

**COMMUNITY COUNCIL ON
PURCHASES OF HEALTH AND HUMAN SERVICES**
1151 Punchbowl Street, Room 322
Honolulu

Regular Meeting
February 6, 2003
10:00 a.m.

AGENDA

- I. Call to Order
- II. Approval of Minutes – Meeting of December 18, 2002
- III. New Business
 - a) For Discussion
 - i. Conference on Purchases of Health and Human Services
- IV. Other Business
- V. Announcements
- VI. Next Meeting
- VII. Adjournment

COMMUNITY COUNCIL ON PURCHASE OF HEALTH AND HUMAN SERVICES MEETING

February 6, 2003
1151 Punchbowl Street, Room 322
Honolulu, Hawai'i 96813

Members Present

Mary Lou Barela
Stella Wong

Victor Geminiani
Jamie Woodburn

Joanne Lundstrom
George Yokoyama

Excused

Ann Higa
Debbie Shimizu

Others

Mara Smith, State Procurement Office
Corinne Higa, State Procurement Office

I. Call to Order

Joanne Lundstrom called the meeting to order at 10:15 a.m..

II. Approval of Minutes – Meeting of December 18, 2002

It was moved and seconded that the minutes of the last meeting be approved.

III. The Third Conference on Purchases of Health and Human Services

A. Conference Evaluation Summary

The conference evaluation summary was distributed to the council members for review and discussion.

The evaluation comments were positive for the keynotes, workshops, Expo, and the overall conference. There were many positive responses for having the conference at the Hawaii Convention Center, and of the 150 evaluation responses, 129 said that they would attend or recommend a future conference of this type, 3 were negative, and 18 had no response.

Victor Geminiani suggested that the workshop evaluations be given a 1 to 5 ranking range rather than the “informative/useful” and “unnecessary/unsatisfactory” choices, so the conference organizers would have a better idea of what the participants thought of the workshops.

Joanne Lundstrom asked about the cost of the conference. Mara Smith reported that the exact cost has not been determined yet, but is likely to be about \$20,000, of which the Office of Youth Services funded about \$3,000.

IV. Other Business

A. Protests on Request for Proposals

Joanne Lundstrom asked about the number of protests that the State Procurement Office received since the inception of Chapter 103F. Mara Smith reported that the resolution of protests remains with the department heads, however, the State Procurement Office has to date received 5 requests for reconsideration. Most protests are resolved at the departmental level, however, if the aggrieved party is not satisfied with the departmental response, they may file a request for reconsideration with the chief procurement officer. Victor Geminiani asked if proposals were public information, and Mara Smith replied that proposals are not subject to public disclosure until the contract is executed.

B. Procurement Issues

Council members discussed and asked if it is possible to gather information from providers to share with State agencies about procurement and contract issues and problems which they encounter with State contracts (e.g., compensation and payment, monitoring of contracts and outcomes, contract execution and contract start dates).

Victor Geminiani said that www.surveymonkey.com may be of some help if a survey is conducted.

V. Next Meeting

The next meeting will be scheduled as needed.

There being no further business, the meeting was adjourned at 11:35 a.m.

Respectfully submitted,

June 24, 2003
Date

Jamie Woodburn
Jamie Woodburn, Vice-Chair/Secretary,
Community Council on Purchase of Health
And Human Services

**COMMUNITY COUNCIL ON
PURCHASES OF HEALTH AND HUMAN SERVICES**
1151 Punchbowl Street, Room 322
Honolulu

Regular Meeting
June 24, 2003
1:00 p.m.

AGENDA

- I. Call to Order
- II. Approval of Minutes – Meeting of February 6, 2003
- III. New Business
 - a) For Discussion
 - i. Report: Hawaii State Policy & the Nonprofit Sector: optimizing the relationship between nonprofits and government
 - ii. Reviewing the Health and Human Services Procurement Process
- IV. Other Business
- V. Announcements
- VI. Next Meeting
- VII. Adjournment

COMMUNITY COUNCIL ON PURCHASE OF HEALTH AND HUMAN SERVICES MEETING

June 24, 2003
1151 Punchbowl Street, Room 322
Honolulu, Hawaii 96813

Members Present

Mary Lou Barela
Stella Wong

Joanne Lundstrom
Jamie Woodburn

Debbie Shimizu

Excused

Ann Higa
George Yokoyama

Others

Aaron Fujioka, State Procurement Office
Mara Smith, State Procurement Office
Corinne Higa, State Procurement Office

I. Call to Order

Joanne Lundstrom called the meeting to order at 1:08 p.m.

II. Approval of Minutes – Meeting of February 6, 2003

It was moved and seconded that the minutes of the last meeting be approved.

III. Discussion

- a) **Report on “Hawaii State Policy & the Nonprofit Sector: optimizing the relationship between nonprofits and government”** submitted by the Hawai'i Community Services Council & the Hawai'i Institute for Public Affairs to the Office of Planning, Department of Business, Economic Development & Tourism in December 2002.

