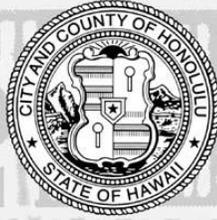


NEWS RELEASE



Office of the Mayor

CITY AND COUNTY OF HONOLULU

FOR IMMEDIATE RELEASE

May 6, 2010

CITY RESPONDS TO CAYETANO ‘COMPLAINT’ REGARDING PROCUREMENT

(May 6, 2010)—The City and County of Honolulu today released the following points and questions in response to descriptions of a “complaint” filed on behalf of Ben Cayetano and “unspecified others” regarding procurement:

- The City and County of Honolulu carefully follows all procurement laws, rules and regulations.
- None of the contracts cited by the Honolulu Advertiser in an article today describing Cayetano’s “complaint,” or in a related letter sent to City Councilwoman Ann Kobayashi, were awarded improperly.
- A 2009 audit by the City Auditor examined two of the contracts specifically cited in today’s article and found that both complied with procurement requirements.
- Allegation that we failed to negotiate with first-ranked respondents was based on false assumptions. The State requires that respondents be listed online in alphabetical order, not ranked order. The City has followed the proper protocol.
- It was during Cayetano’s tenure as governor that a procurement rule he is now questioning was promulgated. Hawaii Administrative Rules, Sec. 3-122-66, explicitly allows the award of contracts when less than three qualified offerors submit proposals.
- The State has awarded numerous contracts under this rule since then.
- Hawaii Administrative Rules apply to and are followed in all State and County government procurement. So why was this complaint filed only against the City?
- Who are the “unspecified others” who were involved in the filing of this “complaint” and what are their motives?
- This “complaint” apparently was submitted by persons who are not involved in any way with any of the contracts or their award. Such persons would have no legal right to challenge a contract award under the procurement law.
- Just last month, the Hawaii Supreme Court declined to review the lower court’s dismissal of a lawsuit over a contract award that was challenged by an entity that the lower court found had no legal right to bring the lawsuit. (Communications-Pacific, Inc. vs. City and County of Honolulu)
- Why was this “complaint” filed at this time, by someone who is not involved in any way with any of the contracts or their award?
- Why was a description of Cayetano’s “complaint” forwarded to only one member of the Honolulu City Council, who is not the chair of the Council or the Budget Committee?
- The Honolulu Advertiser provided the City with a copy of the letter describing this “complaint” after 4:30 pm yesterday, and did not provide a reasonable opportunity for a response before publishing its fundamentally flawed report today.

- To raise questions about the integrity of the City's procurement process without doing any fact-checking, without even obtaining a response from the City, is very unprofessional and irresponsible. This particular reporter has proven time and again that he is more interested in sensational headlines than in providing accurate information to the public.
- Hawaii Administrative Rules are available at: <http://hawaii.gov/spo/statutes-and-rules/admin-rules/3-122InterimRules4-18-2005.pdf>

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