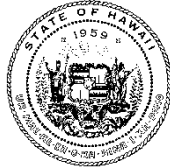


DAVID Y. IGE  
GOVERNOR

SARAH ALLEN  
ADMINISTRATOR



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

**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

P.O. Box 119  
Honolulu, Hawaii 96810-0119  
Tel: (808) 587-4701  
Email: [procurement.policy.board@hawaii.gov](mailto:procurement.policy.board@hawaii.gov)  
<http://spo.hawaii.gov>

**PROCUREMENT POLICY BOARD**

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/>.

**BOARD PACKET**

- I. Call to Order, Public Notice, Quorum
- II. Approval of Minutes – Meeting of May 28, 2019

**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

III. Election of Officers

- A. Chair
- B. Vice-Chair
- C. Secretary

IV. COVID-19 Public Health Emergency

Response by State Procurement Office and Surplus Property Office

- **State Procurement Office Activities**

Source of Funding	Total Amount of Purchases
DOH Funds	\$ 15,344,495.00
DOH Testing Funds	\$ 12,225,710.00
SB 126 PPEs	\$ 51,124,958.00
SB 75 Other	\$ 7,728,363.00
<b>Total SPO COVID-Related Buys</b>	<b>\$ 86,423,525.00</b>

- **Surplus Property Office Activities**

The Surplus Property Office is working hand-in-hand with the State Procurement Office in assisting other state agencies address the COVID-19 public health emergency.

Visit <http://spo.hawaii.gov/for-state-county-personnel/programs/surplus-property/> for more information about the Surplus Property Office.

V. Conforming Hawaii Administrative Rules

VI. SPOCon V

VII. Good Food Purchasing Program



## COVID-19 Public Health Action Webinar

# Leveraging Institutional Purchasing Power to Drive Food System Change in Hawai'i

Date: Wednesday September 30, 2020

Time: 1:00 PM - 2:30 PM

Registration link:

[https://us02web.zoom.us/webinar/register/WN\\_SqvKHFz5TMyjzQWIEXI4gQ](https://us02web.zoom.us/webinar/register/WN_SqvKHFz5TMyjzQWIEXI4gQ)

Join us to learn how The Center for Good Food Purchasing uses the power of institutional procurement to create a transparent and equitable food system that prioritizes the health and well-being of people, animals, and the environment. After learning about the adoption of the Good Food Purchasing Program by major institutions nationally, panel members will explore Hawaii's institutional purchasing opportunities, challenges and bright spots of innovation.



Guest Speaker:  
Sarah Allen  
Administrator,  
State Procurement  
Office



Guest Speaker:  
Dexter Kishida  
O'ahu Food Access  
Coordinator,  
Office of Climate  
Change and Resilience



Guest Speaker:  
Paula Daniels  
Co-Founder & Chair,  
The Center for Good  
Food Purchasing



Guest Speaker:  
Randal Tanaka  
Assistant  
Superintendent,  
Hawai'i State  
Department of  
Education

For more information, contact  
Stephanie Moir  
[stephanie@hiphi.org](mailto:stephanie@hiphi.org)  
(808) 591-6508 ext 9, then 4

- VIII. State of Hawaii eProcurement
1. Launch of Department of Transportation Airport System eProcurement
  2. Status of Statewide Launch

## STATEWIDE ePROCUREMENT PROJECT MILESTONES

As of October 2020

Description	Duration (No. of Days)	Start Date	End Date
<b>Statewide eProcurement Project</b>	327	7/1/2020	9/30/2021
Compile Solicitation Document	327	7/1/2020	9/30/2021
Develop RFP Document	88	7/1/2020	10/30/2020
Draft RFP Document	50	7/1/2020	9/8/2020
Finalize RFP Document	2	9/9/2020	9/10/2020
Submit Deliverable	1	9/11/2020	9/11/2020
State Review	10	9/14/2020	9/25/2020
Submit Final Draft	10	9/28/2020	10/9/2020
Final Iterations (as needed)	15	10/12/2020	10/30/2020
Post RFP Document	1	11/2/2020	11/2/2020
Responses (Estimated)	60	11/3/2020	1/25/2021
Evaluation (Estimated)	60	1/26/2021	4/19/2021
Award (Estimated)	10	4/20/2021	5/3/2021
Contract (Estimated)	20	5/4/2021	5/31/2021
Marketplace Implementation (Estimated)	88	6/1/2021	9/30/2021

