



HONOLULU AUTHORITY for RAPID TRANSPORTATION

MINUTES

**Human Resources Committee Meeting
July 28, 2011, 9:00 AM
Mission Memorial Annex Conference Room
550 South King Street
Honolulu, Hawaii**

PRESENT: Keslie Hui
William "Buzz" Hong
Carrie Okinaga

ALSO IN ATTENDANCE: Toru Hamayasu
Bob Sumitomo
Joyce Oliveira
Gary Takeuchi
Paul Romaine
Jeanne Mariani-Belding
Kekoa McClellan

EXCUSED: Damien Kim

I. Call to Order by Committee Chair

At 9:05 A.M., the meeting of the Human Resources Committee was called to order by Committee Chair Keslie Hui.

II. Public Testimony

Mr. Hui called for public testimony. No public testimony was offered.

III. Approval of minutes of July 7, 2011 Human Resources Committee meeting

Board Member William "Buzz" Hong moved to approve the minutes of the July 7, 2011 Human Resources Committee meeting. Board Member Carrie Okinaga seconded the motion. There being no comments or objections, the minutes were unanimously approved.

IV. Procurement of Search Firm for Permanent Executive Director
A. Scope of contract

Interim Executive Director Toru Hamayasu stated that procurement laws prevent appointed officials from serving on the procurement committee. Therefore, he invited Deputy Project Officer for Administrative Controls Frank Doyle to provide information on procurement to the committee.

Mr. Doyle reported that the procurement of an executive search firm will be through the RFP method. He also indicated that the procurement will comply with the Hawaii Administrative Rules, Hawaii Revised Statutes, and Federal processes.

Mr. Doyle reported the following intended timeframe for the procurement:

- The RFP will go out on August 11;
- Proposals will be received within 45 days (approximately the end of September);
- Proposals will be reviewed during the month of October;
- A selection will be made by the end of November; and
- The search firm will have three months to complete their work.

Mr. Hui distributed to committee members a July 21, 2011 article from Bloomberg News entitled "MTR Hires New York Transport Boss Walder as Chief Executive in Hong Kong," and noted that New York City's MTA will be conducting an executive search at the same time as HART and might compete for the same resources.

Interim Executive Director Toru Hamayasu cautioned the committee that their discussion on procurement ought to be treated as preliminary, and not as a final, decided matter, and as such, terms such as "final scope" ought not be used until the RFP goes out. Mr. Hui stated that in the course of the committee's discussions, he would welcome input from staff and legal counsel on what the committee should or should not discuss because of the delicate nature of procurement.

Ms. Okinaga asked whether the full Board would be discussing the RFP at their August 4 meeting. Mr. Hamayasu replied that this was the goal, and it will ultimately be up to the procurement staff to finalize the documents in time for that to happen.

Mr. Hui shared his thoughts on the draft scope of services. He recommended that the executive search firm advise the HR committee on the job description for the ED/CEO and that the search firm speak with stakeholders such as the HART staff, consultants, the City Council, the Mayor, and others to collect information and identify expectations of the ED/CEO. Mr. Doyle expressed concern about the search firm having to balance the possibly competing desires of the stakeholders. Mr. Hong and Ms. Okinaga expressed concerns about the timing of stakeholder consultation.

Ms. Okinaga recommended that the search firm do this consultation early on after the firm is selected, so that the search process can be completed expeditiously given that the HART Board established December as a target date for hiring a permanent ED/CEO.

Mr. Hamayasu advised the committee that it was important to place specific quantities into the RFP so proposers can make better cost estimates.

Mr. Hui recommended that the search firm look globally, as individuals with relevant U.S.-based experience might be working overseas at the moment. Ms. Okinaga recommended that trade journals might be a good place to advertise; however, Mr. Doyle noted that it often takes longer for ads to be published in trade journals than newspapers.

Mr. Hui asked who would be responsible if the selected ED/CEO candidate leaves within a year of being hired. Mr. Doyle noted that the Denver executive search RFP included a clause to deal with such a situation, but warned that he could not estimate how much such a clause would add to the Offerors' costs if they are expected to assume that risk. Ms. Okinaga stated that although it might add an upfront cost, she liked that Denver had such a provision to place the burden on the company. Mr. Doyle also added that such a clause could be added in the contract with the ED/CEO. Mr. Hui stated that he would prefer to include such a clause in the RFP.

Mr. Hui stated that he would also like the search firm to identify additional candidates if the top-ranked candidates turn out to be unsuitable. Mr. Doyle asked whether the committee intended for the search firm to be ranking candidates or evaluating candidates. Mr. Hui stated that the committee would work with the firm to establish a matrix for assessing candidates.

