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PROCUREMENT POLICY BOARD

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

Procurement Policy Board

Minutes of Meeting

Date/Time: Tuesday, October 7, 2025, 2:00 p.m.

Locations: State Procurement Office Bid Room
Kalanimoku Building, Room 416
1151 Punchbowl Street
Honolulu, Hawaii 96813

Virtual Meeting Using Interactive Conference Technology – Microsoft Teams

Members Present: Rick Heltzel
Lance Inouye
Lisa Maruyama
Keith Regan

Deputy Attorney General: Candace Park

State Procurement Office: Bonnie Kahakui, Administrator
Ruth Baker
Matthew Chow
Shane Duyvejonck
Stacey Kauleinamoku-Murakami
Jittima Laurita

Chan Lee
Kelli Nekomoto
Carey Ann Sasaki
Keari Shibuya

Guests: Sarah Allen, University of Hawaii
Steven Melendrez, Dept. of Budget & Finance, Employees' Retirement System
Stephanie Letro
Tim Lyons
Jeff Masatsugu
Ryan Sakuda
Cameron Takamura

I. Call to Order, Public Notice

Chair Lisa Maruyama called the Procurement Policy Board (PPB) meeting to order at 2:04 p.m. The meeting was held on Microsoft Teams and in-person at the physical location. The meeting was recorded.

II. Roll Call, Quorum

Roll call was conducted of the PPB members; there was quorum. Staff of the State Procurement Office (SPO) introduced themselves.

III. **Approved Minutes**

The following minutes were previously approved and are included in the agenda packet for archival and reference purposes.

- a. [February 14, 2025](#)
- b. [February 28, 2025](#)
- c. [March 28, 2025](#).
A stray non-substantive note was deleted from page 4 of the minutes.
- d. [April 11, 2025](#). Grammar was corrected on page 3 of the minutes. For House Bill 1297, the phrase was corrected to read “The SPO supports the bill.”

The minutes for the October 7, 2025, meeting note that §3-122-21(5), Hawaii Administrative Rules, will be added to the agenda for the next meeting for discussion by the Board. This item was discussed at the March 28, 2025, meeting, but the Board wishes to revisit this.

IV. **Review and Approval of [July 10, 2025, Meeting Minutes](#)**

Motion to approve the July 10, 2025, minutes was made by Member Inouye and seconded by Member Heltzel. The minutes were approved by unanimous vote.

V. **Public Testimony**

Chair Maruyama announced that public testimony will be taken on all items as those items occur during the meeting, and that remote testifiers will be given the option of being on-camera.

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

No oral or written testimony was received at the time.

The board packet included a [chart](#) with proposed amendments to Hawaii Administrative Rules Chapter 3-122, Subchapters 6, 6.5, 7, 8, and 9. It was also announced that the proposed amendments were made available for public viewing in person at 1151 Punchbowl Street, Room 416, Honolulu, HI 96813, or online through the SPO website at <https://spo.hawaii.gov>, under [Procurement Policy Board > Proposed Amendments to Hawaii Administrative Rules Chapter 3-122 > 3-122 \(Proposed 10/07/25\)](#)

Purchasing Specialist Carey Ann Sasaki presented the proposed amendments and rationale for the amendments.

1. **Subchapter 6 – Competitive Sealed Proposals**

- o §3-122-41 – [Purpose](#).
Removed the phrase “when it is determined that competitive sealed bidding is neither practicable nor advantageous to the State.”

The amendment aligns with §103D-301, Hawaii Revised Statutes, and Hawaii Administrative Rules section 3-122-16 - Methods of Source Selection, who no longer requires such a determination to use competitive sealed proposal method of procurement.

The members had no questions or objections.

- o §3-122-43 – [Procurement Planning](#). (formerly “[When competitive sealed bidding is not practical or advantageous](#)”).

Replaced entire section now titled “Procurement Planning,” and replaced subsections with optional planning elements: “A strategic procurement plan for competitive sealed proposals may include, but is not limited to the following determinations: (1) Requirements definition; (2) market research to substantiate requirements definition; (3) period of performance; (4) type of contract; (5) analysis of the relative importance of price and other evaluation criteria; (6) Oral or written discussions, as applicable, with offerors concerning technical and price aspects of their proposals.”

The amendment aligns with amendment to §103D-301 - Methods of source selection, Hawaii Revised Statutes and clarifies that a determination that competitive sealed bidding is not practicable or advantageous is not required and ensures that procurements are strategically aligned with agency needs and market conditions.

