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**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I  
PROCUREMENT POLICY BOARD**

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**PROCUREMENT POLICY  
BOARD**  
RICHARD HELTZEL  
LANCE INOUE  
LISA MARUYAMA  
KEITH REGAN

**Procurement Policy Board Meeting  
Thursday, July 10, 2025, 9:30 a.m. (HST)  
Virtual and Physical Location**

**To view the meeting and provide oral testimony during the meeting:**

**Join via Teleconference**

Click on [Join the meeting now](#)

Or copy and paste the following Uniform Resource Locator (URL) into your browser:

[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_NmJiY2YwZWYtNTJiZi00ZTNiLTlkNGUtMTAxNjE5M2ZjMzNi%40thread.v2/0?context=%7b%22Tid%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22Oid%22%3a%2295bf7d4a-2361-4626-b046-e40a7128cc58%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_NmJiY2YwZWYtNTJiZi00ZTNiLTlkNGUtMTAxNjE5M2ZjMzNi%40thread.v2/0?context=%7b%22Tid%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22Oid%22%3a%2295bf7d4a-2361-4626-b046-e40a7128cc58%22%7d)

If prompted, enter:

- Meeting ID: 222 683 379 720 7
- Passcode: tk3j9rZ

For instructions to turn on live captions in Microsoft Teams, please click [here](#).

**Dial in by Phone**

- [+1 808-829-4853](tel:+18088294853), United States, Honolulu (Toll charges apply)
- Phone Conference ID: 785 273 002#

For instructions to join a meeting by phone, please click [here](#).

**Physical Location**

**Bid Room of the State Procurement Office, Kalanimoku Building, 1151 Punchbowl Street, Room 416**, Honolulu, is available to the public and is guaranteed to be connected to the remote virtual meeting.

Pursuant to Hawai'i Revised Statutes section 92.3.7, the Procurement Policy Board will meet remotely using interactive conference technology. The public may either attend the meeting in person, at the physical location noted above, or participate remotely by using the Microsoft Teams meeting information noted on this agenda. If participating remotely, please mute your phone/device, except while testifying. Remote testifiers will be given the option of being on-camera via the Microsoft Teams link in this agenda or similar option for remote testimony.

In the event that audiovisual communication cannot be maintained by all participating board members and quorum is lost, the meeting will automatically be recessed for 30 minutes, during which time an attempt to restore audiovisual communication will be made. If such attempt to

restore is successful within said 30 minutes, all board members, members of the public, staff and other interested individuals shall log on again to the Microsoft Teams link on this Notice, whereby audio communication will be established for all participants and the meeting will continue. If reconvening the meeting is not possible because audio and visual communication cannot be re-established, the meeting will be terminated.

**Contact for Meeting Information/Written Testimony**

To request email notification of meetings, email [procurement.policy.board@hawaii.gov](mailto:procurement.policy.board@hawaii.gov).

We request that testimony be submitted no later than 72 hours prior to the meeting to ensure time for review by Board members. Testimony received after that time will still be considered by the board but might not be distributed to board members until the start of the meeting. Written testimony may be submitted by one of the methods listed below:

- By email to: [procurement.policy.board@hawaii.gov](mailto:procurement.policy.board@hawaii.gov)
- By United States Postal Service to: 1151 Punchbowl Street, Room 416, Honolulu, HI 96813
- By facsimile to: (808) 587-4703

In accordance with Hawai'i Revised Statutes, Chapter 92, all testimony, whether written or oral, should be related to an item that is on the agenda. Written public testimony submitted to the Procurement Policy Board will be treated as public record and any information contained therein may be available for public inspection and copying. Please include the word "Testimony" and the subject matter following the address line.

Copies of the Board Packet will be available on-line for review at <https://spo.hawaii.gov/procurement-policy-board/procurement-policy-board-meeting-agenda-minutes/>. An electronic draft of the minutes for this meeting will also be made available at the same location when completed.

