DAVID Y. IGE GOVERNOR



SARAH ALLEN

MARA SMITH ASSISTANT ADMINISTRATOR

STATE OF HAWAII STATE PROCUREMENT OFFICE

TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEES
ON
GOVERNMENT OPERATIONS
AND
ECONOMIC DEVELOPMENT, TOURISM AND TECHNOLOGY
March 21, 2017 2:45 PM

HOUSE BILL 1382 HD1
RELATING TO PROCUREMENT

Chairs Kim and Wakai, Vice Chairs Ruderman and Taniguchi, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1382 HD1. The State Procurement Office (SPO) **supports** this bill and offers the following comments:

The State of Hawaii does not have a formal small business program, or any collected metrics to assist us in understanding the small business landscape in the State. This three-year program would provide the vital data that is missing to enable responsible decision-making on any formal small business program going forward.

SPO is already working on developing the HANDS database that could be modified to allow for registration of small business owners. HANDS or Hawaii Awards and Notices Database, is an effort to have a one-stop-shop, searchable database of all open solicitations from State agencies and political subdivisions. The data collected through the initiative will allow the SPO and Legislature to observe and track small business participation in State contracts for the first time.

Historical Background. On January 6, 2007, interim administrative rules, HAR chapter 3-124 Subchapter 9, Small Business Preference Rules became effective, however, due to the complexity and confusion about the rules, and the lack of appropriate business matrices and available data, agencies were not able to implement the small business HB1382 HD1
Senate Committees on Government Operations and Economic Development, Tourism and Technology
March 21, 2017
Page 2

program, even after the Hawaii Procurement Institute's 2009 training was conducted. Not able to resolve some of the issues outlined in the November 18, 2010 Procurement Policy Board Agenda Meeting Item IV, the rules were allowed to expire on February 24, 2011.

Reference: http://spo.hawaii.gov/wp-content/uploads/2013/12/November-Agenda.pdf

In 2014, the SPO sent out a survey to multiple communities asking for their thoughts on how the program should work. SPO received responses from 1500 small business owners, advocates, and State Agencies, identifying the needs a small business office would fill. Of the 26 State and agency personnel, the top two topics were 1) how to identify suitable projects and 2) how to identify small businesses.

The survey received 505 responses from small business owners who stated that the top three barriers for them doing business with the State were 1) compliance, 2) procurement process and 3) red tape/paperwork. Of the 40 Small Business Advocate entities, 88% were in support of a State Small Business Office. The survey also identified the need for Small Business self-identification, and the sub-sets that should be focused on by the State: veterans, women-owned, and Native Hawaiian-owned businesses.

Addressing small business concerns must include the infrastructure and resources needed to understand and help this unique community. The knowledge and metrics gathered through the purposed initiative will form the basis of all future small business legislation.

Thank you.

S O LEAT FROM

SMALL BUSINESS REGULATORY REVIEW BOARD

Tel 808 586-2594

Department of Business, Economic Development & Tourism No. 1 Capitol District Bldg., 250 South Hotel St. 5th Fl., Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Email: dbedt.sbrrb@hawaii.gov/sbrrb
Website: dbedt.hawaii.gov/sbrrb

David Y. Ige Governor

Luis P. Salaveria
Director, DBEDT

Members

Anthony Borge

Chair

Oahu

Harris Nakamoto Vice Chair Oahu

Kyoko Kimura 2nd Vice Chair Maui

Robert Cundiff Oahu

Nancy Atmospera-Walch Oahu

Garth Yamanaka Hawaii

Director, DBEDT Voting Ex Officio

MEMORANDUM

TO: Chair Kim, Vice Chair Ruderman and Members of the

Senate Committee on Government Operations, and Chair Wakai, Vice Chair Taniguchi and Members of the Senate Committee on Economic Development, Tourism,

and Technology - Room 224

FROM: Anthony Borge, Chairperson

Small Business Regulatory Review Board

DATE: Tuesday, March 21, 2017 at 2:45 p.m.

