

PROCUREMENT POLICY BOARD MEETING

April 16, 2009

1:00 pm

Conference Room 410

1151 Punchbowl Street

Honolulu, Hawaii 96813

Members Present

Pamela Torres, Chair  
Darryl Bardusch, Vice-Chair  
Russ Saito, Secretary  
Leslie Chinen, member  
Daryle Ann Ho, member  
Keith Matsumoto, member

Others

Aaron Fujioka, State Procurement Office  
Ruth Yamaguchi, State Procurement Office  
Colin Tanaka, State Procurement Office  
Kevin Takaesu, State Procurement Office  
Terry Thomason, Alston Hunt Floyd & Ing  
Gifford Chang  
Kathy Kanemori, Board of Water Supply  
Kealii S. Lopez, Olelo Community TV  
Lance Inouye, General Contractor's Association

Agenda Item I - Call to Order

Chair Pamela Torres called the meeting to order at 1:00 p.m.

Agenda Item II - Minutes

Mr. Darryl Bardusch made a motion, seconded by Mr. Leslie Chinen, to approve the minutes of the March 19, 2009 meeting. The motion was unanimously carried.

Agenda Item III

Mr. Gifford Chang stated that contracts with government agencies are not being reviewed for certified payroll compliance. Contractors are submitting certified payrolls that are not verified and contain false information. Mr. Russ Saito and Mr. Keith Matsumoto raised the issue of Department of Labor & Industrial Relations being the proper department to address wages.

Mr. Chang explained that he would like the Procurement Policy Board to establish proper procurement procedures prior to award to eliminate the contractor's ability to not pay proper wages.

Mr. Matsumoto inquired about training on this issue and Mr. Aaron Fujioka replied that the State Procurement Office is looking into establishing a training workshop to address this issue.

Mr. Matsumoto made a motion, seconded by Mr. Saito requesting the Comptroller to issue a Comptroller's Memorandum outlining the responsibility of procurement officers to do required cost and pricing analysis and in-office and out-of-office field inspections to verify certified payrolls. The motion was unanimously carried.

#### Agenda Item IV

Mr. Fujioka presented the Board handouts of the protest process and procedures and the HRS and HAR sections addressing protests and protest delegation.

Mr. Bardusch stated that the current practice does not give protestors the appearance of an unbiased determination on a protest. A discussion followed on the level/degree of removal of the individual addressing a protest.

Mr. Saito made a motion, seconded by Mr. Bardusch to request Mr. Bardusch to draft rules changes whereby the Procurement Officer is not the same individual that addresses the protest. Mr Saito, Mr. Bardusch and Mr. Chinen voted in favor of the motion. Ms. Torres, and Ms. Daryle Ann Ho voted against and Mr. Matsumoto abstained. The motion did not pass.

#### Agenda V

Mr. Matsumoto made a motion, seconded by Ms. Ho to defer this item until the Deputy Attorney General is in attendance. The motion was unanimously carried.

#### Agenda VI

Mr. Aaron Fujioka provided the Board with written update on the SPO training workshops and results. The next board meeting is scheduled for the third Thursday, May 21, 2009 at 1:00 pm.

At this time Chair Torres inquired if any member of the audience had any announcements they would like to make.

Mr. Terry Thomason, on behalf of Professor Conway-Jones invited the Board members to a luncheon on Thursday, April 21<sup>st</sup> to meet a visiting professor from the Chinese Procurement Academy and Institute of China.

Ms. Kealii Lopez stated that she is interested in the outcome of the draft protest process and will reserve her comments when it is brought before the Board.

Agenda Item VII

Mr. Bardusch made a motion, seconded by Mr. Saito, to adjourn the meeting. The motion was unanimously carried. The meeting was adjourned at 2:27 p.m.

Respectfully submitted,

4/27/09  
Date

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

Attachment: April 16, 2009 Agenda

**PROCUREMENT POLICY BOARD**  
1151 Punchbowl Street, Conference Room 410  
Honolulu, Hawaii 96813

Regular Meeting  
April 16, 2009  
1:00 pm

AGENDA

- I. Call to Order.
- II. Approval of Minutes – Meeting of March 19, 2009.
- III. Communication from Gifford K.F. Chang dated April 4, 2009 regarding HRS Chapter 103D, Certified Payroll.
- IV. Request by Member Darryl Bardusch for:
  - a) The State Procurement Office (SPO) to give a presentation on how protests are conducted/handled and what the board has the authority to do concerning this process; and
  - b) A discussion on restricting the SPO's authority to delegate the authority to resolve protests.
- V. Executive Session to consult with the Board's attorney on powers, immunities, and liabilities pursuant to HRS section 92-5(a)(4); regarding two appeals of the PPB's Declaratory Order, in the Circuit Court of the First Circuit by Olelo Community Television and in the Circuit Court of the Second Circuit by Akaku: Maui Community Television.
- VI. Announcements.
- VII. Adjournment.

Agenda may be viewed at [www.spo.hawaii.gov/procurement-policy-board-minutes-of-meeting](http://www.spo.hawaii.gov/procurement-policy-board-minutes-of-meeting). Individuals may present testimony on matters on the Procurement Policy Board's agenda when the agenda item is being discussed 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](mailto:procurement.policy.board@hawaii.gov) or faxed to (808) 587-4703 until 1:00 pm, April 14, 2009. Testimonies received after the April 14, 2009 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., April 13, 2009 to discuss accommodation arrangements.