

PROCUREMENT POLICY BOARD MEETING

July 13, 2006

2:00 p.m.

Conference Room 322A&B

1151 Punchbowl Street

Honolulu, Hawaii 96813

Members Present

Gregory King, Chair
Gordon Ing, Vice-Chair
Russ Saito, Secretary
Leslie Chinen, member

Members Excused

Daryle Ann Ho
Richard G. Totten

Others

Aaron Fujioka, State Procurement Office
Ruth Yamaguchi, State Procurement Office
Mara Smith, State Procurement Office
Colin Tanaka, State Procurement Office
Vicki Kitajima, State Procurement Office
Cheryl Oho, State Procurement Office
Pat Ohara, Attorney General's Office
Kathi Thomason, Department of Accounting and General Services
Lance D. Collins, Attorney for Akaku Maui Community TV
DeGray Vanderbilt, Akaku (Molokai) Community TV
Barbara Krieg, Alston Hunt Floyd & Ing
Terry E. Thomason, Alston Hunt Floyd & Ing
Ruth Hsu, University of Hawaii, Manoa
Gwen Won, University of Hawaii
Kevin Vegas, Grainger
Gary Hynds, HHSC
Larry Geller, Kokua Council
Kealii Lopez, Olelo Community TV
Gerry Silva, Olelo Community TV
Lance Terri, PBS Hawaii
Kuuipo Rossiter

Call to Order

Chair Greg King called the meeting to order at 2:02 p.m.

Minutes

Motion

Mr. Gordon Ing made a motion, seconded by Mr. Russ Saito, to approve the minutes of the December 29, 2005 meeting.

The minutes were approved as distributed.

Old Business

For Action:

- a. Procurements Exempt from Chapter 103D, HRS, HAR Chapter 3-120

Mr. Gordon Ing made a motion, seconded by Mr. Russ Saito to approve the List of Procurements Exempt from Chapter 103D, HRS, HAR Chapter 3-120. The motion was approved.

- b. Procurements Approved for Competitive Sealed Proposals, HAR Chapter 3-122

Mr. Gordon Ing made a motion, seconded by Mr. Russ Saito to approve the List of Procurements Approved for Competitive Sealed Proposals, HAR Chapter 3-122. The motion was approved.

- c. Procurements Approved for Sole Source, HAR Chapter 3-122

Mr. Gordon Ing made a motion, seconded by Mr. Leslie Chinen to approve the List of Procurements Approved for Sole Source, HAR Chapter 3-122. The motion was approved.

New Business

For Information:

- a. Information on Action taken by the State Procurement Office (SPO) on Public, Educational, and Governmental (PEG) Access Services.

Mr. Aaron Fujioka provided background information summarizing the action taken by SPO on DCCA's request for exemption. He stated that item a. relates to the next two items (b & c). Mr. Degray Vanderbilt requested to testify on this matter. Chair King requested all testimony be heard on items a, b and c at the same time.

Mr. Fujioka stated that the two petitions were placed on the agenda for information to bring the petitions before the Board. He recommended that the Board schedule a subsequent meeting for the purpose of receiving testimony from interested parties.

- b. Petition for the Adoption of a Rule (HAR Chapter 3-120)
- c. Petition for the Modification of a Rule (HAR Chapter 3-120)

As Mr. Lance Collins, attorney for Akaku Maui Community TV was in attendance, Mr. Fujioka ask if Mr. Collins would provide background information to the board.

Mr. Collins presented the above two petitions, as well as a 3rd petition for a declaratory ruling. Ms. Pat Ohara, Deputy Attorney General questioned the introduction of the 3rd petition, as she understood it was agreed to be withdrawn by Mr. Collins. Mr. Collins explained that when a public hearing is scheduled the petition would be withdrawn.

Chair King opened the meeting to anyone interested in providing testimony on items a, b, & c. The following individuals provided oral testimony in support of the petitions:

Ms. Kealii Lopez – Olelo Community TV
Mr. Larry Geller – Kokua Council
Mr. DeGray Vanderbilt – Akaku (Molokai) Community TV
Mr. Gerry Silva – Olelo Community TV
Mr. Terry Thomason – personal
Mr. James “Sparky” Rodrigues – Waianae

A discussion followed as to whether it was permissible to approve the submission of the proposed rule changes in the two petitions (items b & c above) to the Governor for approval, as the initial step of rulemaking. Mr. Saito made a motion, seconded by Mr. Ing, to submit the proposed rule changes to the Governor. The motion was approved.

Chair King called for a 5 minute recess at 3:33 pm. The meeting reconvened at 3:38 pm.

Mr. Fujioka submitted to the board written testimonies that were received by the SPO on behalf of the board. Ms. Cassy Husted submitted testimony in support of the petitions. Ms. Carol Bain submitted testimony opposed to the petitions and Mr. Jeff Garland submitted comments from the League of Woman Voters opposed to exempting PEG access services from competition.

- d. Act 50, SLH 2005 Relating to Small Business;
Small Business Roundtable Proposed HAR; and
Draft HAR, Chapter 3-127, Small Business Assistance

Ms. Ruth Yamaguchi provided background information on the above subject and a conceptual overview of the draft HAR. Mr. Saito questioned the definition of small business. After further discussion, the SPO agreed to consult with the Small Business Administration in defining small business.

- e. SB2898, CD1, Relating to Procurement;
HAR 3-122-75 Goods, services, and construction (small purchase); and
Draft Procurement Directive: Small Purchase Procurements Pursuant to HRS §103D-305

Chair King opened the meeting to anyone interested in providing testimony on item e.

Mr. Gary Hynds, Hawaii Health Systems Corporation (HHSC) testified in opposition to the proposed Procurement Directive and amendment to the Hawaii Administrative Rules. Mr. Hynds also requested a working group be formed to draft the rules for small purchase. The SPO agreed to obtain input from interested parties and return to the board with a redraft of the proposed rules and procurement directive.

Next Meeting

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

Adjournment

Motion to adjourn was made by Mr. Saito and seconded by Mr. Chinen. There being no further business, the meeting was adjourned at 4:16 p.m.

Respectfully submitted,

July 18, 2006
Date

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