SUBJECT: HB1382, HD1 – Relating to Procurement - Support

On behalf of the Small Business Regulatory Review Board (SBRRB), I am providing testimony in <u>support</u> of HB1382, HD1, Relating to Procurement. This measure assists small business in the state procurement process by establishing a temporary small business assistance initiative, small business advisory group, small business office, and small business procurement coordinator position within the state procurement office; and appropriates funds.

As advocates for small business, the SBRRB believes it is essential that Hawaii has a small business assistance program such as the proposed initiative to assist in identifying, quantifying and addressing the needs of Hawaii small businesses. It is also important to establish successful policies and recommendations that are relevant to Hawaii's contract opportunities which are significant to the growth and development of small businesses and Hawaii's economy.

Thank you for the opportunity to provide testimony in support of HB1382, HD1.

Testimony to the Senate Committee on Government Operations and the Senate Committee on Economic Development, Tourism and Technology

Tuesday, March 21, 2017 at 2:45 P.M.

Conference Room 224, State Capitol

RE: HOUSE BILL 1382 HD1 RELATING TO PROCUREMENT

Chairs Kim and Wakai, Vice Chairs Wakai and Taniguchi, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 1382 HD1, which would assist small business in the state procurement process by establishing a temporary small business assistance initiative, small business advisory council, small business office, and small business procurement coordinator position within the state procurement office.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

There are 122,566 small businesses in Hawaii which represents 96.2% of all Hawaii businesses. Small businesses in Hawaii employ 263,364 or 52.4% of all Hawaii employees. Small businesses are defined as firms employing fewer than 500 employees. The proposed bill will allow Hawaii small businesses to understand the state's procurement process and create more opportunities for these small businesses to do business with the State of Hawaii. As most of our members are small businesses, the Chamber is in full support of this bill and we respectfully request that the bill be amended to include a representative of the Chamber of Commerce Hawaii to sit on the small business advisory council.

Thank you for the opportunity to testify.

AMEL Technologies, Inc.



Engineering Consulting Services
Melek Yalcintas, Ph.D., P.E., LEED AP, CxA, CEM
2800 Woodlawn Drive, Suite 251, Honolulu, Hawaii, 96822
Tel: 808 988 0200, Fax: 808 988 0204, E-mail: melek@ameltech.com
www.ameltech.com

March 20, 2017

To: WAYS AND MEANS COMMITTEE

Subject: **TESTIMONY IN SUPPORT** of HB1382

Relating to Small Business -

Hearing: Tuesday, 2:45pm on March 21, 2017 (Room 224)

Dear Committee Members;

My name is Melek Yalcintas and I am the president and owner of AMEL Technologies, Inc. (AMEL), an engineering consulting firm located in Honolulu, HI.

Earlier, I submitted testimonies to supporting related bills (SB 1059). I have documented that Women Owned Architectural and Engineering firms are discriminated by the State and the City Agencies of Hawaii. I provided supporting data. I will continue to document discrimination against women architectures and engineers in Hawaii as I witnessed female architects and engineers closed their doors due to discrimination. This time, I will document what State of Hawaii loses when women architects and engineers are discriminated.

Exhibit 1 is the current solicitation out of DEBEDT. As noted, DBEDT is in need of technical assistance for Hawaii energy code and related analyses, compliance assessments, training, as well as updating and supporting adoption of the energy code and other related tasks as required by the State.

Earlier, I indicated that my contributions in the energy engineering has been recognized by my peers nationally and I was awarded as Energy Engineer of 2016 for Region V, covering Hawaii, Pacific Islands, Alaska, Arizona, California, Nevada, Oregon, Utah and Washington. See Exhibit 2.

Despite AMEL's and my qualifications, I will not respond the subject DBEDT solicitation. The reason why I will not respond is discrimination I faced from DBEDT. The following is a brief documentation of discrimination I experienced from DBEDT. Exhibit 3 is the debriefing note from DBEDT for a solicitation that I responded but not selected. As you will note, it is stated that:

"Provided EnergyStar assessment for two Department of Accounting and General Services (DAGS) facilities and incorrectly completed both of them, in subsequent project did not verify square footage numbers collected in regard to criteria for the audit; did not show working knowledge of Energy Star Portfolio Manager (ESPM) in regard to verifying data."

