MINUTES OF THE REGENTS' COMMITTEE ON FINANCE AND FACILITIES

Date: Thursday, April 15, 2004

Place & Time: Campus Center Conference Chamber, Rm. 220 University of Hawai‘i at Mānoa 9:10 a.m.

Committee Members Present: Regents Tatibouet (presiding) Haynes Hong Tanaka Yamasato Lee (ex-officio)

Other Regents Present: Regents Bender Kakuda Lagareta Nunokawa

Others Present: Evan S. Dobelle, President, University of Hawai‘i Sam Callejo, Chief of Staff James R. Gaines, Interim Vice President for Research Peter Englert, Chancellor, University of Hawai‘i at Mānoa Rodney Sakaguchi, Vice Chancellor for Administration, Finance and Operations Jan Yokota, Director, Office of Capital Improvements Duff Zwald, Director, Procurement, Real Property and Risk Management Sandy Sakaguchi, West Hawai‘i David Iha, Executive Administrator and Secretary of the Board Carl Makino, Executive Assistant to the Board

Approval of Committee Meeting Minutes

Regent Haynes moved to approve the minutes of meetings of the Regents’ Committee on Finance and Facilities held on February 19, 2004. The motion was seconded by Regent Tanaka and unanimously carried.
Subjects:

1. Request to engage in a Contract for Consultant Service from William T. Bakamas dba B Commercial

2. Amended and Restated Memorandum of Understanding with Hiluhilu Development, LLC, regarding the University of Hawai‘i Center in West Hawai‘i

3. Proposed Amendments to Board of Regents’ Policy on Procurement

4. University of Hawai‘i Repairs and Maintenance Program

5. Update of University of Hawai‘i at Mānoa Off-Campus Student Housing

Request to Engage in a contract for Consultant Services from William T. Bakamas dba B Commercial

Chancellor Englert requested that the Committee authorize the administration to engage in a contract for consultant services from William T. Bakamas, dba B Commercial to assist in the preparation, organization and structuring of a proposed University Affiliated Research Center (UARC) and in contract negotiations with the U.S. Government and U.S. Navy. The request to establish the proposed UARC shall be presented to the Board upon receipt of final approval from the U.S. Government and U.S. Navy.

More specifically, B Commercial would provide consultant services to the University of Hawai‘i in the preparation, organization, and structuring of a proposed University Affiliated Research Center (UARC), assist the University in the negotiation with the U.S. Government and U.S. Navy on the omnibus Indefinite Delivery Indefinite Quantity (IDIQ) contract, guidance on matters related to export control regulation such as International Traffic in Arms Regulation (ITAR) and Export Administration Regulations (EAR), and compliance matters relating to the development of a University Affiliated Research Center.

Board policy stipulates that should it be determined, in consultation with the Board, that a contract or settlement is anticipated to have a significant impact on policy, programs or operations, incur potential institutional liability, or have a systemwide impact, the prior approval of the Board shall be required regardless of amount and source of funding.

Mr. William T. Bakamas is currently the Associate Director of the Applied Physics Laboratory (APL) at the University of Washington and is the President of B Commercial. APL is one of the four (4) established Navy UARCs in the U.S.; it has been in existence since 1943. He has 20 years experience at the University of Washington, Applied Physics Laboratory and in negotiating the Indefinite Delivery Indefinite Quantity (IDIQ) and Fixed...
Price Plus Fee Contracts. As President of B Commercial, Mr. Bakamas recently consulted for the University of Maryland to develop a proposal for the creation of a UARC. He has extensive knowledge of the policies and procedures of the U.S. Government and U.S. Navy. He is well versed in International Traffic in Arms Regulations and understands the implications of these regulations in regards to a research university. He has years of experience in negotiating with the U.S. Government and U.S. Navy and has had great success with the University of Washington’s APL and the creation of the University of Maryland’s UARC. Mr. Bakamas’ services are unique and are required to facilitate the University of Hawai‘i’s proposal for and creation of the University’s UARC.

The UARCs operate under sole-source multitask NAVSEA delivery order contracts to perform work primarily for the Navy task sponsors. The UARCs have developed core technical competencies through support of Navy and other DOD and civilian agencies. They provide research, development, test and evaluation, and engineering capabilities to the Navy and DOD. The UARCs foster education in engineering and scientific disciplines that are especially relevant to Navy/DOD needs.