**If you need an auxiliary aid/service or other accommodation due to a disability, please contact Ruth Baker at [ruth.a.baker@hawaii.gov](mailto:ruth.a.baker@hawaii.gov) as soon as possible, preferably by 2:30 p.m. HST, July 8, 2025. If a response is received after July 8, 2025, we will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled. Upon request, this notice is available in alternate formats such as large print or electronic copy.**

**Procurement Policy Board Meeting**  
**Agenda**  
**Thursday, July 10, 2025, 9:30 a.m. (HST)**

- I. **Call to Order, Public Notice**
- II. **Roll Call, Quorum**
- III. **Review and Approval of Meeting Minutes of the Procurement Policy Board**
  - a. Meeting Date: [February 28, 2025](#)
  - b. Meeting Date: [March 28, 2025](#)
  - c. Meeting Date: [April 11, 2025](#)
- IV. **Public Testimony – Public testimony will be taken on all items as those items occur during the meeting**
- V. **Administrator’s Report on 2025 Legislation Related to Procurement (For Information Only)**  
 The State Procurement Office provides a list of 2025 legislation related to procurement. The status indicated is as of July 2, 2025.

Bill Number and Status	Title and Description
<u>House Bill No. 987, House Draft 1,</u> <u>Senate Draft 1, Conference Draft 1</u>  <u>Act 206, Session Laws of Hawaii 2025</u>	RELATING TO PROCUREMENT. Establishes a Procurement Automation System Special Fund to be administered by the State Procurement Office. Adds the Executive Director of the School Facilities Authority as the Chief Procurement Officer for the School Facilities Authority in the Hawai'i Public Procurement Code. (CD1)
<u>Senate Bill No. 383,</u> <u>Senate Draft 2, House Draft 1,</u> <u>Conference Draft 1</u>  <u>Act 262, Session Laws of Hawaii 2025</u>	RELATING TO SMALL PURCHASES. Increases the minimum amount for purchases constituting small purchase procurements that are subject to an electronic system, from \$25,000 to \$50,000. Requires a report to the Legislature. (CD1)
<u>House Bill No. 412, House Draft 1,</u> <u>Senate Draft 2</u>  <u>Act 063, Session Laws of Hawaii 2025</u>	RELATING TO LOBBYING. Establishes certain presumptions regarding lobbying on behalf of private clients. Makes certain contracts voidable when entered into in violation of the state lobbying law under certain conditions. Expands the definition of "lobbying" in the state lobbying law to include certain communications with certain government officials regarding procurement decisions. Effective 1/1/2027. (SD2)  Note: The bill states that the attorney general, in consultation with the head of the purchasing agency impacted, shall have the authority to enforce the new section in Chapter 97, HRS.

Bill Number and Status	Title and Description
<u>Senate Bill No. 1651, Senate Draft 1, House Draft 1, Conference Draft 1.</u>  <u>Act 169, Session Laws of Hawaii 2025</u>	RELATING TO PUBLIC MEETINGS. Requires board packets to be posted two full business days before a public meeting. Requires boards to provide notice to persons requesting notification of meetings at the time the board packet is made available for public inspection. (SD1)
<u>House Bill 300, House Draft 1, Senate Draft 1, Conference Draft 1</u>  <u>Act 250, Session Laws of Hawaii 2025</u>	RELATING TO THE STATE BUDGET. Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2025-2026 and 2026-2027. (CD1)  Note: This includes an appropriation for the Small Business Coordinator position for Fiscal Years 2026 and 2027. Coordinator will propose administrative rules for the Procurement Policy Board's consideration.

## VI. Discussion and Possible Approval of Proposed Amendments to Hawaii Administrative Rules, Chapter 3-122 – Source Selection and Contract Formation

The proposed rules summarized below are included in this agenda packet for review by the Procurement Policy Board because either discussion did not conclude or the proposed amendment was inadvertently omitted from a previous agenda. The proposed rules may also be viewed in person at 1151 Punchbowl Street, Room 416, Honolulu, HI 96813, and at <https://spo.hawaii.gov> as provided in section 91-2.6, Hawaii Revised Statutes.

