

PROCUREMENT POLICY BOARD MEETING

March 19, 2009

1:00 pm

Conference Room 410

1151 Punchbowl Street

Honolulu, Hawaii 96813

Members Present

Darryl Bardusch, Vice-Chair

Russ Saito, Secretary

Leslie Chinen, member

Daryle Ann Ho, member

Keith Matsumoto, member

Others

Ruth Yamaguchi, State Procurement Office

Kevin Takaesu, State Procurement Office

Patricia Ohara, Office of the Attorney General

Kevin Vegas, Grainger

Bob Shore, Department of Business, Economic Development & Tourism

Dori Palcovich, Department of Business, Economic Development & Tourism

Agenda Item I - Call to Order

Vice-Chair Darryl Bardusch called the meeting to order at 1:02 p.m.

Agenda Item II - Minutes

Mr. Leslie Chinen made a motion, seconded by Mr. Russ Saito, to approve the minutes of the January 15, 2009 meeting. The motion was unanimously carried.

Agenda Item III

Mr. Saito made a motion, seconded by Mr. Chinen to approve the nomination of Ms. Nancy Crawford, Director of Finance of the County of Hawaii to the Small Business Utilization Council. The motion was unanimously carried.

Mr. Saito made a motion, seconded by Ms. Daryle Ann Ho to approve the nomination of Mr. Rix Maurer, Director of Budget and Fiscal Services of the City and County of Honolulu to the Small Business Utilization Council. The motion was unanimously carried.

Agenda Item IV

Mr. Saito explained that the Small Business Utilization Council (SBUC) is requesting that the Procurement Policy Board reconsider Alternate Renewable Energy as a targeted area for set-asides and/or subcontracting. Mr. Robert Shore directed the board to Table 6 of the March 6, 2009 memo sent by SBUC stating that this was provided to fill in the gap from the December 18, 2008 meeting. Table 6 gives a greater breakdown and a wider range of companies in the energy sector.

The board had concerns because it felt the State does not purchase alternative energy, but more to contract with energy efficiency type companies, and that the goal is to reduce the State's dependency on fossil fuel by reducing energy consumption. The board also noted Table 6 does not designate whether these companies are small businesses. The board would like to have a defined industry specific list.

Mr. Saito made a motion, seconded by Mr. Keith Matsumoto to request that the Department of Business, Economic Development & Tourism present to the SBUC a rationalized list of NAICS codes for targeted types of procurement (i.e. energy efficiency) to be considered for set-asides for consideration by the PPB. The motion was unanimously carried.

Agenda VI

The board decided to take Agenda VI-Announcements out of order.

Ms. Ruth Yamaguchi announced the Mr. Aaron Fujioka was not in attendance because he was at the legislature testifying on bills. She also stated that the next board meeting is scheduled for the third Thursday, April 16, 2009 at 1:00 pm.

Ms. Yamaguchi announced that a summary of the various legislative bills impacting procurement is premature at this point. The SPO reviewed, testified, and or tracked over 120 procurement related bills; currently down to over 40 bills. Bills have just crossed-over, therefore, at the next meeting, a summary may be provided. Many of the bills relate to exemptions from the code, protest process, cooperative purchasing, energy efficiency, etc.

Mr. Saito stated that the small business preference law has been established since 2005 but agencies are not sure how to implement the rules. The Department of Accounting and General Services did an MOA/MOU with the University of Hawaii's Procurement Institute to create a small business preference class scheduled for March 20th and April 2nd intended for government officials. Included are the counties and boards of water. Each class has 50 attendees and after the 2 sessions, agencies should be able to implement the small business preference.

Agenda V

Mr. Matsumoto made a motion, seconded by Mr. Saito that the board go into an executive session pursuant to HRS § 92-5(a)(4) to consult with the Board's attorney on issues pertaining to the Board's powers, duties and liabilities; to discuss personnel matters pursuant to HRS section 92-5(a)(2). The motion was unanimously carried.

The Board went into executive session at 1:40 pm.

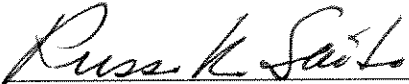
Vice-Chair Bardusch called the meeting back to order at 2:05 pm.

Agenda Item VII

Mr. Matsumoto made a motion, seconded by Mr. Saito, to adjourn the meeting. The motion was unanimously carried. The meeting was adjourned at 2:05 p.m.

Respectfully submitted,

3/30/09
Date



RUSS K. SAITO, Secretary
Procurement Policy Board

Attachment: March 19, 2009 Agenda

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

Regular Meeting
March 19, 2009
1:00 pm

AGENDA

- I. Call to Order.
- II. Approval of Minutes – Meeting of January 15, 2009.
- III. Communication from the Small Business Utilization Council regarding the nomination of:
 - a. Ms. Nancy Crawford, Director of Finance of the County of Hawaii, replacing Mr. William Takaba; and
 - b. Mr. Rix Maurer, Director of Budget and Fiscal Services of the City and County of Honolulu, replacing Ms. Mary Patricia Waterhouse, as voting members on the Small Business Utilization Council.
- IV. Communication from the Small Business Utilization Council regarding HAR Chapter 3-124, Small Business Preference Rules – Targeted Area for Set-Aside and/or Subcontracting – Alternate Renewable Energy.
- V. Executive Session to consult with the Board’s attorney on powers, immunities, and liabilities pursuant to HRS section 92-5(a)(4); to discuss personnel matters pursuant to HRS section 92-5(a)(2). Regarding the term and appointment requirements of Administrator, State Procurement Office pursuant to HRS §103D-204.
- VI. Announcements.
- VII. Adjournment.

Agenda may be viewed at 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 or faxed to (808) 587-4703 until 1:00 pm, March 17, 2009. Testimonies received after the March 17, 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., March 16, 2009 to discuss accommodation arrangements.