Joanne Lundstrom led the discussion on the report's findings and recommendations with respect to the interaction between State government and the nonprofit sector in the areas of planning and coordination of social services, government-nonprofit contracting.

The report recommends the need for planning and coordination between the public and non-profit sectors, as it relates to the delivery of social services, contract payment schedules, reporting requirements, performance- and outcomes-based contracting. Aaron Fujioka noted that in identifying the report's areas of need, there is a question of procurement versus policy. Procurement does not dictate to policy and is not the avenue for policy making.

Jamie Woodburn identified planning as the area of need. Identifying service needs, priorities, funding, methods, and procedures should be done prior to procuring the service. Mary Lou Barela agreed that procurement is not the issue. Payment schedules, reporting requirements, etc. are policy decisions determined by the user agencies prior to the procurement. Joanne Lundstrom added that it is a communication issue, which needs to be addressed at the state's departmental/agency level.

Aaron Fujioka cited Chapter 142, Planning, Hawaii Administrative Rules, which is an area that could be reviewed to address the issues for better planning by the user agencies.

Debbie Shimizu inquired about the Inter Agency Committee. Aaron Fujioka informed the council that the committee delegated the Purchase of Service Team (POST) to resolve cursory procurement problems. The State Procurement Office (SPO) utilizes POST in planning, policy, and rule changes, and keeps the heads of departments informed of major issues.

Reviewing the Health and Human Services Procurement Process

Mara Smith said that the State Procurement Office will be reviewing the procurement processes of Chapter 103F, Hawaii Administrative Rules (HAR), with the assistance of the Council and the Purchase of Service Team (POST). Where applicable, changes to the rules will be proposed to the Procurement Policy Board.

For the next 2005 biennium procurements, with the involvement of the council, POST, and through community meetings, SPO can clarify and strengthen the planning issues that need to be addressed. Council members agreed to review Chapter 142, HAR, Planning, and to provide feedback.

III. Other Business

The term for all council members will expire on June 30, 2003. A list of prospective members has been sent to the Governor for review and appointment.

The 4th Conference on the Purchase of Health and Human Services is planned for 2005.

IV. Announcements

Mara Smith announced that effective July 1, 2003, all procurement notices will be available at the State Procurement Office website. She also stated that on the Purchase of Health and Human Services website, awards, restrictive purchases and exemptions from procurement are available.

Council members were informed of the service provider e-mail notification list. Health and human service providers and other interested parties are invited to subscribe to the list. Subscribers will be notified by SPO via email on various

procurement issues related to health and human services such as, changes in procedures; workshops, informational meetings and conferences; and timelines for procurement and upcoming planning activities.

V. Next Meeting

The next meeting will be scheduled as needed.

There being no further business, the meeting was adjourned at 2:24 p.m.

Respectfully submitted,

Dec. 10, 2003

Date

Jamie Woodburn

Jamie Woodburn, Vice-Chair/Secretary,
Community Council on Purchase of Health
And Human Services

COMMUNITY COUNCIL ON PURCHASE OF HEALTH AND HUMAN SERVICES MEETING

December 10, 2003
1151 Punchbowl Street, Room 426
Honolulu, Hawaii 96813

Members Present

Joanne Lundstrom
Stella Wong

Debbie Shimizu
Jamie Woodburn

Excused

Mary Lou Barela
Ann Higa
Victor Geminiani

Others

Aaron Fujioka, State Procurement Office
Mara Smith, State Procurement Office
Corinne Higa, State Procurement Office

I. Call to Order

Joanne Lundstrom called the meeting to order at 10:28 a.m.

II. Approval of Minutes – Meeting of June 24, 2003

It was moved and seconded that the minutes of the last meeting be approved.

III. New Business

A. Proposed Changes to the Procurement of Health and Human Services

Mara Smith spoke about proposed changes to the Hawaii Administrative Rules (HAR) for Chapter 103F, HRS, Purchases of Health and Human Services. To improve the procurement process of health and human service, four of ten chapters have proposed revisions. Highlights:

Chapter 3-141: General Provisions

- Moved general requirements for all public notices to this chapter.
- Changed public notice requirement from newspaper to posting on the Internet.

Chapter 3-142: Planning

- Request for Information (RFI) shall be mandatory.
- RFIs shall be written and posted on the Internet.
- State planning activities shall be mandatory.

Chapter 3-143: Competitive Purchase of Service

- Public notices shall change from a minimum of 21 days to 28 days and shall be published on the procurement notices system website.
- The administrator may require RFPs to be made available on a central website.
- For evaluation of proposals, numerical scores shall include written comments indicating how proposals were scored.
- After-the-fact secondary purchases: The maximum allowance for the secondary purchaser shall change from a maximum of 30% to a dollar amount not to exceed \$75,000.
- A section for joint RFPs is being added.

Chapter 3-144: Restrictive Purchase of Service

- The request for restrictive purchase of service shall be posted to the state procurement website five days prior to any action by the chief procurement officer. The status of the request shall also be posted to the website.
- A procedure is established to allow for amendments to restrictive purchase of service.

