

House District 26

Senate District 13

THE TWENTY-SEVENTH LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): DEPARTMENT OF EDUCATION; UNIVERSITY OF HAWAII

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Hawaii Procurement Institute

Db:

Street Address: 841 Bishop Street, Suite 2100
Honolulu, Hawaii 96813

Mailing Address: Same

2. Contact person for matters involving this application:

Name ED YOUNG

Title Board Chair

Phone # (808) 447-1840

Fax # (808) 523-3712

e-mail hpiexec@gmail.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
- FOR PROFIT CORPORATION
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

Grant will provide training for current and prospective Government Contractors in Procurement Best Practices. Implementation of sound procurement policies requires well-informed and trained contracting officers (handled by SPO), as well as contractors and bidders. We will address the need for intensive training regarding transparency, accountability and legal practices concerning government contracting. This training will specifically target current and prospective contractors in the area of education.

7. amount of state funds requested:

FISCAL YEAR 2014: \$ 56,450

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ 15,000

MELISSA PAVLICEK, EXECUTIVE DIRECTOR

1/31/13

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.
- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants or subsidies used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

_____ Hawaii Procurement Institute _____
(Typed Name of Individual or Organization)

_____  _____

(Signature)

1/31/13

(Date)

_____ Melissa Pavlicek _____

(Typed Name)

_____ Executive Director _____

(Title)

Application for Grants and Subsidies

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

1. A brief description of the applicant's background;

The Hawai'i Procurement Institute (HPI) is a neutral think-tank and educational institute devoted to delivering quality study and instruction in all aspects of international, Federal, State and County procurement laws. Since its creation in 2003, HPI, through the efforts of its volunteer board, has produced award-winning statewide conferences covering such timely topics as wage compliance, gifts and gratuities, contract pricing and ethical standards.

HPI and its volunteer leaders have authored multiple preeminent procurement publications. HPI, at the request of the Administration and the Legislature, HPI drafted administrative rules implementing HRS 103D-906, creating the framework for Hawaii's Small Business Preference Program.

HPI has conducted numerous statewide educational conferences and convened procurement legislation educational events at the state capitol open to the public to share concerns and present competing views on how best to promote fair contracting systems within the State and County governments. HPI has served as a communications hub for procurement-related educational materials via its website and convened educational sessions involving the state's Procurement Technical Assistance Center and the Chamber of Commerce of Hawaii.

2. The goals and objectives related to the request;

Public funding will leverage private sources of funding to provide intensive training for current and prospective Government Contractors in Procurement Best Practices. Implementation of sound procurement policies requires well-informed and trained contracting officers (handled by SPO), as well as contractors and bidders. We will address the need for intensive training regarding transparency, accountability and legal practices concerning government contracting. This training will specifically target current and prospective contractors in the area of lower and higher education.

The training will consist of a series of twelve (12) – fifteen (15) half-day in-person intensive workshops conducted by attorneys with expertise in state and national procurement best practices specifically geared toward procuring services from the State Department of Education and the University of Hawaii (a minimum of six programs each for DOE-related procurement and U.H.-related procurement) in the areas of:

- Fiscal accountability and pricing
- Pricing II
- Procurement code ethics and compliance
- Competitive sealed proposals
- Protests
- Small purchase method of procurement
- Construction procurement
- Prevailing wage
- Equal opportunity laws and compliance matters
- Evaluation criteria used in various procurements
- IT and emerging intellectual property issues

3. The public purpose and need to be served;

This program will advance the public purpose of promoting efficiency, effectiveness, cost-savings, accountability, transparency and impartiality in state procurement of services for the Department Education and the University of Hawaii.

The State Procurement Office (SPO) mission is to promote efficiency, effectiveness, and impartiality in procurement for State and county governments through development, implementation and maintenance of policies and procedures that provide for broad-based competition, accessibility to government contracts, fiscal integrity and responsibility in the procurement process; and to promote efficiency, effectiveness and stewardship in inventory management and surplus property management in an open, fair and transparent process. Yet its effectiveness can be enhanced through an intensive program to develop better informed and well-trained government contractors and prospective contractors. The SPO's primary focus is to train government contracting officers, while its efforts at public and government contractor training is due to prioritization inherently less robust.

