

PROCUREMENT POLICY BOARD
DRAFT Meeting Minute
Tuesday, May 28, 2019, 9:30 a.m.
Comptroller's Conference Room
Kalanimoku Building, Room 410, 1151 Punchbowl Street
Honolulu, Hawaii 96813

Members Present

Elizabeth Webb, Chair
Gary Kurokawa, Vice Chair
Curt T. Otaguro, Secretary
Lena Cullison

Guests

Lance Inouye, General Contractors Association
Kiyo Noguchi, Hawaii Procurement Institute

Staff

Department of the Attorney General
Stella Kam, Deputy Attorney General

Accounting and General Services
Audrey Hidano, Deputy Comptroller

State Procurement Office
Sarah Allen, Administrator
Bonnie Kahakui, Assistant Administrator
Ruth Baker
Kevin Takaesu

I. Call to Order, Public Notice, Quorum

Chair Elizabeth Webb called the Procurement Policy Board (PPB) meeting to order at 9:32 am. with a quorum present.

II. Approval of March 21, 2019, Meeting Minutes

Curt T. Otaguro made a motion to accept the minutes of the March 21, 2019, meeting as presented. Gary Kurokawa seconded the motion, and the PPB members unanimously approved the minutes.

The agenda was taken out of order.

III. Development of Rules

a. Public Private Partnership (P3) Rules

SPO Administrator Sarah Allen informed the PPB members that a bill relating to public-private partnerships (HB 889 HD1 SD1, attached) made its way through the session, but did not pass. Because there is great interest in implementing P3 agreements, the SPO can develop rules to provide guidance for such agreements. The SPO proposes to work with a subject matter expert and form a working group on the development of rules for public private partnerships. This working group will consist of representatives from various state and county agencies who will develop rules. These proposed rules will then go through the rule-making process, which includes implementing interim rules and a holding a public hearing.

She asked the PPB for approval to develop rules under the guidance of a consultant who is already working with the Public Works Division of the Department of Accounting and General Services.

Elizabeth made a motion to approve formation of a working group and the development of rules on P3. Lena Cullison seconded the motion.

b. Past Performance Rules

Ms. Allen provided background information on the SPO's work on this subject. In 2014, the Hawaii State Legislature requested the SPO to conduct a study on the feasibility, processes, and costs relative to requiring the consideration of past performance as a factor in awarding public contracts, including low bid contracts. In January 2015, the SPO submitted the "Report on the Study on Past Performance Consideration in Hawaii Contracting" to the Hawaii State Legislature pursuant to HCR 176 (SLH 2014) for consideration of future past performance initiatives. The next step is to develop a working group to develop a working group on past performance.

Lena Cullison made the motion to approve the development of a working group on past performance. Gary Kurokawa seconded the motion. The motion passed.

IV. Procurement Policy Board Applications

Ruth Baker of the State Procurement Office (SPO) reported that additional applications for the PPB are needed so the Governor can appoint a member from a list of three individuals for each of the two vacant positions in Health and Human Services. Applicants are to have significant experience in the field of health and human services. As soon as there are enough applicants, the Procurement Policy Board Nominating Committee can be activated.

V. Small Business Office

Kevin Takaesu, Chief Policy and Compliance Officer for the SPO, reported that HB 1188 HD2 SD1 (SLH 2019), did not advance through the Legislature, which means that Act 42 (SLH 2017) for the State Small Business Office Services program will not be funded for the second and third years of the planned three-year initiative.

Without the funding, the SPO determined that continued outreach efforts would be a futile endeavor knowing there was no support for the small business assistance initiative. As a result, the contract with Solutions Pacific will be terminated at the end of May.

VI. Small Business Database

Assistant Administrator Bonnie Kahakui reported that 400 businesses registered in the Hawaii Awards & Notices Data System (HANDS) small business database. Although the State Small Business Office Service program will not have continued funding, this database will remain intact by SPO and may become active when a full eProcurement system is implemented.

VII. Conforming Rules

Ms. Allen reported that the SPO continues to review all its rules and will work on improving them. Revised rules will have to go through publication of those rules and a public hearing process.

VIII. Next Meeting

The next PPB meeting will take place in August. Ms. Baker will poll the members to determine a date.

IX. Adjournment

Mr. Kurokawa made a motion to adjourn the meeting. Curt Otaguro seconded the motion. The meeting was adjourned at 10:19 a.m.

Respectfully submitted,

Curt T. Otaguro
Secretary

Attachments