### 1. Subchapter 2 – General Provisions

- §3-122-9.01 – Disclosure of information. Amend subsections (a) and (b).
- a. Replace “The purchase order is issued or the purchasing card order is placed” with “After the time and date set for receipt for quotes” in subsection (a)(1).
- b. Amend for clarity, consistence, and style and replace “posting of the award pursuant to section 3-122-57 (a)” with “contract execution” in subsection (b).

Note: On February 14, 2025, the Board discussed §3-122-9.01 and deferred decision pending the outcome of Senate Bill 382 and House Bill 988 during the 2025 Legislative Session.

### 2. Subchapter 4 – Methods of Source Selection and General Guidance

- §3-122-16 – Methods of source selection. – Addition of missing source selection methods: “Subchapter 5 – Competitive Sealed Bidding” and “Subchapter 6.5 – Multi-Step Competitive Sealed Bidding”

Note: On February 14, 2025, the Board started to discuss §3-122-16. The discussion and meeting ended before the Board took action.

- §3-122-16.05 – Pre-bid or pre-proposal conference – Amend subsection (c) by deleting “to all prospective offerors” for clarity, consistency, and style.

Note: On February 28, 2025, the Board reviewed and discussed §3-122-16.05 (a), (b), and (f), but the proposed amendment for (c), which became (b), was inadvertently left off the agenda.

**3. Subchapter 4.5 – Source Selection for Federal Grants**

- §3-122-16.31 – Exception; request for interest for federal grants. – Amend (d)(2) by deleting “or clients” for clarity.

Note: On February 28, 2025, the Board reviewed 3-122-16.31. This proposed amendment was inadvertently left off that agenda.

**VII. Formal Approval of Proposed Amendments to Hawaii Administrative Rules, Chapter 3-122, Source Selection and Contract Formation**

Attached for reference is a [chart](#) with proposed amendments to Hawaii Administrative Rules Chapter 3-122, Subchapters 2, 3, 4, 4.5, and 5. The dates that the Board reviewed and discussed the amendments are noted in the attached chart.

As provided in section 91-2.6, Hawaii Revised Statutes, the proposed rules in Ramseyer format may be viewed as follows:

- In person at 1151 Punchbowl Street, Room 416, Honolulu, HI 96813
- Online at this direct link:  
[https://spo.hawaii.gov/wp-content/uploads/2025/07/RAM-HAR-3-122-Subchapters-2-to-5\\_am\\_PPB-071025.pdf](https://spo.hawaii.gov/wp-content/uploads/2025/07/RAM-HAR-3-122-Subchapters-2-to-5_am_PPB-071025.pdf)

Online through the SPO website at <https://spo.hawaii.gov>: click on [Procurement Policy Board](#) > [Proposed Amendments to Hawaii Administrative Rules Chapter 3-122](#) > [3-122 \(Proposed 07/10/25\)](#)

**1. Subchapter 2 – General Provisions**

- §3-122-9 – Use of electronic communication. - Amend (c):
  - a. §3-122-9 (c)(2)(E) – Add “including pages” and remove “an original” as electronically submitted offers with electronic signatures are accepted. (Board reviewed/concurred 2/14/2025.)
  - b. §3-122-9 (c)(2)(F) – Revise by removing the extra “and” to correct grammar and the sentence structure. (Board reviewed/concurred 2/14/2025.)

**2. Subchapter 4 – Methods of Source Selection and General Guidance**

- §3-122-16.03 – Public notice. – Amend (b) and (d):
  - a. §3-122-16.03 (b)(2) - Remove “and a phone number or e-mail address where interested parties may request a copy.” (Board reviewed/concurred y Board 2/28/2025.)
  - b. §3-122-16.03 (b)(3) - Remove “How long the solicitation will be available” and replace with “The deadline for the responses to the solicitation” so there is a clear due date when offers are due. (Board reviewed/concurred 2/28/2025.)
  - c. §3-122-16.03 (b)(4) – Add “contact information,” which is inclusive of all types of contact information (such as email address, phone number, etc.). Also, add “if any.” (Board reviewed/concurred 2/28/2025.)