After discussion, the members agreed to rename the section and strike out subsections (a) through (d) and replace the language with the optional planning elements.

- §3-122-45 – Determinations.

Repealed the section due to changes in §103D-301, Hawaii Revised Statutes, which now includes the competitive sealed bids method of procurement as an optional method of procurement.

The Board had no questions or objections.

- §3-122-45.01 – Evaluation committee.

Reformatted subsections for clarity. Added that evaluation committee members “may” participate in the development of the solicitation, required that evaluation committee members sign affidavits, and that the procurement officer may require participants to sign a non-disclosure agreement prior to reviewing any information to enhance transparency and integrity.

After discussion, the language pertaining to evaluation committee members was softened to “may,” and the board agreed to strike the solicitation development clause.

- §3-122-46 – Preparing a request for proposals.

The proposed amendments for this section was for clarity, consistency, and style. The revisions incorporated past performance as an evaluation factor, allowed a digital or original signatures on a submitted proposal, and removed outdated language about pricing submission methods.

The Board tabled this and requested the SPO staff to look at the rewording to clarify the evaluation criteria. The SPO staff will again look at this section and propose amendments

- §3-122-51 – Receipt and registration of proposals.

The amendments clarified procedures for electronic submissions and added language to exempt electronic proposals from being opened in the presence of two or more state officials.” This ensures secure, auditable handling of proposals.

The Board had no questions or objections.

- §3-122-52 – Evaluation of proposals.

Amended to replace “When applicable, cost” and replace it with “Price”. Added (e): “Past performance shall be an evaluation factor.” The amendments align with Act 188, Session Laws of Hawaii 2021.

The Board requested clarification on the use of “shall” vs. “may” and how “past performance” fits with other best value factors. SPO staff are to revise and recommend updated language at the next meeting.

- §3-122-52.5 – Clarifications with offerors after Receipt of Proposals. (New section)
Added a new section to allow limited clarifications before establishing the priority listing, improving accuracy without compromising fairness or altering proposals.

The Board provided feedback that all clarifications must be documented in writing, and that clarifications should not alter proposals. SPO staff are to revise language to ensure clarity.

- §3-122-53 – Discussions with offerors.
Amended to clarify that proposals are classified based on criteria in the solicitation, require documentation of discussions (such as date, time, and attendees), remove subsection requiring oral clarifications to be reduced to writing, and add (d)(2) outlining limits on discussions.

The Board agreed to move some language to the Non-Disclosure Agreement section and requested the SPO to further refine the language.

- §3-122-60 – Debriefing.
Deleted the phrase “of the contract” for style.

The Board had no questions or objections.

The revised Ramseyered Hawaii Administrative Rules, Chapter 3-122, as amended by the Board during this meeting, are hereby attached to these minutes as “[Attachment A](#)” for reference.

VI. Announcements

Next Meeting: Members will be polled on their availability for a meeting in November/December.

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

VII. Adjournment

The motion to adjourn was made by Member Regan and seconded by Member Inouye. The meeting was adjourned with unanimous approval at 3:58 p.m.

Respectfully Submitted

Lisa Maruyama, Chair
Procurement Policy Board

ATTACHMENT A

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
Amendments to Chapter 3-122

Interim
Hawaii Administrative Rules

October 7, 2025

Historical Note: This amendment of Chapter 3-122,
Hawaii Administrative Rules:

1. Replaces rules effective 03/21/2008 (file no. 2802) which compiled Chapter 122.
2. Replaces rules effective 08/21/2016 (file no. 3193) which amended section 3-122-14; and repealed section 3-122-66.

1. §3-122-41, Hawaii Administrative Rules, is amended to read as follows:

§3-122-41 Purpose. The purpose of this subchapter is to provide rules for the use of the competitive sealed proposal method of source selection [~~when it is determined that competitive sealed bidding is neither practicable nor advantageous to the State~~]. 12/15/95; comp 11/17/97; comp 3/21/2008; am and comp] (Auth: HRS §103D-202) (Imp: HRS §103D-303)

2. §3-122-43, Hawaii Administrative Rules, is amended to read as follows:

"§3-122-43 [~~When competitive sealed bidding is not practicable or advantageous.~~ (a) Unless the nature of the procurement permits award to a low bidder who agrees by its bid to perform without condition or reservation in accordance with the purchase description, delivery or performance schedule, and all other terms and conditions of the invitation for bids, competitive sealed bidding is not

