineers, architects, surveyors, and landscape architects, for the University of Hawaii.

HB 1374 was a bill spearheaded by the General Contractors Association and Mr. Fujioka acknowledged Mr. Lance Inouye. Mr. Inouye explained how the bill evolved and that the end result allows more discretion in the process that may be utilized in construction projects.

SCR 92 establishes a task force to study the procurement code and identify amendments for procurement of public works construction projects. Mr. Inouye also stated that SCR 92 is the result of the frustration of contractors on issues that have been unresolved by the Legislature.

Agenda Item VI - Executive Session pursuant to HRS §92-5(a)(2) to discuss personnel matters in the recruitment for Administrator, State Procurement Office.

Mr. Garval made a motion, seconded by Mr. Seki to have the Board go into executive session.

The motion was unanimously approved and the Board went into executive session at 3:34 pm.

The board reconvened the regular meeting at 4:06 pm. Chair King announced that the Board will have a subcommittee conduct interviews with the qualified applicants and rank the applicants for the Administrator's position.

Agenda Item VII - Announcements

There were no announcements and the next meeting would be subject to call.

Agenda Item VIII - Adjournment

Mr. Garval made a motion, seconded by Mr. Hirano to adjourn the meeting. The motion was unanimously approved. The meeting was adjourned at 4:17 pm.

Respectfully submitted,

6/18/13

Date



Dean Seki, Secretary
Procurement Policy Board

Attachment: May 29, 2013 PPB Agenda

PROCUREMENT POLICY BOARD (PPB)
1151 Punchbowl Street, Conference Room 410
Honolulu, Hawaii 96813

Regular Meeting
May 29, 2013
1:30 pm

AGENDA

- I. Call to Order.
- II. Approval of Minutes - Meeting of December 18, 2012.
- III. Proposed amendments to HRS Chapter 103F administrative rules for purchases of health and human services.
- IV. Discussion on procurement streamlining requested by member Dean Seki.
- V. Summary of legislation requested by member Greg King.
- VI. Executive Session pursuant to HRS §92-5(a)(2) to discuss personnel matters in the recruitment for Administrator, State Procurement Office.
- VII. Announcements.
- VIII. Adjournment.

Agenda and available agenda items may be viewed at <http://hawaii.gov/spo/general/ppb/procurement-policy-board>, click on *Meeting Agenda and Minutes*. Individuals may present testimony on matters on the Procurement Policy Board's agenda when the agenda item is taken up by the Board. Individuals intending to testify should contact the State Procurement Office at (808) 587-4700 at least 48 hours before the scheduled meeting. Written testimonies will be accepted through e-mail at procurement.policy.board@hawaii.gov or faxed to (808) 587-4703 until 1:00 pm, May 23, 2013. Testimonies received after the May 23, 2013 deadline will be forwarded to the board as time permits. Individuals submitting written testimony at the meeting and would like the written testimony distributed to the board at this meeting, are requested to provide 12 copies.

Individuals requiring special assistance or services may call (808) 587-4700 by 1:00 p.m., May 23, 2013 to discuss accommodation arrangements.