...Provided Energy Star Assessment for two (DAGS) facilities and incorrectly completed them."

With quoted statements, one would easily conclude that the decision for not selecting AMEL was right decision until one learns that AMEL never have/had contract as a prime A&E with DBEDT or DAGS. One can easily verify through these departments. Contrary what it is stated in the debriefing, I saved the DBEDT and DAGS losing Federal funds provided for Hawaii.

AMEL Technologies, Inc.



Engineering Consulting Services Melek Yalcintas, Ph.D., P.E., LEED AP, CxA, CEM 2800 Woodlawn Drive, Suite 251, Honolulu, Hawaii, 96822

Tel: 808 988 0200, Fax: 808 988 0204, E-mail: melek@ameltech.com

www.ameltech.com

In 2005, DBEDT asked my help when the mainland firm hired by DBEDT had problems to register the two of Hawaii State Buildings for EnergyStar. With no reservation, I offered help and registered the buildings so that the State would not loose Federal Grant since the deadline was end of 2005. Since there was no money left for the project, I charged a little over \$1,000 which was no way to cover my expenses. It came out of prime firm that DBEDT originally contracted to register the buildings. I even rescheduled my travel to register buildings. I did it because of my love for Hawaii and energy conservation. Exhibit 4 is the letter DBEDT personnel's e-mail to Energy Star personnel.

Instead of appreciation for my services DBEDT, DAGS and Hawaii, I faced deliberate false accusations in order to eliminate my firm and award the contract to a mainland firm!

Exhibit 5 and 6 is the registration of two buildings I registered for the State of Hawaii as a citizen help. I downloaded these pages from EnergyStar web pages in 2014 when the debriefing is provided. As noted from Exhibits 5 and 6, the square footage of the buildings are the same year after year; yet, DBEDT & DAGS personnel made deliberate false statement to justify discrimination against my firm and me.

I must note that DBEDT is not alone discrimination against my firm and other women owned architects and engineers. I have similar experiences almost all State and City agencies in Hawaii. If needed, I will be more than happy to provide additional documentation if needed.

In conclusion, when discrimination is not stopped, not only the State of Hawaii loses its female architects and engineers, but also deprives itself from the best. Therefore, I respectfully ask you to stop discrimination against women architect and engineers in Hawaii. I hope you can do this for your daughters and granddaughters.

Sincerely,

AMEL Technologies, Inc.

leh Galcinfas

Melek Yalcintas, Ph.D., P.E., CxA, CEM, LEED AP

President

FXHIBIT 1

<u>DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM</u> <u>NOTICE TO PROVIDERS OF PROFESSIONAL SERVICES</u> Solicitation no. SID-PS-06-16-01A

On June 24, 2016, the State of Hawaii, Department of Business, Economic Development, and Tourism (DBEDT) released a solicitation for professional services during fiscal year 2017 (Sept 1, 2016 - June 30, 2017). The following information is a provided for a project-specific solicitation for General Engineering – GS-801 (U.S. Federal Office of Personnel Management).

PROJECT-SPECIFIC DETAILS for ENGINEERINGS CATEGORIES

Provide technical assistance for Hawaii energy code and related analyses, compliance assessments, training, as well as updating and supporting adoption of the energy code and other related tasks as required by the State.

Under the requirements of Section 103D-304(j) HRS, the Director of DBEDT is authorized to invite interested individuals or firms engaged in providing professional services for inclusion on a list of Providers to be considered for projects. Projects under Professional Services contract(s) may be funded, in whole or in part, with federal funds. The funds may be used by DBEDT to support projects that ensure dependable, efficient and economical energy, promote energy self-sufficiency, and provide greater energy security for the State. Full details for this solicitation are described under Submittal Requirements on the following pages, as well as accessible on the State Procurement Office website via the following URL: http://hawaii.gov/spo >Procurement Notices/Bidding Opportunities on the right side of page>Opportunities With The State>Notices>[Define Your Search] > Select an Agency: Department of Business, Economic Development and Tourism>Category: Professional Services (Leave all other boxes blank)> click on "Search">More Info>View Solicitation Information.