## IX. Legislative Update

1. Proposed Bills for 2021 Legislative Session
  - Implementation of eProcurement system as an innovative, cost-saving mechanism for procurement and establishment of a special fund from user fees.
  - Repeal of the Community Council on Purchases of Health and Human Services through the repeal of Chapter 103F and Section 103F-202 of the Hawaii Revised Statutes. The Council is no longer needed today because the rules pertaining to the health and human services procurement are now well-established.
2. 2020 Legislative Session
  - [Senate Bill 3143, SD2 – Relating to Procurement](#) (innovative methods of procurement)  
Description: Requires the State Procurement Office and the Public Works Division of the Department of Accounting and General Services to develop a ten-year pilot program to enable innovative methods of procurement. Establishes an exempt innovative project delivery officer position within the Public Works Division. Makes an appropriation. Repeals 7/1/2031. (SD2)

The bill died during the 2020 Legislative Session because it did not get a hearing after crossing over to the House of Representatives.

---

# A BILL FOR AN ACT

RELATING TO PROCUREMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that projects can be  
2 delivered in a more efficient manner by increasing the effective  
3 use of state resources.

4       The purpose of this Act is to promote procurement  
5 efficiency, program success, and government accountability by:

6       (1) Requiring the state procurement office and the public  
7       works division of the department of accounting and  
8       general services to develop a ten-year pilot program  
9       to enable innovative methods of procurement; and

10       (2) Establishing and funding an exempt innovative project  
11       delivery officer position within the public works  
12       division.

13       SECTION 2. No later than January 1, 2021, the state  
14 procurement office and the public works division of the  
15 department of accounting and general services shall develop a  
16 ten-year pilot program to enable innovative methods of  
17 procurement. The pilot program shall be created within the



1 public works division. The pilot program shall offer advisory,  
2 governance, and management services to agencies in their efforts  
3 to engage in innovative procurement. The pilot program shall  
4 include but not be limited to:

- 5 (1) Value for money propositions for each authorized  
6 innovative project;
- 7 (2) Rules and guidance for innovative project delivery;
- 8 (3) Post-award contract management of innovative projects,  
9 including a recommended time and performance schedule;
- 10 (4) Negotiations and strategic planning of innovative  
11 projects;
- 12 (5) Proposed legislation that promotes efficiencies of  
13 innovative projects and general construction  
14 procurement;
- 15 (6) Written testimony to the legislature on construction  
16 bills;
- 17 (7) Construction procurement guidance through procurement  
18 circulars and the State's procurement manual;
- 19 (8) Construction and innovative project delivery training;
- 20 (9) Construction seminars;



(10) Facilitated conversations between agencies and departments with an effort to create a more consistent method of soliciting and managing construction and innovative delivery projects;

(11) Review of construction solicitations and change orders and investigations; and

(12) Research and implementation of efficient information systems to allow for reduction of manual processes, both at the solicitation and post-award stages.

SECTION 3. The state procurement administrator is authorized to establish and fill one full-time equivalent (1.0 FTE) innovative project delivery officer position, which shall be exempt from the provisions of chapter 76, Hawaii Revised Statutes, for the duration of the ten-year pilot program.

SECTION 4. The state procurement office and the public works division of the department of accounting and general services shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular sessions of 2022, 2024, 2026, 2028, and 2030.



