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. 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/.
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**  

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

- **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.  


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_SqvKHFz5TMvjzQWIEEXI4gQ

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 Hawai‘i’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
(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

<table>
<thead>
<tr>
<th>Description</th>
<th>Duration (No. of Days)</th>
<th>Start Date</th>
<th>End Date</th>
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<tr>
<td>Statewide eProcurement Project</td>
<td>327</td>
<td>7/1/2020</td>
<td>9/30/2021</td>
</tr>
<tr>
<td>Compile Solicitation Document</td>
<td>327</td>
<td>7/1/2020</td>
<td>9/30/2021</td>
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<tr>
<td>Develop RFP Document</td>
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<td>7/1/2020</td>
<td>10/30/2020</td>
</tr>
<tr>
<td>Draft RFP Document</td>
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<td>7/1/2020</td>
<td>9/8/2020</td>
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<tr>
<td>Finalize RFP Document</td>
<td>2</td>
<td>9/9/2020</td>
<td>9/10/2020</td>
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<tr>
<td>Submit Deliverable</td>
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<td>9/11/2020</td>
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<tr>
<td>State Review</td>
<td>10</td>
<td>9/14/2020</td>
<td>9/25/2020</td>
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<tr>
<td>Submit Final Draft</td>
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<td>9/28/2020</td>
<td>10/9/2020</td>
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<td>10/12/2020</td>
<td>10/30/2020</td>
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<td>Post RFP Document</td>
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<td>Responses (Estimated)</td>
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<td>1/25/2021</td>
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<td>Evaluation (Estimated)</td>
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<td>4/19/2021</td>
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<td>Award (Estimated)</td>
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<td>4/20/2021</td>
<td>5/3/2021</td>
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<td>Contract (Estimated)</td>
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<td>5/4/2021</td>
<td>5/31/2021</td>
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<td>Marketplace Implementation (Estimated)</td>
<td>88</td>
<td>6/1/2021</td>
<td>9/30/2021</td>
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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 HAWAI'I:

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

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

1. Requiring 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; and

2. Establishing and funding an exempt innovative project delivery officer position within the public works division.

SECTION 2. No later than January 1, 2021, the state procurement office and the public works division of the department of accounting and general services shall develop a ten-year pilot program to enable innovative methods of procurement. The pilot program shall be created within the
public works division. The pilot program shall offer advisory,
governance, and management services to agencies in their efforts
to engage in innovative procurement. The pilot program shall
include but not be limited to:

(1) Value for money propositions for each authorized
innovative project;

(2) Rules and guidance for innovative project delivery;

(3) Post-award contract management of innovative projects,
including a recommended time and performance schedule;

(4) Negotiations and strategic planning of innovative
projects;

(5) Proposed legislation that promotes efficiencies of
innovative projects and general construction
procurement;

(6) Written testimony to the legislature on construction
bills;

(7) Construction procurement guidance through procurement
circulars and the State's procurement manual;

(8) Construction and innovative project delivery training;

(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.
SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of $273.32 or so much thereof as may be necessary for fiscal year 2020-2021 for one full-time equivalent (1.0 FTE) innovative project delivery officer position within the public works division; provided that it is the intent of the legislature that this appropriation be matched annually until the completion of the ten-year pilot program.

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

SECTION 6. This Act shall take effect on July 1, 2020, and 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

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<tr>
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<th>Status</th>
<th>Text</th>
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<td>1/23/2020</td>
<td>S</td>
<td>Introduced.</td>
</tr>
<tr>
<td>1/27/2020</td>
<td>S</td>
<td>Passed First Reading.</td>
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<tr>
<td>1/27/2020</td>
<td>S</td>
<td>Referred to GVO, WAM.</td>
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<td>1/29/2020</td>
<td>S</td>
<td>The committee(s) on GVO has scheduled a public hearing on 02-04-20 2:50PM in conference room 225.</td>
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<td>2/4/2020</td>
<td>S</td>
<td>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.</td>
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<tr>
<td>2/13/2020</td>
<td>S</td>
<td>Reported from GVO (Stand. Com. Rep. No. 2577) with recommendation of passage on Second Reading, as amended (SD 1) and referral to WAM.</td>
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<tr>
<td>2/13/2020</td>
<td>S</td>
<td>Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM.</td>
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<td>2/14/2020</td>
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<td>The committee(s) on WAM will hold a public decision making on 02-20-20 10:35AM in conference room 211.</td>
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<td>2/20/2020</td>
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<td>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.</td>
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<tr>
<td>3/3/2020</td>
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<td>Received from Senate (Sen. Com. No. 506) in amended form (SD 2).</td>
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<tr>
<td>3/5/2020</td>
<td>H</td>
<td>Pass First Reading</td>
</tr>
<tr>
<td>3/9/2020</td>
<td>H</td>
<td>Referred to LAB, FIN, referral sheet 36</td>
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<tr>
<td>3/12/2020</td>
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<td>Bill scheduled to be heard by LAB on Tuesday, 03-17-20 9:10AM in House conference room 309.</td>
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<tr>
<td>3/16/2020</td>
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<td>This measure has been deleted from the meeting scheduled on Tuesday 03-17-20 9:10AM in conference room 309.</td>
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**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.
X. SPO Report on Compliance and Investigations – Public-Private Partnerships

XI. Public-Private Partnerships Rule Guidance

XII. Announcements

XIII. Next meeting – TBD

XIV. Adjournment