The estimated funding for this project is anticipated to be approximately \$85,000, pursuant to 103D-304(j), Hawaii Revised Statute.

The publication date for this solicitation is March 14, 2017.

DEADLINE FOR SUBMITTALS

The deadline for qualified professionals to submit Expressions of Interest and Statements of Qualifications as described under SUBMITTAL REQUIREMENTS is:

WEDNESDAY, March 29, 2017 @ 4:30 p.m. (HST)

Delivery of Submittal: Submittals shall be mailed or hand delivered; **submittals transmitted via electronic mail or facsimile <u>will not</u> be accepted.** Applicants must submit a current Expressions of Interest naming this project and clearly stating the solicitation number on the letter. For

those who previously submitted Statement of Qualifications within the previous fiscal year (FY17), no new SOQ is required unless you wish to submit a project-specific SOQ for this project.

Late Submittals: No late submittals shall be acceptable for this solicitation.

The publication date for this solicitation is March 15, 2017.

SUBMITTAL REQUIREMENTS – First time submittals

One unbound original marked "ORIGINAL" plus three (3) bound copies marked "COPY" and one (1) CD or DVD containing a PDF file of the Provider's information should be submitted of all requested documents below. All pages of the submittal should be numbered consecutively. Submit the information requested in items 1 through 9 below in a sealed package or envelope with the solicitation number written on the outside of the package or envelope. ALL items <u>must</u> be received by WEDNESDAY, MARCH 29, 2017, 4:30 P.M. (HST) at:

Department of Business, Economic Development, and Tourism Strategic Industries Division Attention: Susan Gray-Ellis 235 S. Beretania Street, Room #502 Honolulu, Hawaii 96813

NOTE: Fax or electronic transmittals will not be accepted as offers.

- 1. EXPRESSION OF INTEREST Submit a signed letter stating an expression of interest in this project. (1 hard copy marked ORIGINAL + 3 copies marked COPY + 1 CD with PDF file).
- CIP DPW FORM 120 Submit the completed CIP DPW Form 120 (Revised 6/99) (1 hard copy marked ORIGINAL + 3 copies marked COPY + 1 CD with PDF file).
 NOTE: The CIP DPW Form may be downloaded from www.hawaii.gov/forms. Click on the "Public Forms" tab on the top of the screen, then in the search box on the right, type CIP DPW-120, hit Search. Then, download the fillable "CIP DPW-120 Questionnaire for Architects, Engineers & Other Professional Services" form.
- 3. STATEMENT OF QUALIFICATIONS Submit a statement of qualifications (SOQ) for the specific project listed on page 1, highlighting the Provider's qualifications, expertise and experience (1 hard copy marked ORIGINAL + 3 copies marked COPY + 1 CD with PDF file). Include resumes of key personnel and support staff and identify their roles and expertise. Also include a copy of any licenses of personnel where a license is required.
- PROOF OF INSURANCE COVERAGE Present proof of insurance coverage via a Certificate of Insurance (1 hard copy marked ORIGINAL + 3 copies marked COPY + 1 CD

Energy Engineer Of The Year Region V

Presented To

Dr. Melek Yalrintas

Years/



Association of Energy Engineers

For Outstanding Accomplishments In Promoting The Practices, Principles, And Procedures Of Energy Engineering. **ASSOCIATION OF ENERGY ENGINEERS®**

2016

SID-PS-11-13-01 - Professional Services Solicitation for General Engineering Advancing Energy Efficiency in Hawaii Public Facilities (Baseline)

Debriefing Session

July 25, 2014 AMEL Technologies, Inc.