- d. §3-122-16.03 (b)(7) – Add new subsection (b)(7) to read “(7) A copy of the solicitation may be made available electronically and may be picked up at the respective issuing office.” This is to reflect that most agencies make their solicitations available online. (Board reviewed/concurred 2/28/2025.)
  - e. §3-122-16.03 (d)(1) - Remove “or provider.” This amendment enhances clarity, consistency, and style by specifying that public notices shall, at a minimum, be published on a purchasing agency’s website. It also clarifies that notices may be sent by mail or electronically to individuals on relevant mailing lists, ensuring that the purchasing agency remains responsible for public notifications. Additionally, it notes that “Provider,” as defined in §103F-102, HRS, refers to an organization or individual contracted by a state agency to provide health or human services to the public on its behalf; the definition does not mention goods and services or construction. (Board reviewed/concurred 2/28/2025.)
  - f. §3-122-16.03 (d)(2)(B) - Replace "electronic mail, or facsimile transmission" with "or electronically. Amend for clarity, consistency, and style to reflect that the notice may be sent by mail or electronically to persons on any applicable mailing list, if any. (Board reviewed/concurred d 2/28/2025.)
- §3-122-16.05 – Pre-bid or pre-proposal conference. – Amend subsections (a), (b), and (f).
    - a. §3-122-16.05 (a) - Amend for clarity, consistency, and style to reflect that pre-offer conferences are optional. (Board reviewed/concurred 2/28/2025.)
    - b. §3-122-16.05 (b) – Remove subsection (b) in its entirety as it has been invalidated by the Department of Commerce and Consumer Affairs (DCCA), Office of Administrative Hearings (OAH), in *Greenleaf Distribution Services, Inc. v. City and County of Honolulu; PCH-2004-7, September 2, 2004.* (Board reviewed/concurred 2/28/2025.)
    - c. §3-122-16.05 (f) – Add “including questions and answers” to subsection (f), which will now be read as subsection (e). This amendment provides clarity and consistency and ensures fair competition by requiring that a conference summary – including questions and answers, any changes to the solicitation, and other information, shall be issued as an addendum to be provided sufficiently in advance of the receipt of offers. Delete “those” for grammar. Also delete “known to have received a solicitation,” as it is difficult to determine whether prospective offers have received that information. (Board reviewed/concurred 2/28/2025.)
  - §3-122-16.06 – Amendment and clarification to solicitation. Amend (d) and (e).
    - a. §3-122-16.06 (d) – Revise to read “Addenda shall be issued to all prospective offerors.” (Reviewed/Concurred by Board 2/28/2025.)
    - b. §3-122-16.06 (e) – Add “or electronic means” to allow electronic communications. (Board reviewed/concurred 2/28/2025.)
  - §3-122-16.07 – Pre-opening modification or withdrawal of offer. - Amend for clarity, consistency, and style to reflect that an offeror’s modification may be submitted electronically. (Board reviewed/concurred 2/28/2025.)
  - §3-122-16.08 – Late offer, late withdrawal, and late modification. – Amend subsections (a) and (b) for clarity, consistency, and style to remove hard to read language that results in confusion.