~~practicable or advantageous.~~

~~(b) A determination may be made to use competitive sealed proposals if it is determined that competitive sealed bidding is not practicable, even though advantageous. Factors to be considered in determining whether competitive sealed bidding is not practicable include:~~

- ~~(1) Whether the primary consideration in determining award may not be price;~~
- ~~(2) Whether the contract needs to be other than a fixed-price type;~~
- ~~(3) Whether the specifications for the goods, services, or construction, or delivery requirements cannot be sufficiently described in the invitation for bids;~~
- ~~(4) Whether oral or written discussions may need to be conducted with offerors concerning technical and price aspects of their proposals;~~
- ~~(5) Whether offerors may need to be afforded the opportunity to revise their proposals, including price; and~~
- ~~(6) Whether award may need to be based upon a comparative evaluation as stated in the request for proposals of differing price, quality, and contractual factors in order to determine the most advantageous offering to the State. Quality factors include technical and performance capability and the content of the technical proposal.~~

~~(c) A determination may be made to use competitive sealed proposals if it is determined that competitive sealed bidding is not advantageous, even though practicable. Factors to be considered in determining whether competitive sealed bidding is not advantageous include:~~

- ~~(1) If prior procurements indicate that competitive sealed proposals may result in more beneficial contracts for the State; and~~
- ~~(2) Whether the factors listed in subsection (b)(4) through (b)(6) are desirable in conducting a procurement rather than~~

~~necessary; if they are, then the factors may be used to support a determination that competitive sealed bidding is not advantageous.~~

~~(d) The determinations required by this section shall be final and conclusive unless they are clearly erroneous, arbitrary, capricious, or contrary to law. Procurement Planning. A strategic procurement plan shall be prepared for competitive sealed proposals and may include, but is not limited to the following:~~

- ~~(1) Requirements definition;~~
- ~~(2) Market research to substantiate requirements definition;~~
- ~~(3) Period of performance;~~
- ~~(4) Type of contract;~~
- ~~(5) Analysis of the relative importance of price and other evaluation criteria; and~~
- ~~(6) Oral or written discussions with offerors concerning technical and price aspects of their proposals, as applicable." [Eff 12/15/95; comp 11/17/97; am and comp 03/21/08; am and comp 3/21/2008; R] Auth: HRS §§103D-202, 103D-318) (Imp: HRS §§103D-303, 103D-318)~~

3. §3-122-45, Hawaii Administrative Rules, is repealed:

~~["§3-122-45 Determinations. (a) Pursuant to section 103D-303(a), HRS, the procurement policy board may approve a list of goods, services, or construction that may be procured by competitive sealed proposals without a determination by the head of the purchasing agency.~~

~~(b) The list, entitled "Procurements Approved for Competitive Sealed Proposals," shall be reviewed biennially by the procurement policy board and issued by procurement directive. Although the good, service, or construction is listed, purchasing agencies may use the competitive sealed bidding process under section 103D-302, HRS.~~

~~(c) If the procurement is not listed pursuant to~~

~~subsection (a), the head of a purchasing agency shall then determine in writing that competitive sealed proposals is a more appropriate method of contracting in that competitive sealed bidding is neither practicable nor advantageous. The determinations may be made for categories of goods, services, or construction rather than by individual procurement.~~

~~(d) When it is determined that it is more practicable or advantageous to the State to procure construction by competitive sealed proposals:~~

~~(1) A procurement officer may issue a request for proposals requesting the submission of proposals to provide construction in accordance with a design provided by the offeror; and~~

~~(2) The request for proposals shall require that each proposal submitted contain a single price that includes both design and build.~~

~~(e) The head of the purchasing agency who made the determination pursuant to subsection (c) or (d) may modify or revoke it at any time and the determination shall be reviewed for current applicability on the next procurement for the goods, services, or construction. The head of the purchasing agency may also request that the procurement of the goods, services, or construction by competitive sealed proposals be added to or deleted from the list in subsection (b).~~

~~(f) The determinations required by this section shall be final and conclusive unless they are clearly erroneous, arbitrary, capricious, or contrary to law."~~ [Eff 12/15/95; am and comp 11/17/97; am

07/06/99; am and comp 03/21/08; R]

(Auth: HRS §§103D-202, 103D-303, 103D-318) (Imp: HRS §§103D-303, 103D-318)

4. §3-122-45.01, Hawaii Administrative Rules, is amended to read as follows:

"§3-122-45.01 Evaluation committee. Prior to the preparation of the request for proposals, a

determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. ~~[A copy of the document identifying any committee members and any subsequent changes thereto shall be placed in the contract file]~~ The document identifying all committee members, approved by the procurement officer, shall be placed in the contract file. Subsequent changes, approved by the procurement officer, shall also be filed.