TOTAL POSSIBLE POINTS/SCORE 100 89 93	4. Other Criteria 10 10 10	3. Capacity to Accomplish Work in required time 15 15 15	Past performance on projects of similar scope for public 16 16 16	1. Experience/Professional qualifications relevant to energy 59 48 52 baselines and building assessments and analysis	Total EVALUATION CRITERIA - Individual Scores Possible A B Points
3 69	0 9	15 12	16	52 32	С
251	29	42	48	132	TOTAL SCORE
300	30	45	48	177	TOTAL POSSIBLE SCORE
84%	97%	93%	100%	75%	%

Proposal Weaknesses:

- misspellings on p. 23 and confusing double paginations. no discussion on performance contracting statute beyond statement made; no resumes included; Portfolio Manager (ESPM) in regard to verifying data; no discussion of goverment policy and strategies; numbers collected in regard to criteria for the audit; did not show working knowledge of Energy Star facilities and incorrectly completed both of them; in subsequent project did not verify square footage 1. Provided EnergyStar assessments for two Department of Accounting and General Services (DAGS)
- 2. Perfect score in this category.
- 3. Provided EnergyStar assessments for two (DAGS) facilities and incorrectly completed both of them.
- 4. Limited information provided.

Melek Yalcintas

To: melek@ameltech.com
Subject: RE: ENERGY STAR plaques

----Original Message-----

From: Elizabeth Raman [mailto:ERaman@dbedt.hawaii.gov]

Sent: Wednesday, December 21, 2005 9:50 PM

To: Natarsha Valentine

Cc: Carilyn Shon; Gail Suzuki-Jones; Steve Jurovics; Kudret Utebay; Peter Oh; Vonda Hampton

Subject: Re: ENERGY STAR plaques

Aloha Nartasha.

This is further to a fax that Gail Suzuki-Jones of our office sent you this afternoon. The fax is a copy of a letter transmitting a Statement of Energy Performance (SEP) for the Kapolei State Building to you for prereview. We plan to fedex the original letter and SEP to you tomorrow.

Our PE is Ms. Melek Yalcintas. She may be reached on December 22, 23, and 24 at her cell phone: 808-230-9815. She will be out of the country from December 25-January 14, 2006. She has kindly offered to be available during that time for your questions and you may email her at - MelekYalcintas@hawaii.rr.com.

Please email me or give me a call at 808-587-3806, if you need any clarification or assistance.

We are anxious to receive the ENERGY STAR plaque for this building. We really appreciate your efforts during the holidays on our behalf!

Liz Raman

PS. Gail will be out of the office on December 22 and 23, returns on December 27.

end

Elizabeth S. Raman, Ph.D.
Energy Conservation Program Specialist
Strategic Industries Division
P.O. Box 2359
Honolulu, HI 96804
Tel: 808.587-3806; Fax: 808.587-3820

Visit our website at www.hawaii.gov/dbedt/ert

"Steve Jurovics" <<u>sjurovics@cadmusgroup.com</u>>

12/21/2005 09·58 AM

Subject ENERGY STAR plaques

To "Gail Suzuki-Jones" <<u>GSuzuki@dbedt.hawaii.gov</u>>, "Carilyn Shon" <<u>CShon@dbedt.hawaii.gov</u>>, "Elizabeth Raman" <<u>ERaman@dbedt.hawaii.gov</u>>

cc "Natarsha Valentine" < Valentine.Natarsha@epamail.epa.gov>, "Kudret Utebay" < kutebay@cadmusgroup.com>, "Peter Oh" < poh@cadmusgroup.com>, < vhampton@cadmusgroup.com>

Hi,

I understood from the conversation yesterday that a Professional Engineer will soon conduct an audit of the two buildings that rated over 75 on EPA's Portfolio Manager and that the PE will then complete the Statement of Energy Performance (SEP) on line.

If you want to check that the SEP meets all EPA criteria before sending it by FedEx to Washington, you may fax it to Natarsha Valentine at EPA. She will review it and send an e-mail letting you know to send it along or telling you what needs fixing. (When you send the letters and SEPs, please send them to the address I gave to Gail.)

Natarsha's fax number is 202-343-2204 and her phone number is 202-343-9879.

I've copied Natarsha on this message so that you have her e-mail address and she has yours.