4. Describe the target population to be served;

The target population to benefit anticipated improvements in efficiency and effectiveness of procurement from the HPI Training Program is all Hawaii residents and taxpayers. Specifically, the training will be provided to the owners, leaders and front-line managers of companies currently participating in and trying to participate in and delivering services in the state lower and higher education procurement systems. By offering high-quality, low cost training and conferences, HPI's training will provide opportunities for individuals in all aspects of the procurement process to achieve greater efficiency. According to Hawaii Business magazine, procurement inefficiency results in over \$200 million in waste of government resources. The training is intended to address costs incurred due to inefficient and ineffective procurement processes.

5. Describe the geographic coverage.
 HPI’s geographic reach is already statewide, as evidenced by attendees at past conferences and workshops. The geographic reach for the HPI training program will be the same.

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant’s approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

If HPI receives the requested grant, members of the community will be able to access low-cost procurement training in procurement-related issues in providing products and services to the state Department of Education and the University of Hawaii. For example, companies will be able to participate for specialized training courses conducted by procurement experts at the half-day rate of \$75. The current going rate for these types of training services is roughly \$300 per hour.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Dates (2014)*	Island	Half-Day Training
July – September	Statewide	Tailor curriculum materials to state Department of Education and University of Hawaii relevant procurement topics; survey DOE and UH procurement officers pertaining points of most concern regarding private providers
October – November	Oahu	Intensive half-day procurement training sessions (up to 3 each DOE-related/U.H. related) (half-day each)
December - January	Kauai	Intensive half-day procurement training sessions (1 each DOE-related/U.H. related) (half-day each)
February - March	Maui	Intensive half-day procurement training sessions (1 each DOE-related/U.H. related) (half-day each)
April – May	Hawaii Island (Kona)	Intensive half-day procurement training sessions (1 each DOE-related/U.H. related) (half-day each)
May - June	Hawaii Island (Hilo)	Intensive half-day procurement training sessions (1 each DOE-related/U.H. related) (half-day each)

2. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results;

Trainers are pre-eminent nationally recognized procurement attorneys and experts who have literally “written the book” (a nationally utilized and renowned text on procurement practices).

Sessions will be monitored by HPI staff and evaluation forms demonstrating attainment of measurable competencies will be administered at the end of each session. A report summarizing results will be provided.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.
- Workshop attendance records, signed by attendees and verifying times in/out shall be provided.
 - A minimum of six (6) specific learning outcomes and completed evaluation forms demonstrating achievement of the outcomes, including the development of procurement-related competencies shall be provided.
 - A written report summarizing the results of each workshop shall be provided.

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

Attached.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2014.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$15,000	\$12,000	\$12,000	\$17,450	\$56,450

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2014.

HPI treasury / Private sector donation funding: \$23,000

Registration fees from attendees: \$22,500

Total: \$55,500

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Not applicable.

IV. Experience and Capability

A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

That Hawaii Procurement Institute was founded pursuant to Legislative mandate following Act 52 (2003) and is a neutral, independent procurement think-tank and educational institute led by volunteer leaders, including Professor Danielle Conway, and a contract executive director Melissa Pavlicek who is a Hawaii-licensed attorney.

HPI has authored numerous articles and publications. Of note:

- HPI drafted administrative rules implementing HRS 103D-906, creating the framework for Hawaii's Small Business Preference Program;
- ABA Model Procurement Code 2006 update for the State of Hawaii; and
- 2004 white paper entitled "Policy Considerations Related to Exemptions from the Hawaii from the Hawaii Procurement Code."