The cost of this 2-year contract is estimated at $75,000, which includes the consultant fees and reimbursable costs such as travel and related expenses. Funds are to be provided by the Vice Chancellor for Research & Graduate Education RTRF allocation.

Regent Kakuda asked if this would increase classified research. Chancellor Englert stated it would not. The contract would act more as a conduit to attract funds, primarily from naval contracts.

Regent Tatibouet asked if the proposed contract would be with Mānoa or the entire University. Chancellor Englert said it would essentially be with Mānoa, but if other parts of the system would be applicable, provisions could be opened. Initially, however, it would be a Mānoa contract.

Regent Nunokawa asked if classified contracts became included, what would the administration do. Interim Vice President Gaines informed that the administration would consult with the faculty. If necessary this may lead to an amendment to the Regents’ policy on classified research and at that point a recommendation would be made to the Board.

Regent Tanaka moved to authorize the administration to enter into a contract for consultant services from William T. Bakamas dba B Commercial for a duration of 24 months at a cost not to exceed $75,000 for fees and reimbursable costs. The motion was seconded by Regent Haynes and unanimously carried.
Amended and Restated Memorandum of Understanding with Hiluhilu Development, LLC, Regarding the University of Hawai‘i Center in West Hawai‘i

Note: Regent Lagareta recused herself from this portion of the meeting due to a possible conflict of interest.

Director Yokota requested that the Committee authorize the administration to enter into an amended and restated Memorandum of Understanding (MOU) with Hiluhilu Development, LLC, (Hiluhilu) regarding the University of Hawai‘i Center in West Hawai‘i.

In 1991, the Board of Regents selected a 500 acre parcel of vacant land east of the Kona Airport as a suitable site for a permanent University of Hawai‘i campus in West Hawai‘i. However, the development of the site has been hampered by a lack of capital improvement funds to provide adequate potable water, roadway and other basic supporting infrastructure and to construct classroom and office buildings. Hiluhilu Development owns a 725 acre parcel adjacent to the north boundary of the University’s site and has expressed its willingness to coordinate its development with that of the University for the West Hawai‘i campus, and to cooperate by providing supporting infrastructure for the campus.

On November 21, 2002, with the Board’s approval, the University entered into an MOU with Hiluhilu to discuss joint development opportunities for the adjacent properties, with Hiluhilu providing critical infrastructure for the University’s initial relocation of its West Hawai‘i Center. Since that time, representatives of the University and Hiluhilu have continued discussions on these subjects and Hiluhilu has been in discussion with its consultants, the County Department of Water Supply, and the State Departments of Land and Natural Resources, Hawaiian Home Lands, and Transportation.

Under consideration is the concept of a University Village. Hiluhilu will develop a residential/commercial community on its property, with a village town center spanning its lands and the University’s property. This town center is envisioned as a walking village, which would integrate the University’s facilities with compatible commercial and cultural facilities.

In the initial stage of this project, the University will identify the specific amount of space it needs to relocate from its present leased facilities at Kealakekua to the University Village. Hiluhilu will design and construct structures on its property to meet the University’s needs. The University will use its existing budget to lease these facilities on a mid term basis of five to ten years until the University’s facilities can be built on its own land adjacent to the Hiluhilu land. It is understood that the design of the initial structures and the related improvements would allow Hiluhilu to convert them to a non-University use after the University moves to its own facilities.
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An update on this project was provided to the Regents’ Committee on Finance and Facilities at its October 16, 2003 meeting in Hilo.

As a result of the discussions since the November 2002 Memorandum of Understanding, additional details have been developed on how the University and Hiluhilu will coordinate efforts related to potable water, the roadway access to the property, wastewater treatment plant, architectural and use controls and the initial building improvements for the University. Therefore, an amended and restated MOU has been prepared to incorporate the substantive provisions of the November 2002 Memorandum of Understanding and describe the key principles that will guide future discussions and ultimately lead to formal legally binding commitments.

Regent Nunokawa inquired about the principals of Hiluhilu. He was informed that the principals were the Schwab Group and Guy Land.

Regent Hong suggested that the administration have Hiluhilu accompany them to the presentation before the Land Board. Director Yokota stated that they would explore the suggestion with Hiluhilu. She added that this was in effort to secure comparable space to that being used at Kealakekua, and at comparable costs. The University would be responsible for the design and Hiluhilu would try to accommodate that design.

Chairperson Lee asked how many students were at West Hawai‘i. Ms. Sakaguchi informed her that there were approximately 500 students. This figure is projected to grow to approximately 1500 in the future. The Committee was informed that Group 70 and a Boston firm were retained by Hiluhilu to help with the design.

