

PROCUREMENT POLICY BOARD MEETING

November 18, 2010

1:00 pm

Conference Room 410

1151 Punchbowl Street

Honolulu, Hawaii 96813

Members Present

Pamela Torres, Chair  
Russ Saito, Secretary  
Leslie Chinen, member  
Keith Matsumoto, member

Others

Aaron Fujioka, State Procurement Office  
Ruth Yamaguchi, State Procurement Office  
John Cheung, CCEngineering (BIA representative)

Agenda Item I - *Call to Order*

Chair Pamela Torres called the meeting to order at 1:13 PM.

Agenda Item II - *Approval of Minutes of August 19, 2010.*

Mr. Russ Saito made a motion, seconded by Mr. Leslie Chinen, to approve the minutes of the August 19, 2010 meeting.

The motion was unanimously approved.

Agenda Item III - *Proposed amendment to Hawaii Administrative Rules (HAR) chapter 3-124, Preferences, for consideration as interim rules due to Act 175, SLH 2009 - Part II on Procurement Preferences. HAR changes are to sections in Subchapter 1 - Hawaii Products.*

Mr. Aaron Fujioka gave background information on the Hawaii Products categories and the changes made to the Hawaii Administrative Rules that were attached to the agenda. The Board had concerns on the definitions section of the rules, and after the discussion the State Procurement Office agreed to modify the definition section as discussed.

Mr. Matsumoto made a motion, seconded by Mr. Saito, to adopt the proposed amendment to Hawaii Administrative Rules chapter 3-124, Preferences, as interim rules with State Procurement Office's modifications to the definitions as discussed.

The motion was unanimously approved.

Agenda Item IV – *Status update on HAR chapte 3-124, Subchapter 9 – Small Business Preference Rules (Interim), effective August 24, 2009.*

Mr. Fujioka explained the chronology of events leading up to this board meeting. He referred to and discussed “Attachment B” that was part of the information given to the Board attached to the agenda. Mr. Fujioka stated the last SBUC meeting was on July 6, 2009, and no further SBUC recommendations have been submitted to the Board for consideration. The options available to the Board were to 1). Amend the interim rules; 2). take the interim rules to public hearing; or 3). let them expire on February 24, 2011.

Mr. John Cheung, representing the BIA stated they are advocates of small business, but the rules are hard to manage. The industry is willing to work with the Board to come up with ideas, but they can only speak on behalf of the construction industry. Mr. Cheung felt the Board should come up with rules that are simple.

The Board supports small business, but is unclear how to proceed with the rules. As this may be Mr. Saito’s last board meeting, he wanted a commitment on how the Board will proceed in implementing the small business statute. No decision was made by the Board.

Agenda Item V – *Announcements*

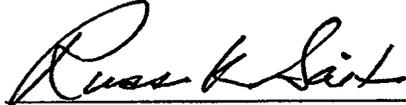
Mr. Fujioka announced that the next board meeting is tentatively scheduled for December 16, 2010 at 1:00 pm.

Agenda Items VI - *Adjournment*

Mr. Saito made a motion, seconded by Mr. Chinen to adjourn the meeting. The motion was unanimously carried. The meeting was adjourned at 2:38 pm.

Respectfully submitted,

11/23/10  
Date

  
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RUSS K. SAITO, Secretary  
Procurement Policy Board

Attachments: November 18, 2010 PPB Agenda

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

Regular Meeting  
November 18, 2010  
1:00 pm

AGENDA

- I. Call to Order.
- II. Approval of Minutes - Meeting of August 19, 2010.
- III. Proposed amendment to Hawaii Administrative Rules (HAR) chapter 8-124, *Preferences*, for consideration as interim rules due to Act 175, SLH 2009 - Part II on Procurement Preferences. HAR changes are to sections in Subchapter 1 - Hawaii Products.
- IV. Status update on HAR chapter 3-124, Subchapter 9 - Small Business Preference Rules (Interim), effective August 24, 2009.
- V. Announcements.
- VI. Adjournment.

Agenda and available agenda items may be viewed at <http://hawaii.gov/spo/procurement-policy-board-minutes-of-meeting>. 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](mailto:procurement.policy.board@hawaii.gov) or faxed to (808) 587-4703 until 1:00 pm, November 16, 2010. Testimonies received after the November 16, 2010 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., November 15, 2010 to discuss accommodation arrangements.