

DAVID Y. IGE  
GOVERNOR

SARAH ALLEN  
ADMINISTRATOR



PROCUREMENT POLICY BOARD  
LENA MOBIN CULLISON  
GARY KUROKAWA  
JAMES MASTIN  
CURT T. OTAGURO

**STATE OF HAWAII**  
**STATE PROCUREMENT OFFICE**

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**PROCUREMENT POLICY BOARD**

**A G E N D A**

Regular Meeting

Friday, October 9, 2020, 10:00 a.m.

Location: Virtual Videoconference via Zoom

**Register in advance for this meeting at**

**<https://hawaii-gov.zoom.us/meeting/register/tJ0uce6uqDMpGdwi6bsgtR2iSZnw-BOdGtBQ>**

***After registering, you will receive a confirmation email containing a link to the meeting.***

All members of the public are invited to attend the meeting. Due to the ongoing COVID-19 pandemic, protecting the health and safety of the community is of utmost concern. Pursuant to the [Governor's Twelfth Supplementary Proclamation](#), Chapter 92, HRS, Part I. Meetings, is suspended to the extent necessary to enable boards as defined in Section 92-2, to conduct meetings without any board members or members of the public physically present in the same location. To view the meeting and provide live oral testimony during the meeting, please use the above link to participate in the Board meeting virtually. You will be asked to enter your email address in order to access the meeting as an attendee. The Board requests that you enter your full name.

As an attendee, your microphone will be automatically muted during the meeting unless you are providing testimony. For each agenda item you wish to testify on, please click the **Raise Hand** button found on your Zoom  screen. Board staff will individually enable each testifier to unmute their microphone. When recognized by the Chair, please unmute your microphone before speaking and mute your microphone after you finish speaking in order to prevent audio feedback. When testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to two minutes of testimony per agenda item.

Members of the public may submit written testimony via e-mail to: [procurement.policy.board@hawaii.gov](mailto:procurement.policy.board@hawaii.gov). Please include the word "testimony" and the subject in the Subject line. All written testimony should be received no later than **4:30 pm on Thursday, October 8, 2020**.

Copies of the Board Packet will be available for on-line review at <http://spo.hawaii.gov/procurement-policy-board/procurement-policy-board-meeting-agenda-minutes/>.

- I. Call to Order, Public Notice, Quorum
- II. Approval of Minutes – Meeting of [May 28, 2019](#)
- III. Election of Officers
- IV. COVID-19 Public Health Emergency Response by State Procurement Office and Surplus Property Office
- V. Conforming Hawaii Administrative Rules
- VI. SPOCon V  
Virtual training conference for State and County government purchasing staff

- VII. Good Food Purchasing Program
- VIII. State of Hawaii eProcurement
  - 1. Launch of Department of Transportation Airport System eProcurement
  - 2. Status of Statewide Launch
- IX. Legislative Update
  - 1. Proposed Bills for 2021 Legislative Session
  - 2. 2020 Legislative Session
    - a. Senate Bill 3143, SD2 – Relating to Procurement (innovative methods of procurement)
- X. SPO Report on Compliance and Investigations – Public-Private Partnerships
- XI. Public-Private Partnerships Rule Guidance
- XII. Announcements
- XIII. Next meeting – November 2020
- XIV. Adjournment

**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**

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**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,

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Curt T. Otaguro  
Secretary

Attachments