Regent Tatibouet inquired about potable water. She was informed that the University’s parcel has water commitments provided arrangements can be made to bring the water onto its parcel. Hiluhilu would be able to provide that capability up to the University’s boundary.

Regent Yamasato moved to authorize the administration to enter into the amended and restated Memorandum of Understanding with Hiluhilu Development, LLC, subject to legal review for form and content. The motion was seconded by Regent Hong and unanimously carried.

Proposed Amendments to Board of Regents’ Policy on Procurement

Regent Hong explained that the purpose of his request to amend the Board’s policy on Procurement was to protect the University by establishing a firewall between the University and less-than-trustworthy vendors. This a responsible action on the part of the Board on behalf of the taxpayers of Hawai‘i and, according to Regent Hong, takes a
proactive rather than a reactive position. He explained that the first recommendation was
circulated to the administration and concerns were provided to the General Counsel and
Chief of Staff. The suggested amendments would read:
“Section 8-15 Prohibition, Debarment, and Termination of All Contracts with Persons Who
Violate State and Federal Laws.

(a) Prohibition. The University of Hawai‘i, its officers, representatives, agents
and employees shall not enter into any contract or agreement with any Person who has
pled guilty to, pled no contest to, or pled to a Deferred Acceptance of No Contest Plea (as
defined by Chapter 853, Hawai‘i Revised Statutes), Deferred Acceptance of Guilty Plea (as
defined by Chapter 853, Hawai‘i Revised Statutes), or been convicted of any of the
following offenses, as defined by the Hawai‘i Revised Statutes, for a period of five (5) years
before the date of submission of any bid, proposal, response, contract, agreement or
purchase order:

(1) Bribery, Section 710-1040, HRS; or
(2) Perjury, Section 710-1061, HRS; or
(3) False Swearing, Section 710-1062; or
(4) Unsworn Falsification to Authorities, Section 710-1063; or
(5) Theft in the First Degree, Sections 708-830.5 and 708-830, HRS; or
(6) Theft in the Second Degree, Sections 708-831 and 708-830, HRS; or
(7) Forgery in the First Degree, Sections 708-851 and 708-850, HRS; or
(8) Forgery in the Second Degree, Sections 708-852, and 708-850, HRS; or
(9) Forgery in the Third Degree, Sections 708-853, and 708-850, HRS; or
(10) Criminal Possession of a Forgery Device, Sections 708-854, and 708-850, HRS; or
(11) Criminal Simulation, Sections 708-855, and 708-850, HRS; or
(12) Obtaining Signature by Deception, Sections 708-856, and 708-850, HRS; or
(13) Negotiating a Worthless Negotiable Instrument, Sections 708-857 and 708-
850, HRS; or
(14) Suppressing a Testamentary or Recordable Instrument, Sections 708-858,
and 708-850, HRS; or
(15) Deceptive Business Practices, Section 708-870, HRS; or
(16) False Advertising, Section 708-871, HRS; or
(17) Falsifying Business Records, Section 708-872, HRS; or
(18) Defrauding Secured Creditors, Section 708-873, HRS; or
(19) Misapplication of Entrusted Property, Section 708-874, HRS; or
(20) Commercial Bribery, Section 708-880, HRS; or
(21) Tampering with a Publicly-Exhibited Contest, Section 708-881, HRS; or
(22) Computer Fraud in the First Degree, Section 708-891, HRS and Section 708-
890, HRS; or
(23) Computer Fraud in the Second Degree, Section 708-891.5, HRS, and
Section 708-890, HRS; or
(24) Computer Damage in the First Degree, Section 708-892, HRS; or
(25) Computer Damage in the Second Degree, Section 708-892.5, HRS; or
(26) Use of a computer in the commission of a separate crime, Section 708-893, HRS; or
(27) Unauthorized Computer Use in the First Degree, Section 708-895.5, HRS; or
(28) Unauthorized Computer Use in the Second Degree, Section 708-895.6, HRS and Section 708-895.7. HRS; or
(29) Fraudulent Use of a Credit Card, Section 708-8100; or
(30) Fraudulent Encoding of a Credit Card, Section 708-8100.5, HRS; or
(31) Making a False Statement to Procure Issuance of a Credit Card; Section 708-8101, HRS; or
(32) Theft, Forgery, Etc., of Credit Cards, Section 708-8102, HRS; or
(33) Credit Card Fraud by a Provider by a Provider of Goods and Services, Section 708-8104; or
(34) Possession of Unauthorized Credit Card Machinery or Incomplete Cards, Section 708-8104, HRS; or
(35) Money Laundering, Section 708A-3, HRS; or
(36) Assessed a fine under Section 11-288, HRS, for campaign spending violations; or
(37) Any violation of Section 11-229, HRS; or
(38) Any similar violations of State and Federal Law in any of the United States and U.S. Territories.

