

**PROCUREMENT POLICY BOARD**  
**Meeting Minutes**  
**Monday, August 10, 2015, 10:30 a.m.**

Locations:

Kalanimoku Building ♦ 1151 Punchbowl Street, Conference Room 410 ♦ Honolulu, Hawaii 96813  
Wells Street Professional Center ♦ 2145 Wells Street, Suite 104 ♦ Wailuku, Hawaii 96793

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**Members Present**

Ronald N. Hirano  
Gregory L. King, Chair (via videoconference)  
David Langille  
Douglas Murdock

**Staff**

Sarah Allen, State Procurement Office (SPO)  
Ruth Baker, SPO  
Stella Kam, Department of the Attorney General (via phone conference)  
Andrew Lum, SPO  
Mara Smith, SPO  
Kevin Takaesu, SPO  
Donna Tsuruda-Kashiwabara, SPO  
Paula Youngling, SPO

**Others**

Shannon Alivado, General Contractors Association of Hawaii (via phone conference)  
Lester Fukuda, American Council of Engineering Companies of Hawaii  
Melissa Pavlicek, Procurement Policy Board Nominating Committee

**I. Call to Order, Public Notice, Quorum**

Chair Gregory King called the Procurement Policy Board (PPB) meeting to order at 10:31 a.m.

**II. Approval of October 30, 2014 Meeting Minutes**

The board discussed appointing a member to sign the minutes of the minutes of the October 30, 2014, meeting. David Langille made a motion, which was seconded by Douglas Murdock, to have Ronald Hirano sign the minutes. The draft minutes of October 30, 2014, were reviewed. The members unanimously voted to approve the minutes.

**III. PPB Procurement Policy Board Operations**

**A. Current Membership**

Sarah Allen welcomed Comptroller Douglas Murdock as the new member of the PPB and provided information on the current PPB membership:

<u>Board Member</u>	<u>Expiration of Term</u>	<u>Board Position</u>
Douglas Murdock	Coincides with term as Comptroller	Comptroller, DAGS
Greg King	6/30/2016	County Employee
VACANT		Certified Professional
Ronald Hirano	6/30/2016	Federal Procurement
David Langille	6/30/2015 (holdover)	General Member
VACANT		Health & Human Services
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Ms. Allen stated that the PPB needs will have to place on its next meeting agenda a vote for PPB secretary.

**B. Nominating Committee Report**

Melissa Pavlicek reported that the Nominating Committee is currently reviewing applications of candidates for the vacant positions.

**C. Resource and Support**

Ms. Allen reported that the SPO submitted requests to the 2015 Legislature for funds for a PPB Administrator, restoration of payroll funds for two positions, and funds to establish an Acquisition Academy, but these requests did not go through. She also reported that the SPO has seven vacant positions out of 20 SPO staff.

**IV. 2015 Legislative Session Update**

Ms. Allen reported that four primary procurement measures have passed out of the 2015 Legislative Session:

- 1) Coordination of Information - Act 181 (HB 1180 HB1 SD2 CD1): Requires all chief procurement officer to coordinate with the administrator of the procurement office regarding procurement policies, innovations, and concerns. Requires the reporting of procurement contract data pursuant to the administrator of the procurement office.
- 2) Data Call - HCR204 SD1: Requests the State Procurement Administrator to collect detailed information across all 21 individual procurement jurisdictions.
- 3) Past Performance Task Force - Act 182 (HB 1292 HD2 SD2 CD1): Extends the Procurement Task Force through June 30, 2016, and expands the Task Force to identify and propose amendments to the procurement code that may better promote economy, efficiency, effectiveness, and impartiality in procurement for public works construction projects, including all available relevant and past performance information considerations by the procurement officer prior to bids being awarded under the state procurement code.
- 4) Hawaiian Plants - (HB 206 HD2 SD1 CD1); transmitted to the Governor): amends the state public procurement code (HRS §103D-408) to require landscaping projects of State-developed buildings, complexes, facilities, or housing to incorporate specified percentages of Hawaiian plants in order to contribute to a Hawaiian sense of place, to reduce the use of non-native invasive plant species, and to support the preservation of Hawai'i's cultural and ecological heritage. Requires exclusion of areas to be determined by procedures, standards, or guidelines established by the policy board, allows for establishment of procedures, standards, or guidelines by the Procurement Policy Board.

**V. Hawaii Administrative Rule Changes**

Ms. Allen and SPO staff member Robyn Pfahl provided an update on Rulemaking Pursuant to HRS Chapter 91.

**A. In process:**

- 1) Inventory Services – amending HAR §3-130
- 2) “Etc.” - amending HAR §§ 3-120-4 and Exhibit A
- 3) Exemption Language - amending HAR §§ 3-120-4, Exhibit A, and 3-122-1

- B. Discussion of Options for Professional Services - HAR §3-122-66  
The SPO engaged in a legislative initiative to specifically authorize the PPB to promulgate administrative rules when a professional services review committee receives less than three qualified persons' submittal under specific selection criteria. During the 2015 Legislative Session, two bills addressing professional services — HB 895 HD1 and SB 1064 SD1 HD1 – were heard but did not pass.

Ms. Allen asked the PPB to vote on what the next step will be: either Permanent Rulemaking pursuant to HRS Chapter 91, or introduce legislation for the 2016 Session. The PPB voted to go to Permanent Rulemaking.

**VI. Small Business Initiative Update**

Ms. Allen introduced Shawn Richey of the SPO as the new point of contact for the small business initiative. He has been working with various stakeholders in developing rules that would promote the growth and development of small businesses per Act 50, SLH 2005.

**VII. Announcements & SPO Updates**

Ms. Allen reported that the SPO is working on various projects to streamline the procurement process:

- A. Procurement Manual  
Online procurement manual that will be accessible by all procurement personnel in the State of Hawaii.
- B. Learning Management System Training & Certification  
This LMS will also be available online.
- C. eProcurement System

**VIII. Next Meeting**

Since the Board does not have any pressing issues, the next meeting will be subject to call.

**IX. Adjournment**

Mr. Hirano made a motion, and Mr. Langille seconded, to adjourn the meeting. The meeting was adjourned at 11:32 a.m.

Respectfully submitted,

FOR

  
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Procurement Policy Board

Attachment: August 10, 2015, PPB Agenda.