- a. The amendment requires written documentation for the reason late offer, withdrawal or modification is accepted by the head of the purchasing agency. (Board reviewed/concurred 2/28/2025.)
  - b. The amendment to (b), is for clarity, consistency, and style, as well to replace “procurement activity” with “purchasing agency” as defined in 103D-104, Hawaii Revised Statutes. (Board reviewed/concurred 2/28/2025.)
- 4. **Subchapter 4.5 – Source Selection for Federal Grants**
  - o §3-122-16.30 – Purpose. Amend (a) and (b):
    - a. §3-122-16.30 (a) and (b) - Replace “providers” with “contractors” for clarity, consistency, and style to reflect that providers selected for federal grants are contractors. “Contractor” is a more accurate term because it pertains to the procurement of goods, services, or construction and defined in §103D-104, HRS, while “provider” pertains to the purchases of health and human services and is defined §103F104. (Board reviewed/concurred 3/28/25.)
    - b. §3-122-16.30 (b) – Remove “the appropriate source selection methods” to reference the whole section 3-122-16 for clarity in subsection (b), thus will read: “(b) The selection of contractors for federal grants shall be in accordance with section 3-122-16.” Section 3-122-16 lists all the methods of source selection. Explanation: As discussed at the 2/14/25 meeting, the proposed amendment to §3-122-16 adds source selection methods “Subchapter 5 – Competitive Sealed Bidding” and “Subchapter 6.5 – Multi-Step Competitive Sealed Bidding, pursuant to 103D-301, HRS, as amended by Act 239, Session Laws of Hawaii 2013. Deputy Attorney General opined that removing the phrase “the appropriate source selection methods” does not affect, reduce, or limit the methods of source selection used. (Board reviewed/concurred 3/28/25.)
  - o §3-122-16.31 – Exception; request for interest for federal grants. – Amend (b), (d), (e), and (f):
    - a. §3-122-16.31 (a) – Add “when applying or after receipt of a grant”. This amendment is to ensure the purchasing agency fulfills its due diligence and remains with the contractor specified in the federal grant and does not switch to a different contractor. Some grant applications require that a contractor is named, while others allow for a change of a contractor. A purchasing agency is to conduct a procurement method as specified by §3-122-16 before it can name a contractor in a federal grant application. (Board reviewed/concurred 3/28/25..)
    - b. §3-122-16.31 (b), (d)(4), (d)(8), (e), and (f) - Replace “providers” with “contractors” for clarity, consistency, and style to reflect that providers selected for federal grants are contractors. “Contractor” is a more accurate term because it pertains to the procurement of goods, services, or construction and defined in §103D-104, HRS, while “provider” pertains to the purchases of health and human services and is defined §103F104. (Board reviewed/concurred 3/28/25.)
- 5. **Subchapter 5 – Competitive Sealed Bidding**
  - o §3-122-21 - Preparing a competitive sealed bid. - Amend subsections (1), (2), and (5):
    - a. §3-122-21 (1)(A) and (1)(D), – Reference “date” then “time” for style and consistency. (Board reviewed/concurred 3/28/25.)
    - b. §3-122-21 (1)(C) and (1)(D) - Remove “and” from subsection (1)(C) and add it to subsection (1)(D) for grammar. (Board reviewed/concurred 3/28/25.)

- c. §3-122-21 (1)(E) - Add subsection (1)(E) with revised language for clarity, consistency, and style. Language is changed from “The bid opening shall be held at the time, date, and location of the receipt of bids” to “The date, time, and location of the opening of bids;”. (Board reviewed/concurred 3/28/25.)
  - d. §3-122-21 (2) - Amend by deleting “or” and “as are not included in the purchase description” and adding “and” for clarity as “the purchase description, specifications, evaluation factors, delivery and/or performance schedule, and inspection and acceptance requirements” should all be included in the invitation for bids. (Board reviewed/concurred 3/28/25.)
  - e. §3-122-21 (5) - Amend by revising the language to “The bid form shall be signed by an authorized agent of the vendor and may be submitted with a digital or original signature;” to clarify that electronic signatures are accepted. (Board reviewed/concurred 3/28/25.)
- §3-122-34 (b)(2) – Low tie bids. – Amend subsection (b)(2) to replace “contacts” with “contracts”. (Board reviewed/concurred 3/28/25.)
  - §3-122-35 – Waiver to competitive sealed bid process. – Amend subsection (c) for clarity, consistency, and style and to add that the procurement officer shall be responsible to ensure proper documentation of the selected alternative procurement method is in the contract file and it also contains a determination that the price is fair and reasonable. (Board reviewed/concurred 3/28/25.)

#### **VIII. Announcements**

Next Meeting: Members will be polled on their availability for a meeting in August.

These meetings will be hybrid, on Microsoft Teams and in-person in a physical location at 1151 Punchbowl Street, Room 416.

#### **IX. Adjournment**