~~(b) Evaluation committee members may participate in the development of the solicitation.~~

- (1) The evaluation committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services, or construction to be procured;
- (2) Private consultants may also serve on the committee and shall:
 - (A) Have sufficient knowledge to serve on the committee; and
 - (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; ~~[and~~
 - ~~(C) Sign an affidavit:]~~
- (3) All evaluation committee members shall sign an affidavit:

- ~~[(i)]~~ (A) Attesting to having no personal, business, or any other relationship that will influence their decision in the evaluation process;
- ~~[(ii)]~~ (B) Agreeing not to disclose any information on the evaluation process to other than an employee of a governmental body; and
- ~~[(iii)]~~ (C) Agreeing that their names will become public information upon award of the contract;

- (D) The procurement officer may require participants to sign a non-disclosure agreement prior to reviewing any information;
- ~~[(3)]~~ (4) The contract administrator shall serve as a member of the committee;
- ~~[(4)]~~ (5) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor." [Eff and comp 03/21/08; am and comp]
(Auth: HRS §§103D-202, 103D-303) (Imp: HRS §103D-303)

5. §3-122-51, Hawaii Administrative Rules, is amended to read as follows:

"§3-122-51 Receipt and registration of proposals. (a) Proposals and modifications shall be date- and time-stamped upon receipt and held in a secure place by the procurement officer, unless submitted via an electronic procurement system, until the established due date. Purchasing agencies may use other methods of receipt when approved by the chief procurement officer.

(1) Proposals and modifications shall not be opened publicly, but shall be opened in the presence of two or more state officials. If conducted electronically, proposals and modifications shall not be opened publicly and shall not be required to be opened in the presence of two or more state officials;

(2) Proposals and modifications shall be shown only to members of the evaluation committee and state personnel or their designees having legitimate interest in them.

(b) After the date established for receipt of proposals, a register of proposals shall be prepared which shall include for all proposals:

- (1) The name of each offeror;
- (2) The number of modifications received, if

any; and

(3) A description sufficient to identify the good, service, or construction item offer

(c) The register of proposal shall be open to public inspection as provided in section 3-122-58.

(d) Proposals shall be open to public inspection as provided in section 3-122-58." [Eff 12/15/95; am and comp 11/17/97; am and comp 03/21/08; am and comp] (Auth: HRS §§103D-202, 103D-303) (Imp: HRS §103D-303)

6. §3-122-60, Hawaii Administrative Rules, is amended to read as follows:

"§3-122-60 Debriefing. (a) The purpose of a debriefing is to inform the nonselected offerors of the basis for the source selection decision and contract award.

(b) A written request for a debriefing shall be made within three working days after the posting of the award [~~of the contract~~].

(c) Debriefing shall be held by the procurement officer or designee, to the maximum extent practicable, within seven working days; provided the procurement officer or designee may determine whether or not to conduct individual or combined debriefings.

(d) A protest by the requestor submitted pursuant to section 103D-701, HRS, following a debriefing shall be filed within five working days, as specified in section 103D-303(h), HRS." [Eff and comp 03/21/08; am and comp] (Auth: HRS §§103D-202, 103D-303) (Imp: HRS §103D-303)

7. Material, except source notes, to be repealed is bracketed. New material is underscored.

8. Additions to update source notes to reflect these amendments and compilation are not underscored.

9. These amendments to and compilation of chapter 3-122, Hawaii Administrative Rules, shall take effect ten days after filing with the Office of the Lieutenant Governor.

I certify that the forgoing are copies of the rules, drafted in the Ramseyer format pursuant to the requirements of section 91-4.1, Hawaii Revised Statutes, which were adopted on October 7, 2025, by the Procurement Policy Board and filed with the Office of the Lieutenant Governor.

LISA MARUYAMA
Chairperson
Procurement Policy Board

KEITH REGAN
State Comptroller

APPROVED AS TO FORM:

Deputy Attorney General