Past HPI presentations include:

- 2012 Conference on Procurement Legislation conducted at the state capitol;
- Hawaii Fair Share Initiative (Presenter Lt. Gov. Brian Schatz) 2011
- 2011 Legislative Wrap Up Panel Discussion featuring Richard Borreca, Jerry Burris and Dan Boylan; co-sponsored by the Honolulu Japanese Chamber of Commerce (HJCC), Land Use Research Foundation of Hawaii (LURF), Hawaii Association of Realtors (HAR), Hawaii Procurement Institute (HPI) and Building Industry Association (BIA) 2011
- 2010 Annual Legislative Conference on Procurement Legislation
- Procurement Workshop "Contract Pricing & Change Orders" November 2010
- 2006 Conference covering Procurement Ethics & Corporate Responsibility, Debarment & Suspension, and Selection of Professional Services Contracts;
- Government Contracts Conference: Federal and State Davis-Bacon Wage and Hour Determinations Conference, (with United States Department of Labor); and
- 2004 Seminar on Fiscal Law, Appropriations, and Ethical Responsibility in Department of Defense Contracts and Subcontract, featuring Lieutenant Colonel Michael Benjamin, Chair, Contracts and Fiscal Law Department, United States Army Judge Advocate General.

B. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. The applicant shall also describe how the facilities meet ADA requirements, as applicable.

HPI training, as with HPI's past conferences, will be held at the University of Hawaii Manoa to maximize attendance and accessibility and through the network of community colleges on Kauai, Maui and Hawaii islands.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

HPI Training programs will be run by the HPI existing staff, law students and contracted consultants, overseen by executive director Melissa Pavlicek.

Consultants include:

Danielle Conway
Michael J. Marks Distinguished Professor of Business Law
Regents' Medalist for Excellence in Teaching

Professor Conway teaches in the areas of Intellectual Property Law; Licensing Intellectual Property; International Intellectual Property Law; Internet Law & Policy, and Government Contract Law. She is the Director of the University of Hawaii Procurement Institute. Named Outstanding Professor of the Year in 2003, and awarded the University of Hawai'i Regents' Medal for Excellence in Teaching in 2004, Professor Conway completed a 2006–07 Fulbright Senior Scholar post in Australia. In academic year 2007-08, Professor Conway held the Visiting E.K. Gubin Professor of Government Contract Law Chair at the George Washington University Law School; as well, she was selected as the 2008 Godfrey Visiting Scholar at the University of Maine School of Law. In 2008, Professor Conway was selected to hold a Chair-In-Law position at La Trobe University Faculty of Law & Management in Melbourne, Australia.

Professor Conway co-authored the treatise, *INTELLECTUAL PROPERTY, SOFTWARE, AND INFORMATION LICENSING: LAW AND PRACTICE* (BNA, 2007) (2008 Supplement) (2009 Supplement, forthcoming) and the casebook, *LICENSING INTELLECTUAL PROPERTY: LAW AND APPLICATION* (Aspen, 2008). Her publications also appear in the *Howard Law Journal*, *University of Richmond Law Review*, *Santa Clara Law Review*, *Asian-Pacific Law and Policy Journal*, *Washington University Global Studies Law*

Review, Computer Law Review and Technology Journal, Army Lawyer, Texas Wesleyan Law Review, and Michigan Journal of Race and Law. She has lectured in the United States, Europe, the United Kingdom, China, Japan, Ghana, Palau, Micronesia, Australia, New Zealand, and Mongolia on topics including globalization, government contract law, intellectual property law, intellectual property licensing, and Indigenous Peoples' rights.

In addition to her publications, Professor Conway has completed a Fulbright Grant (\$40,000), an Australian Fulbright Grant (\$2,500), a State of Hawaii interagency service grant sponsored by the Department of Accounting and General Services, the Department of Transportation, and the Department of Business, Economic Development & Tourism (\$50,000), a University of Hawaii Arts & Sciences Grant (\$25,000), two Computer Assisted Legal Instruction Grants (\$10,000), and a University of Hawai'i SEED Grant (\$5,000).

Professor Conway has delegate status at the United Nations Permanent Forum for Indigenous Issues. In addition, she currently serves as a Lieutenant Colonel in the U.S. Army Reserve assigned as Assistant Chair and Professor of Law in the Contract and Fiscal Law Department at the Judge Advocate General's Legal Center and School. She is of counsel at Alston Hunt Floyd & Ing, LLP in Honolulu.

Terry Thomason
Stockholder/Director/Attorney
Alston Hunt Floyd & Ing

In the complex world of government contracts, the protest system is a particular subject of controversy and criticism. "I'd like to see a change in the perception of protests," says Terry Thomason, who has more than 30 years of experience as a procurement attorney with the Department of the Army and in private practice. "The public and all our legislators should know the protest system is the most effective tool in protecting against waste of public funds and ensuring compliance with the Hawaii Public Procurement Code."

