

## PROCUREMENT POLICY BOARD MEETING

August 11, 2005

2:00 p.m.

Conference Room 410  
1151 Punchbowl Street  
Honolulu, Hawaii 96813

### Members Present

Gregory King, Chair  
Gordon Ing, Vice-Chair  
Russ Saito, Secretary  
Winifred Odo, member  
Myron Tong, member  
Richard Totten, member

### Others

Ruth Yamaguchi, State Procurement Office  
Justin Fo, State Procurement Office  
Mara Smith, State Procurement Office  
Colin Tanaka, State Procurement Office  
Pat Ohara, Attorney General's Office

### Call to Order

Chair Greg King called the meeting to order at 2:05 p.m.

### Minutes

#### Motion

Mr. Gordon Ing made a motion, seconded by Mr. Myron Tong, to approve the minutes of the March 31, 2005 meeting.

The minutes were approved as distributed.

### Old Business

1. Ms. Ruth Yamaguchi explained the purpose of the Hawaii Compliance Express (HCE) project the SPO developed with Hawaii Information Consortium (HIC) starting last year. HCE allows vendors to register online with Hawaii Compliance Express in place of manually obtaining tax clearances, a labor certificate and DCCA certificate of good standing for an annual fee of \$15.00 to HIC. HIC will automatically send out inquiries to

DOTAX, DLIR, DCCA and IRS for compliance certificates. Agencies can also check online to see if a vendor is in compliance. Informational sessions will be held for agencies.

2. Ms. Yamaguchi reported that five legislative bills passed this session. A Procurement Circular was issued to all departments notifying them of the five bills and one Senate Concurrent Resolution.
  - a. Act 50 on small business set-asides. A meeting was held with the Small Business Round Table to come up with ideas and points on the process to implement this act. The board will need to develop rules for small business preferences, set-asides, and use as subcontractors, including maintenance and compliance. Will need to define "Small Business". Mr. King expressed concerns on how the definition of "Small Business" will be determined. Mr. Russ Saito explained that the certification will be patterned after the Federal regulations.
  - b. Act 169 amends one section in 103F to allow the counties to use this chapter. Previously Chapter 103F was strictly for State agencies.
  - c. Act 166 removed the Hawaii Procurement Institute (HPI) from State Procurement Office oversight. The HPI now resides with the University of Hawaii, Richardson School of Law.
  - d. Act 211 amends section 103D-310 on Responsibility of Offerors relating to small purchases. Repealed the small purchase compliance requirements, which now only apply to contracts in excess of \$25,000 or more for IFB, RFP, Professional Service or Sole Source procurements. Vendor compliance documentation is not required for small purchases or emergencies. The board will need to amend the rules.

The four bills were signed by the Governor and became these acts.
  - e. Act 216 became law without the Governor's signature. The bill encourages State agencies to use more high energy efficient vehicles such as hybrid electric vehicles. The Board will need to develop rules for this program because a price preference must be given to fuel efficient vehicles.
  - f. SCR 106 tasks a Legislative Task Force (both House and Senate) to look at the various exemptions by statute, or rules to see what can be done to amend or repeal the law or rules to make them more compatible with the procurement code and more equitable to all state and county agencies. Several agencies requested that the legislature give them back their exemptions, and the legislature deferred action on the requests. Instead this SCR was developed to look at what can be done to amend, repeal or fix the law.

3. Ms. Mara Smith described the Fourth Health and Human Services Conference to be held at the Hawaii Convention Center on September 16, 2005.

### **Next Meeting**

The next meeting will be at the call of the chair.

Mr. Tong moved to adjourn and go into executive session, seconded by Ms. Winifred Odo.

### **Executive Session**

Executive session convened subsequently.

Motion to move out of executive session was made by Mr. Tong and seconded by Mr. Ing.

### **Adjournment**

Motion to adjourn was made by Mr. Ing and seconded by Ms. Odo. There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Sept 20, 2005  
Date

Russ K. Saito  
RUSS K. SAITO, Secretary  
Procurement Policy Board