(b) Debarment. Debarment procedures, as defined and established by the University President and authorized representative, shall be initiated against any Person who has pled guilty to, pled no contest to, or pled to a Deferred Acceptance of No Contest Plea (as defined by Chapter 853, Hawai‘i Revised Statutes), Deferred Acceptance of Guilty Plea (as defined by Chapter 853, Hawai‘i Revised Statutes), or been convicted of any of the following offenses, as defined by the Hawai‘i Revised Statutes, for a period of five (5) years before the date of submission of any bid, proposal, response, contract, agreement or purchase order and performance of a contract or agreement, any of the following:

(1) Bribery, Section 710-1040, HRS; or
(2) Perjury, Section 710-1061, HRS; or
(3) False Swearing, Section 710-1062; or
(4) Unsworn Falsification to Authorities, Section 710-1063; or
(5) Theft in the First Degree, Sections 708-830.5 and 708-830, HRS; or
(6) Theft in the Second Degree, Sections 708-831 and 708-830, HRS; or
(7) Forgery in the First Degree, Sections 708-851 and 708-850, HRS; or
(8) Forgery in the Second Degree, Sections 708-852, and 708-850, HRS; or
(9) Forgery in the Third Degree, Sections 708-853, and 708-850, HRS; or
(10) Criminal Possession of a Forgery Device, Sections 708-854, and 708-850, HRS; or
(11) Criminal Simulation, Sections 708-855, and 708-850, HRS; or
(12) Obtaining Signature by Deception, Sections 708-856, and 708-850, HRS; or
(13) Negotiating a Worthless Negotiable Instrument, Sections 708-857 and 708-850, HRS; or
(14) Suppressing a Testamentary or Recordable Instrument, Sections 708-858, and 708-850, HRS; or
(15) Deceptive Business Practices, Section 708-870, HRS; or
(16) False Advertising, Section 708-871, HRS; or
(17) Falsifying Business Records, Section 708-872, HRS; or
(18) Defrauding Secured Creditors, Section 708-873, HRS; or
(19) Misapplication of Entrusted Property, Section 708-874, HRS; or
(20) Commercial Bribery, Section 708-880, HRS; or
(21) Tampering with a Publicly-Exhibited Contest, Section 708-881, HRS; or
(22) Computer Fraud in the First Degree, Section 708-891, HRS and Section 708-890, HRS; or
(23) Computer Fraud in the Second Degree, Section 708-891.5, HRS, and Section 708-890, HRS; or
(24) Computer Damage in the First Degree, Section 708-892, HRS; or
(25) Computer Damage in the Second Degree, Section 708-892.5, HRS; or
(26) Use of a computer in the commission of a separate crime, Section 708-893, HRS; or
(27) Unauthorized Computer Use in the First Degree, Section 708-895.5, HRS; or
(28) Unauthorized Computer Use in the Second Degree, Section 708-895.6, HRS and Section 708-895.7. HRS; or
(29) Fraudulent Use of a Credit Card, Section 708-8100; or
(30) Fraudulent Encoding of a Credit Card, Section 708-8100.5, HRS; or
(31) Making a False Statement to Procure Issuance of a Credit Card; Section 708-8101, HRS; or
(32) Theft, Forgery, Etc., of Credit Cards, Section 708-8102, HRS; or
(33) Credit Card Fraud by a Provider by a Provider of Goods and Services, Section 708-8104; or
(34) Possession of Unauthorized Credit Card Machinery or Incomplete Cards, Section 708-8104, HRS; or
(35) Money Laundering, Section 708A-3, HRS; or
(36) Assessed a fine under Section 11-288, HRS, for campaign spending violations; or
(37) An act, for which that person is subsequently assessed an administrative fine of $5,000 or more by the Campaign Spending Commission under Section 11-228, HRS; or
(38) Convicted of a violation under Section 11-229, HRS;
(39) Pleads No Contest and/or Guilty to any violation under Section 11-229, HRS;
(40) Accepts a Deferred Acceptance of No Contest or Deferred Acceptance of Not Guilty Plea for any violation under Section 11-229, HRS.
(41) Any similar violations of State and Federal Law in any of the United States and U.S. Territories.