1       SECTION 5. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$       or so much  
3 thereof as may be necessary for fiscal year 2020-2021 for one  
4 full-time equivalent (1.0 FTE) innovative project delivery  
5 officer position within the public works division; provided that  
6 it is the intent of the legislature that this appropriation be  
7 matched annually until the completion of the ten-year pilot  
8 program.

9       The sum appropriated shall be expended by the department of  
10 accounting and general services for the purposes of this Act.

11       SECTION 6. This Act shall take effect on July 1, 2020, and  
12 shall be repealed on July 1, 2031.



**Report Title:**

State Procurement; Pilot Program; Innovative Project Delivery Officer; Appropriation

**Description:**

Requires the State Procurement Office and the Public Works Division of the Department of Accounting and General Services to develop a ten-year pilot program to enable innovative methods of procurement. Establishes an exempt innovative project delivery officer position within the Public Works Division. Makes an appropriation. Repeals 7/1/2031. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*



# SB3143 SD2

Measure Title: RELATING TO PROCUREMENT.

Report Title: State Procurement; Pilot Program; Innovative Project Delivery Officer; Appropriation (\$)

Description: Requires the State Procurement Office and the Public Works Division of the Department of Accounting and General Services to develop a ten-year pilot program to enable innovative methods of procurement. Establishes an exempt innovative project delivery officer position within the Public Works Division. Makes an appropriation. Repeals 7/1/2031. (SD2)

Companion:

Package: None

Current Referral: LAB, FIN

Introducer(s): KEITH-AGARAN, English, Kanuha, J.Keohokalole

<u>Sort by</u> <u>Date</u>		Status Text
1/23/2020	S	Introduced.
1/27/2020	S	Passed First Reading.
1/27/2020	S	Referred to GVO, WAM.
1/29/2020	S	The committee(s) on GVO has scheduled a public hearing on 02-04-20 2:50PM in conference room 225.
2/4/2020	S	The committee(s) on GVO recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in GVO were as follows: 5 Aye(s): Senator(s) L. Thielen, Inouye, Baker, Kanuha, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.
2/13/2020	S	Reported from GVO (Stand. Com. Rep. No. 2577) with recommendation of passage on Second Reading, as amended (SD 1) and referral to WAM.
2/13/2020	S	Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM.
2/14/2020	S	The committee(s) on WAM will hold a public decision making on 02-20-20 10:35AM in conference room 211.
2/20/2020	S	The committee(s) on WAM recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in WAM were as follows: 11 Aye(s): Senator(s) Dela Cruz, Keith-Agaran, Harimoto, Inouye, Kanuha, Kidani, Moriwaki, Riviere, Shimabukuro, Taniguchi; Aye(s) with reservations: Senator(s) Fevella ; 0 No(es): none; and 2 Excused: Senator(s) English, K. Kahele.
2/28/2020	S	Reported from WAM (Stand. Com. Rep. No. 3105) with recommendation of passage on Third Reading, as amended (SD 2).
2/28/2020	S	48 Hrs. Notice 03-03-20.
3/3/2020	S	Report Adopted; Passed Third Reading, as amended (SD 2). Ayes, 25; Aye(s) with reservations: Senator(s) Fevella. Noes, 0 (none). Excused, 0 (none). Transmitted to House.
3/3/2020	H	Received from Senate (Sen. Com. No. 506) in amended form (SD 2).
3/5/2020	H	Pass First Reading
3/9/2020	H	Referred to LAB, FIN, referral sheet 36
3/12/2020	H	Bill scheduled to be heard by LAB on Tuesday, 03-17-20 9:10AM in House conference room 309.
3/16/2020	H	This measure has been deleted from the meeting scheduled on Tuesday 03-17-20 9:10AM in conference room 309.

**S** = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment

Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

## SB3143 SD2

- X. SPO Report on Compliance and Investigations – Public-Private Partnerships
- XI. Public-Private Partnerships Rule Guidance
- XII. Announcements
- XIII. Next meeting – TBD
- XIV. Adjournment