

**PROCUREMENT POLICY BOARD**  
**Meeting Minutes**  
**Thursday, August 31, 2017, 1:00 p.m.**  
**Comptroller's Conference Room**  
**Kalanimoku Building Room 410, 1151 Punchbowl Street**  
**Honolulu, Hawaii 96813**

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**Members Present**

Howard Garval, Chair  
Elizabeth Webb, Vice Chair  
Kathy Suzuki-Kitagawa, Secretary  
Roderick K. Becker  
Lena Cullison

**Members Absent**

Gary Kurokawa  
James Mastin

**Attorney**

Stella Kam, Department of the Attorney General

**State Procurement Office**

Sarah Allen, Administrator  
Mara Smith, Assistant Administrator  
Corinne Higa  
Jittima Laurita  
Stacey Kauleinamoku

**Department of Accounting & General Services**

Kenwyn Sato, Department Human Resources Officer  
Shelley Perez, Human Resources Specialist

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

Chair Howard Garval called the Procurement Policy Board (PPB) meeting to order at 1:11 p.m., with a quorum present.

**II. Approval of July 13, 2017, Meeting Minutes**

Comptroller Roderick K. Becker made a motion to accept the minutes of the July 13, 2017, meeting as presented. Kathy Suzuki-Kitagawa seconded the motion, and the Board members unanimously agreed to approve the minutes.

**III. Proposed Legislation: Hawaii Revised Statutes Chapter 103F, Purchases of Health and Human Services**

SPO Administrator Sarah Allen introduced the proposed amendments to HRS Chapter 103F stating the purpose of the first bill, relating to the procurement of treatment purchase of services, is to allow departments to issue the request for statements of qualifications and to establish their own lists of qualified providers pursuant to the proposed amendments to HRS Chapter 103F-404. The second bill, relating to the procurement of small purchase of service, will move HRS Chapter 103F away from HRS Chapter 103D Small Purchases and allow the HRS Chapter 103F to stand on its own by deleting the reference to follow HRS Chapter 103D-305. Ms. Allen also reported that right now the Small Purchase dollar threshold for HRS Chapter 103F is \$25,000, but HRS Chapter 103D is \$100,000 so SPO wants to make a clear distinction between these two HRS Chapters.

Deputy Attorney General Stella Kam found a typo on the second bill's Section 2, page 1, line 11, stating "Section 103KF-405." SPO needs to take out the "K" in "103F."

SPO Assistant Administrator Mara Smith explained the history of the Treatment of Purchase of Services program, stating the SPO Administrator establishes one list of services that agencies procure for sporadically or could not anticipate accurately on an annual basis. In the past, departments submitted specific services, but they were specific to that department and weren't applicable across all other departments, which made it difficult to evaluate.

Corinne Higa, SPO Health and Human Services Manager, reported the established list was quite restrictive. As a result, agencies have not been using the list, and there has not been a need or demand for it in the past 11 years. Therefore, these proposed amendments will give Executive Department Directors the option to create their own lists that are specific to the needs of their departments.

Chair Garval asked how agencies felt about these changes. Ms. Higa responded that the agencies would like to have this option.

Mr. Becker asked about parceling in HRS Chapter 103F because currently HRS Chapter 103F states to follow HRS Chapter 103D. He brought up his concern that parceling is statutory but we are going to address parceling in HRS Chapter 103F rules instead.

Ms. Higa responded that SPO will tailor HRS Chapter 103F small purchases rules to HRS Chapter 103D's so that it is clear about parceling in HRS Chapter 103F. Also the dollar threshold in HRS Chapter 103F is low.

Ms. Smith also stated parceling generally is not an issue for HRS Chapter 103F.

**IV. Executive Session pursuant to HRS §92-5(a)(2) to discuss personnel matters in the recruitment for Administrator, State Procurement Office**

Chair Garval asked to skip to Items V. Announcements and VI. Next Meeting – September on the agenda before adjourning for Executive Session.

**V. Announcements**

Ms. Smith invited the PPB members to attend the SPO's annual SPOCon 2017 conference on October 20, 2017. She also informed the PPB members that the SPO is requesting departments to submit nominations for the Procurement Team of the Year. Last year the SPO accepted nominations for the individual Procurement Professional Excellence Award.

Ms. Allen explained who would be coming to the conference with a schedule of events that will be held. SPOCon 2017 will include a one-hour presentation on disaster preparedness, leadership training, an expo with contractors, and an awards ceremony during breakfast. Governor David Ige will be again invited to attend and present the award.

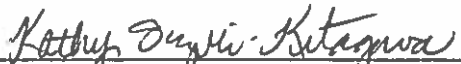
**VI. Next Meeting - September**

The SPO has no upcoming procurement updates to report in September 2017. The next meeting will be held in October 2017. Ms. Baker will take a poll on the availability of members.

**VII. Adjournment**

After Items V. Announcements and VI. Next Meeting were discussed, the PPB went into Executive Session at 1:25 p.m., and the meeting was adjourned at 2:18 p.m.

Respectfully submitted,

  
Kathy Suzuki-Kitagawa, Secretary  
Procurement Policy Board