Jamie Woodburn commented that the amendment to the RFI section of the rules was an improvement. Mr. Woodburn, Joanne Lundstrom and Stella Wong suggested that there be analysis and internal monitoring of the responses, and the results be in writing and posted on the web. To enhance transparency to the procurement process, Mara Smith said plans are being made to have RFIs publicized on the state procurement office website for a minimum of seven days, and the results posted on the website.

Jamie Woodburn asked about the implementation of the results of the RFIs. Aaron Fujioka said that decisions to utilize the information provided from the RFIs are a matter of policy determined by each department.

For joint RFPs, Jamie Woodburn stated that the ensuing contract would need to have a clear delineation of administrative responsibilities.

For after-the-fact secondary purchases, Debbie Shimizu suggested that the maximum secondary purchaser contract amount be \$50,000 rather than \$75,000. Joanne Lundstrom stated that \$75,000 is reasonable.

B. Schedule of Activities

Public information meetings for the proposed rule changes will be held in January and February 2004.

IV. Other Business

Aaron Fujioka briefly described the impact of Act 52, which affects Chapter 103D, HRS. He also spoke of amendments in the planning area of the procurement process for health and human services to make the process more transparent. He stated that procurements under Chapter 103F, HRS, require a high level of collaboration and planning between the state, community and clients, unlike Chapter 103D, HRS. Joanne Lundstrom said that from a provider's view, there is a need to educate the agencies, and that there should be a model for state agencies to interact with communities.

Debbie Shimizu asked about privatization and the state's view of purchase of service from nonprofits. Will nonprofits be asked to look for funding elsewhere? Aaron Fujioka said that funding issues affect the entire financial network, not just health and human services, and we need to look toward maximizing the available dollars.

Regarding privatization, Jamie Woodburn asked if there has been movement with regard to a committee reviewing services that may be appropriate for privatization. Aaron Fujioka was unaware of any committee meeting and added that he did not believe that it had to do with health and human services, but more with agency functions.

Debbie Shimizu asked if federal funds are being considered to cover shortfalls rather than utilizing rainy day funds. Information was not available on this issue.

V. Announcements

Mara Smith announced that the council members would remain in office until the Governor makes the next appointments.


VI. Next Meeting

The next meeting to review the proposed HAR changes will be scheduled for January 12 or 14, 2004, pending responses from absent members.

There being no further business, the meeting was adjourned at 12:08 p.m.

Respectfully submitted,

January 12, 2004
Date



Jamie Woodburn, Vice-Chair/Secretary,
Community Council on Purchase of Health
And Human Services

**Improving the Procurement of
Health and Human Services**

Proposed Changes to the Current
Process

Why change?
What can we make better?

- Planning and coordination
 - Planning with the community and providers
 - Coordination among state agencies
- Transparency
 - Opening up the process provides equal access
 - Keeps it honest
- Streamlining
 - Improves efficiency
- Other (clarification)

Changes

- Changes to 4 of 10 chapters in the administrative rules:
 - General Provisions
 - Planning
 - Competitive Purchase of Service
 - Restrictive Purchase of service
- Revision of RFP template
- Revision of Cost Principles

Planning and Coordination

- Requests for Information
- Joint RFPs
- Other:
 - Procurement Notices
 - Contracts database
 - Planning activities

Planning and Coordination

Requests for Information

- Mandatory
 - Every other procurement, at least once every six years
- Written
- Posted on the web

Planning and Coordination

Joint RFPs

- Two or more purchasing agencies may issue a joint RFP when:
 - Services are substantially the same.
 - Purchasing a continuum of services for clients from the same provider or collaboration of providers is essential for continuity of service.

Planning & Coordination

Other

- Planning activities are mandatory.
- Schedule for planning activities for a particular service shall be determined by the length of the contract.
- Administrator may require that RFPs be made available on the web in a central place.
- Utilization of contracts database.

Transparency

- Use of internet
- Additional information made public/more accessible
- Consolidation (the big picture)

Transparency:

Public Notice

- Public notices posted to single location.
- Required public notice for RFPs increased from 21 days to 28 days.
- All other public notices require posting for seven days unless specified elsewhere in rules.

Transparency:

Exempt Procurements

- Required posting of requests for exemption prior to approval by chief procurement officer.
- Posting of status also required.

Transparency:

Restrictive Purchase of Service (Sole Source)

- Required posting on internet of notice and request for 5 days before approval and 2 days after approval.
(Must be posted a minimum of 7 days total.)
- Status also must be posted.
- Procedure for request for amendment.

Transparency:

Other

- Administrator may require requests for proposals be posted online.
- Required internet posting of requests for information.
- Evaluation of proposals-written comments must be included with numerical scores indicating how proposals were scored.
- Limit of \$75,000 on after-the-fact secondary purchase.

Streamlining

- Posting of public notice in one place.
- Procedure for procurement violations.
- Joint requests for proposals.
- Posting of RFPs.
- Procedure for amendment to restrictive purchase.