Thomason's government contracts practice covers all aspects of federal, state and local procurement law, including protests, disputes, debarment actions, employee rights, wage payment laws and EEO compliance. His federal service included assignments as Deputy Legal Counsel in the Office of the Chairman of the Joint Chiefs of Staff, Labor Advisor to the Assistant Secretary of the Army, and chief counsel to the Commander, U.S. Army, Pacific. As the Labor Advisor to the Assistant Secretary of the Army, Thomason chaired the Department of Defense Committee responsible for drafting and interpreting federal procurement regulations governing compliance with labor standards laws such as the Davis-Bacon Act, the Service Contract Act and related laws.

A frequent speaker on government contracts and grant compliance at seminars and professional programs, Thomason is also a founding member of the Hawai'i Procurement Institute.

Melissa Pavlicek
President
Hawaii Public Policy Advocates

Melissa Teves Pavlicek is an attorney and government affairs professional who represents clients before the state legislature, regulatory agencies and local governmental bodies, such as the Honolulu City Council. She graduated from the William S. Richardson School of Law, University of Hawai'i (J.D.); University of Hawai'i (B.A.) and Baldwin High School (Maui). She has served as a committee clerk at the Hawai'i legislature for then-Representative Robert Bunda, as a staff member of the Senate Ways and Means and Consumer Protection committees and worked at the Honolulu City Council.

She has taught courses on legislative advocacy for non-profits and has served as the vice president of the Legal Aid Society of Hawai'i. She is a past president of Hawai'i Women Lawyers and has served as chair of the Hawai'i State Bar Association Business Law Section. She was named as the U.S. Small Business Administration's Women in Business Champion for the state of Hawaii and has been recognized with a president's award from Hawaii Women Lawyers.

B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request.

VI. Other

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

None.

B. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

Professor Danielle Conway, Terry Thomason and Melissa Pavlicek are licensed attorneys. Professor Conway co-authored the pre-eminent procurement law treatise, INTELLECTUAL PROPERTY, SOFTWARE, AND INFORMATION LICENSING: LAW AND PRACTICE (BNA, 2007) (2008 Supplement) (2009 Supplement, forthcoming) and the casebook, LICENSING INTELLECTUAL PROPERTY: LAW AND APPLICATION (Aspen, 2008).

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2013 to June 30, 2014)

App Hawaii Procurement Institute

BUDGET CATEGORIES	Total State Funds Requested (a)	Registration Fees (b)	HPI Treasury (c)	(d)
A. PERSONNEL COST				
1. Salaries	0			
2. Payroll Taxes & Assessments	0			
3. Fringe Benefits	0			
TOTAL PERSONNEL COST	0			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	3,200			
2. Insurance	0			
3. Lease/Rental of Equipment	2,500			
4. Lease/Rental of Space	12,750			
5. Staff Training	0			
6. Supplies	1,500			
7. Telecommunication	0			
8. Utilities	0			
9. Trainers' Fees	8,000		10,000	
10. Training Materials Printing	0	22,500		
11 Curriculum Development	20,250		5,000	
12 Executive Director Administrative Servi	4,500		4,500	
13 Website Materials development	2,500			
14 Marketing of events	0		3,500	
15 Car rental for NI training	1,250			
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	56,450	22,500	23,000	
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	56,450	22,500	23,000	
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	51,450	Melissa Pavlicek (808) 447-1840		
(b) Registration fees	22,500	[REDACTED]		
(c) HPI treasury/private sector	23,000	[REDACTED]		
(d)		Signature of Authorized Official _____ Date _____		
TOTAL BUDGET	96,950	Executive Director _____ Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Hawaii Procurement Institute Period: July 1, 2013 to June 30, 2014

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				
Not applicable.				

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: Hawaii Procurement Institute

Period: July 1, 2013 to June 30, 2014

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2011-2012	FY: 2012-2013	FY:2013-2014	FY:2013-2014	FY:2014-2015	FY:2015-2016
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENTS: <p style="text-align: center;">Not applicable</p>						