

Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2011- 3

**RELATING TO THE PROCUREMENT POLICY OF THE BOARD OF
DIRECTORS OF THE HONOLULU AUTHORITY FOR RAPID
TRANSPORTATION**

WHEREAS, the Honolulu Authority for Rapid Transportation (HART) has been established pursuant to Article XVII of the Revised Charter of the City and County of Honolulu 1973, as amended (Charter); and

WHEREAS, it is in the public interest to ensure that the tax dollars and other income that support HART's business activities are utilized as efficiently and effectively as possible in the procurement of goods, services, facilities and equipment that the agency needs to successfully undertake its mission; and

WHEREAS, procurement processes with open and full competition, pursuant to federal and state procurement law, are in the public's interest; and

WHEREAS, eligibility for federal funding requires HART to demonstrate its continuing compliance with federal and state procurement law, as applicable;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HART as follows:

1. HART will comply with applicable procurement law, and conduct all procurement transactions in a manner that provides for full and open competition. Sole source and exemption procurements will be minimized and used only under certain limited circumstances as permitted under applicable procurement law.
2. The HART Executive Director will be responsible and accountable for administration of the agency's procurement processes. In accordance with State of Hawaii Act 131 (2011), the HART Executive Director will serve as HART's Chief Procurement Officer. In this capacity, his/her responsibilities will include but not be limited to:
 - a. ensuring that HART staff is familiar and complies with state procurement law and with the current procurement requirements of the U.S. Department of Transportation, particularly the Federal Transit Administration's third-party contracting requirements and its associated best practices;
 - b. issuing final approvals on contract awards following completion of a competitive procurement process;
 - c. determining if a sole source contract award is justified; and
 - d. executing all contracting actions for the Authority.
3. The Executive Director will report monthly to the Board of Directors on all contract awards, major contract changes and the justifications for any sole source or exemption procurements.

4. This Resolution shall take effect immediately upon its adoption.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on
JUL - 1 2011.

ATTEST:



Board Administrator



Board Chair

Honolulu Authority for Rapid Transportation

STAFF SUMMARY

TITLE: Adopting a Procurement Policy for the Authority			STAFF CONTACT: Ron Tober	DATE: July 1, 2011
Type:	Goal	Focus	Area	
<input checked="" type="checkbox"/> Action/Approval	<input checked="" type="checkbox"/> Project Delivery	<input type="checkbox"/> Livability/Land Use	State of Hawaii Act 131 (2011)	
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships		
<input type="checkbox"/> Follow-up	<input type="checkbox"/> Resource Stewardship	<input checked="" type="checkbox"/> Agency Admin.		

1. Purpose: By approving this action the Board will establish a Procurement Policy for the Authority to guide management actions in procuring goods, services, facilities and equipment.

2. Background/Justification: In order for the Authority to carry out its mission to plan, design, build, operate and maintain a fixed guideway transit system the agency must have an effective and efficient procurement and contract administration function that performs its tasks in a timely manner. The Honolulu High Capacity Transit Corridor Project (HHCTCP) is the largest and most complicated public works project undertaken in state history. It involves sophisticated technologies; a 20 mile long construction zone; and a large number (46) and variety of contracts (DB, DBOM, DBB, supply, professional services). The volume of contract award actions and the potential for subsequent protests, change orders and claims as well as the routine processing of contractual payments and communications will require a procurement and contracting function that will be able to perform its responsibilities accurately and competently in timely manner.

The state law referenced above designates the HART Executive Director as the Chief Procurement Officer for the Authority with the duties and responsibilities associated therewith. This action will provide the Authority with more control over its procurement and contracting activities. It will avoid overloading the City's procurement function which would result in HHCTCP procurement and contracting actions competing for time and resources with the City's Budget and Fiscal Services Department. The Authority will continue to utilize the City's centralized procurement function for the issuance of solicitations; receipt and logging of solicitation responses; and certification of the availability of funds for individual procurements.

As Chief Procurement Officer, the HART Executive Director will be responsible for: procuring or supervising the procurement of all goods and services and construction; making decisions on contract awards and amendments; resolving protests and contract disputes; maintaining procurement records; and adopting operational procedures to assist in the performance of these duties and responsibilities. The Executive Director will be responsible for providing regular reports to the Board of Directors on procurement and contracting activities including awards, sole source procurements, protests, change order experience and other matters that the Board may wish to receive reports on.

3. Procurement Background: The action itself is focused on guiding how the Authority will conduct its procurement and contracting activities. It is important that the agency's procurement and contracting activities and actions be carried out in a timely fashion and utilize the best procurement practices available for public works projects such as the HHCTCP.

4. Financial/Budget Impact: There is no direct financial impact from the action. However, the action is designed to ensure that the Authority's procurement and contracting actions are conducted in a manner that will result in the tax dollars and other income that support HART's business activities being utilized as efficiently and effectively as possible in order to protect the public interest.

5. Policy Impact: This action will establish new policy for the Authority designed to guide procurement and contracting actions undertaken by management. In this regard, it directs that it will be the policy of the Authority to: (1) to conduct all procurement transactions in a manner that provides for full and open competition; to minimize the use of sole source procurements; to ensure compliance with applicable state and federal procurement requirements; and to provide public reports on the status of procurements consistent with state

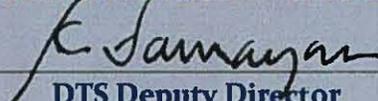
law.

6. Public Involvement: Not applicable.

7. Alternatives: The Board could modify specific aspects of the proposed action or chose to not adopt a Procurement Policy

8. Exhibits: None.

Certified and Recommended by:


DTS Deputy Director