Natarsha, please send your e-mail to all people on this message, because some may be out of the office on vacation, but others will be able to respond quickly. Please also let the Hawaii folks know if the letters I forwarded to you are alright.

I'll be away 12/22-12/27, but if you need assistance with this please contact any of the following people: Kudret Utebay, kutebay@cadmusgroup.com
Peter Oh, poh@cadmusgroup.com
Vonda Hampton, vhampton@cadmusgroup.com

If you wish to reach me, my cell number is 919-880-3573.

Thanks, Steve

Stephen Jurovics, Ph.D. LEED Accredited Professional

The Cadmus Group, Inc. 6330 Quadrangle Drive, Suite 180 Chapel Hill, NC 27517

919-403-5104 Direct 919-403-5100 Main 919-401-5867 Fax



ENERGY STAR Labeled Buildi Facility Profile PROFILE Profile



State Office Tower (Leiopapa-A-Kamehameha)

235 South Beretania Street Honolulu, HI 96813 Map It!

Years Labeled (Rating):

2006 (79), 2007 (81), 2010 (91), 2012 (96)

Facility Type:

Office

Total Floor Space:

161070

Year Constructed:

1991

Building Owner:

State of Hawaii - DAGS Central

Services

Property Manager:

State of Hawaii - DAGS Central

Services

For More Info:

Kevin Au

Honolulu, HI 96819 808-833-7777

kau@noresco.com

Please note: The building information in this profile was verified and submitted to EPA at the time of application. Building energy performance, operating characteristics, and ownership/management may be subject to change over time.









Kapolei State Building (Kakuhihewa Building)

601 Kamokila Boulevard Kapolei, HI 96707 Map It!

Years Labeled (Rating):

2005 (95), 2006 (94), 2009 (96), 2010 (96),

2012 (96), 2014 (96)

Facility Type:

Office

Total Floor Space:

222000

Year Constructed:

1998

Building Owner:

State of Hawaii - DAGS Central

Services

Property Manager:

N/A

For More Info: Dean Shimomura Honolulu, HI 96819

8088316736

dean.h.shimomura@hawaii.gov

Please note: The building information in this profile was verified and submitted to EPA at the time of application. Building energy performance, operating characteristics, and ownership/management may be subject to change over time.



To: Honorable Aaron Ling Johanson, Chair of the Committee on Labor & Public

Employment

From: Lorraine Minatoishi, Ph.D., AIA

Hearing: Thursday, March 21, 2017, 2:45am

Subject: Support for Bill 1382, Relating to Procurement, Assisting small business

Dear Chair Aaron Johanson,

I am writing in **support of Bill 1382**, which supports small business in Hawaii by forming concrete steps to facilitate small business procurement in Hawaii.

I am a women-owned small business owner of an architectural firm in downtown Honolulu which has been in business for 13 years. I am part of the federal small business program (SBA), and I can vouch for its incredible support of my business over the years. Through their guaranteed loan program, I have been granted guaranteed loans by the SBA, which allowed me to stay in business in 2013. I have learned business acumen by taking several courses offered free-of-charge by the SBA. I am now presently a certified 8(a) company which allows me to be a sole-source firm for the federal government. All of these programs have allowed me to survive in our male-dominated construction environment. It is a testament to how difficult it is for a woman-owned firm to get a foothold in the construction industry by looking at the number of women-owned architecture firms. There are only two other women-owned architecture firms in Honolulu that I know of, though in the university, the female to male ratio was 50-50. Of those who graduated and decided to stay in the field, most work as staff architects, few venturing into administration or ownership of firms. This is why the DOT has labeled women-owned architecture firms as Disadvantage Small Business Enterprises.

I also speak for the other fields of business as well. Though one would like to think that the playing field has leveled out over the years, I can attest to the fact that this is not the case. Anglo-saxon males have played domineering roles in virtually every field of business.

I support bill 1382 as it seeks to help disadvantaged small business owners in Hawaii. This is a much-needed bill and will be to the benefit of all citizens of Hawaii. Please support bill 1382.

Sincerely,

Lorraine Minatoishi, Ph.D., AIA