

PROCUREMENT POLICY BOARD MEETING

April 24, 2012

1:00 pm

Conference Room 410
1151 Punchbowl Street
Honolulu, Hawaii 96813

Members Present

Howard Garval
Gregory King
David Langille
Douglas Murdock
Dean Seki
Kathy Suzuki-Kitagawa

Others

Aaron Fujioka, State Procurement Office
Ruth Yamaguchi, State Procurement Office
Edward Young, Nidon Computer Corp.
Glenn Nohara, General Contractors Association
Ken Takenaka, General Contractors Association
Shannon Alivado, General Contractors Association
Gladys Marrone, Building Industry Association

Agenda Item I - *Call to Order*

The Board called the meeting to order at 1:03 pm.

Agenda Item II – *Approval of Minutes of February 2, 2012.*

Mr. Gregory King made a motion, seconded by Mr. David Langille, to approve the minutes of the February 2, 2012 meeting.

The motion was unanimously approved.

Agenda Item III – *Election of Officers.*

Mr. Aaron Fujioka stated that the statutes call for election of the chairperson on an annual basis. Historically, the board has elected a chair, vice-chair and secretary. The comptroller by statute is not allowed to serve as chairperson, but has been elected secretary for convenience.

Ms. Kathy Suzuki-Kitagawa made a motion, seconded by Mr. Howard Garval, to nominate Gregory King as chair.

Mr. King stated that he would serve for a year if the board requested to allow the other members time to familiarize themselves with the working of the board.

The motion was unanimously approved.

Ms. Suzuki-Kitagawa made a motion seconded by Mr. Dean Seki to nominate David Langille as Vice-Chair.

The motion was unanimously approved.

Mr. Garval made a motion seconded by Mr. Douglas Murdock to nominate Mr. Seki as Secretary.

The motion was unanimously approved.

Agenda Item IV – Summary and results from public hearing and for the PPB’s final approval of the following Hawaii Administrative Rules for chapters: 3-120 General Provisions; §3-120-4, Procurements exempt from chapter 103D, HRS; Exhibit A, Procurements exempt from chapter 103D, HRS; 3-124 Preferences, Subchapter 1, Hawaii Products; and 3-125 Modifications and Terminations of Contracts, §3-125-13, Price adjustment in construction contracts.

Mr. Fujioka informed the board that the State Procurement Office (SPO), on behalf of the Procurement Policy Board (Board) conducted public hearings on the Hawaii Administrative Rules for sections of chapters 3-120, 3-124 and 3-125. He thanked Mr. King for his attendance and for coordinating the Maui site and Ms. Suzuki-Kitagawa for attending.

Mr. Fujioka stated there were no comments at the public hearing and requested the Board's approval of the rules. Mr. Murdock requested that the rules be addressed individually.

Mr. Garval made a motion, seconded by Mr. Langille to adopt §3-120-4 and Exhibit A.

Ms. Ruth Yamaguchi explained that the rule changes were to address statutory changes.

The motion was unanimously approved.

Mr. Garval made a motion seconded by Mr. Seki to adopt 3-124, Subchapter 1.

Mr. Murdock requested clarification on the difference between registered and qualified Hawaii product. Ms. Yamaguchi explained that a product is qualified by a procurement officer that is submitted in a proposal or bid for a specific solicitation. The qualified Hawaii product becomes a registered Hawaii product when the administrator of SPO has approved the product and it is included on the Hawaii products list.

The motion was unanimously approved.

Ms. Suzuki-Kitagawa made a motion, seconded by Mr. Seki to adopt §3-125-13.

The motion was unanimously approved.

Agenda Item V – Discussion on procurement streamlining requested by member Dean Seki.

Mr. Seki thought there should be a discussion on procurement streamlining and whether the Board would like to form a working group or continue to have ongoing discussions as a Board agenda item.

Mr. Fujioka suggested the Board may want to have further discussions and define a more specific area or targeted item that the Board would like to accomplish rather than taking on the large task of addressing the entire procurement code.

After a lengthy discussion the Board agreed to keep the item on the agenda for further discussion.

Agenda Item VI - Summary of legislation requested by member Greg King.

Mr. King requested that this item be placed on the agenda for the next meeting as the legislative session will be ending on May 3rd and a report could be made at that time of legislation that has passed pertaining to procurement.

Agenda Item VII - Announcements

Mr. Fujioka stated that SPO will follow the same procedure of surveying the Board with suggested dates for the next meeting.


Mr. Garval inquired whether any thoughts of centralizing procurement. Mr. Fujioka replied that the topic of centralization comes up periodically. Everyone agrees that it would be most efficient, SPO had previously submitted a proposed centralization plan to the prior Comptroller and Legislature.

Agenda Item VII - *Adjournment*

Mr. Garval made a motion, seconded by Mr. Langille to adjourn the meeting. The motion was unanimously approved. The meeting was adjourned at 2:40 pm.

Respectfully submitted,

5/16/12
Date



Dean Seki, Secretary
Procurement Policy Board

Attachment: April 24, 2012 PPB Agenda

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

Regular Meeting
April 24, 2012
1:00 pm

AGENDA

- I. Call to Order.
- II. Approval of Minutes - Meeting of February 2, 2012.
- III. Election of Officers.
- IV. Summary and results from public hearing and for the PPB's final approval of the following Hawaii Administrative Rules for chapters:
 - 3-120 General Provisions
 - §3-120-4, Procurements exempt from chapter 103D, HRS Exhibit A, Procurements exempt from chapter 103D, HRS
 - 3-124 Preferences
 - Subchapter 1, Hawaii Products
 - 3-125 Modifications and Terminations of Contracts
 - §3-125-13, Price adjustment in construction contracts.
- V. Discussion on procurement streamlining requested by member Dean Seki.
- VI. Summary of legislation requested by member Greg King.
- VII. Announcements.
- VIII. Adjournment.

Agenda and available agenda items may be viewed at <http://hawaii.gov/spo/general/ppb/procurement-policy-board>, click on *Meeting Agenda and Minutes*. 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 or faxed to (808) 587-4703 until 1:00 pm, April 20, 2012. Testimonies received after the April 20, 2012 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., April 20, 2012 to discuss accommodation arrangements.