Mr. Hui recommended that it is important for the search firm to verify candidates' education background and conduct criminal, financial, newspaper, and civil litigation checks to ensure that candidates are of impeccable integrity. Mr. Hamayasu noted that there will be a price difference if this evaluation is done for each candidate or only the selected candidate. Mr. Hong noted that since candidates would be coming from the mainland, it is important to have this background information readily available. Mr. Hui agreed that having this information would be important, and recommended that these checks be done up front before candidates are flown out to Hawaii.

Mr. Hui recommended that each firm provide a realistic budget to provide information on items beyond Offerors' fixed fees. Mr. Doyle said that this information, such as hourly rate, overhead, taxes, travel, etc., will be spelled out in the price proposal.

Ms. Okinaga recommended that Offerors specifically identify the number, location, and costs of advertisements they intend to place. Mr. Doyle responded that HART could place specific numbers into the RFP.

Mr. Hui requested that the firms make it clear what costs HART is expected to cover, such as, for example, travel for the candidates.

Mr. Hamayasu asked whether the committee has an estimated budget figure for this search process.

Mr. Hui responded that the scope will provide a general sense of the costs, but that from his perspective the search should not exceed the annual salary of the permanent ED/CEO.

Mr. Hong requested a proposed schedule for the RFP process. Mr. Doyle responded that the RFP will contain a schedule.

Mr. Hui called for a recess at 10:00 A.M., and called for the committee to reconvene at 11:30 A.M. The committee was called back into session at 11:34 A.M.

B. Selection criteria and weighting of criteria

Mr. Doyle presented materials on the evaluation criteria. Mr. Hui shared his notes on the search firm criteria, and stated that it is critically important that the search firms identify who the leader of their search will be.

Mr. Hui recommended that firms demonstrate experience with relevant recruitment searches for senior executive-level positions in the State of Hawaii. Mr. Hamayasu cautioned that the FTA may view this as an inappropriate geographical restriction, and staff would try to get clarification on that point from the FTA.

Ms. Okinaga stated that the committee should be sensitive to compensation, as candidates from the mainland may want to consider compensation beyond just the salary figure.

Mr. Hui recommended that “references and awards” be considered as a scoring category. Mr. Doyle stated that he will integrate that recommendation into the RFP.

Mr. Hui stated that he would like the full Board to discuss this at the August 4 meeting so the RFP can be sent out on August 11, as scheduled.

C. Job description of Executive Director

Mr. Hui distributed his notes describing the powers, duties, and functions, as enumerated by Charter, as well as other duties, responsibilities, and personal qualities desired for an ED/CEO. Mr. Doyle recommended that the search firm be allowed to develop definitions for these personal qualities as they relate to the job.

Mr. Hong asked about how long it might take for the ED/CEO to obtain a Hawaii Professional Engineer license. Mr. Doyle replied that it might take only six months.

Mr. Hui expressed some concern with the requirement for the ED/CEO to have a PE license, noting that the ED/CEO will be required to be the face of the project, to advocate for the project, to speak with stakeholders. He stated that he doesn't want to miss out on a good candidate simply because he/she does not have a PE license. Mr. Doyle stated that there are other agencies whose ED/CEOs are not engineers, but that the Honolulu rail

project will be a construction project for the next several years, so an engineering background will be particularly important in overseeing the project through this period.

Mr. Hui also indicated that negotiating experience would be a key asset for the ED/CEO.

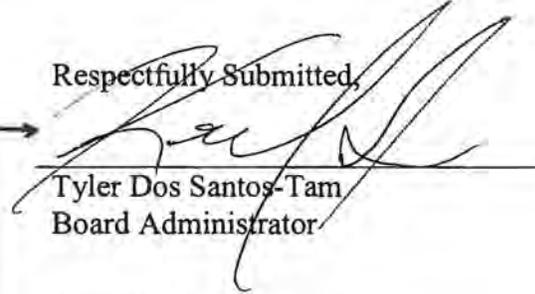
Ms. Okinaga proposed that the committee discuss these qualities later since they will be part of an evaluation matrix which will be drawn up after the firm is selected.

Ms. Okinaga moved that Mr. Doyle and HART staff be directed to prepare an RFP to be presented at the August 4 Board of Directors meeting. Mr. Hong seconded the motion. The motion passed without objection.

V. Adjournment

Having completed all Committee business, Mr. Hong moved that the meeting of the Human Resources Committee be adjourned. The motion was seconded by Ms. Okinaga. There being no objections, the motion carried unanimously and Mr. Hui adjourned the meeting at 12:06 P.M.

Respectfully Submitted,


Tyler Dos Santos-Tam
Board Administrator

Approved:


Kessie Hui
Chair, Human Resources Committee

NOV 17 2011

Date