Debarment procedures shall incorporate a penalty that requires the reimbursement of any payments made to the contractor and/or Person as defined herein from the date of the violation to the date of debarment.

Debarment procedures shall incorporate a penalty that requires the contractor to reimburse the University of Hawai‘i, any and all costs, including interest and any penalty imposed by law or contract for any delay, cancellation, including but not limited to the substitution and/or replacement contractor, for a project.

Debarment procedures shall incorporate an additional penalty that prohibits the offending Person, as defined herein, from qualifying to bid or receive the rights to bid on any contract agreement or purchase order with the University for a period of five (5) years from the date the violation was identified and/or discovered.

(c) Disclosure Required. Any and all persons, regardless of the amount of the contract or agreement with the University or any of its affiliates, shall disclose if they or any Person:

(1) Is currently being investigated by any federal, state, county and/or private agency for any of the offenses listed above in sections (a) and (b); or
(2) Has been charged and/or indicted with violating any of the offenses listed above in the five (5) years before the date of the contract, agreement or submission of any bid and/or proposal; or
(3) Has pled guilty, no contest, or accepted responsibility for any violation of federal, state and county laws, statutes, charter and/or ordinances for any of the offenses listed above (i.e., Sections (a) and (b) ) in the five (5) years before the date of the contract, agreement or submission of any bid and/or proposal; or
(4) Has filed for Bankruptcy, or any kind of Protection from Creditors under federal or state law in the five (5) years before the date of the contract.
(5) Purchase Orders. Written disclosure for any of the above listed events is required for any and all vendors and/or “Persons” as defined herein, if they receive more than three (3) Purchase Order requests
from the University, that the combined total exceeds Five Thousand Dollars ($5,000.00).

Any disclosure must be in writing. Disclosures shall be submitted by the “Person” simultaneously with each contract, agreement or submission of any bid and/or proposal and each year during the lifetime of the contract, agreement or submission of any bid and/or proposal, no later than the anniversary date of the contract, agreement or submission of any bid and/or proposal.

The written disclosure shall be sent to the Office of the President of the University of Hawai‘i and a true and correct copy shall be simultaneously sent to the Office of the Regents of the University of Hawai‘i, and shall be available to the public upon request, subject to Chapter 92F, HRS. The disclosure shall include the name of the person involved, his or her title, and the duties and responsibilities of that position.

The “Person’s” failure to meet any of the above disclosure requirements will result in the immediate suspension, disbarment and prohibition of participating in any University project for a period not to exceed five (5) years from the anniversary date, the contract or agreement.

(d) Definitions. As referred to in this Chapter, the following definitions shall apply:

(1) “Person” and “persons” are defined as, natural persons, partnerships, joint ventures, societies, incorporated and/or unincorporated associations, limited liability corporations, clubs, trustees, trusts, or corporations or any officer, agent, employee, representative, actor, or any other personal representative thereof, in any capacity, acting either for himself or for any other person, or holding him or herself as acting for or on behalf of, or acting in an Agency capacity, under personal appointment or pursuant to law, including an individual who is related to any officer, agent, employee, representative, actor, or any other personal representative thereof such as a father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, step-father, step-mother, step-son, step-brother, step-daughter, step-sister, half-brother, or half-sister.

(e) Revisions. Each September following the adoption of this policy, the Office of General Counsel for the University of Hawai‘i shall review the sections of this policy and determine whether the criminal statutory citations are still accurate given the action of the Legislature. The Office of General Counsel
for the University of Hawai‘i shall submit any proposed revisions for inclusion in the Board of Regents meeting for October.

(f) Distribution. The Procurement Office for the University of Hawai‘i shall send copies of this policy out to all current contractors and consultants. The Procurement Office shall also attach a copy of this policy to any and all contracts, before they are executed, to each contractor, vendor and consultant as notice of the University of Hawai‘i’s new policy. The Procurement Office shall continue to attach copies of this new policy to any and all contracts and agreement for a period of five (5) years following the adoption of this policy.

(g) Effective Date. This Policy shall become effective upon adoption by the Full Board of Regents. This Policy shall be applied to all current contracts.

(h) University Administration’s tasks. The University of Hawai‘i Administration, in consultation with the Regents shall submit the University’s Debarment Procedures to the Board of Regents for review and adoption, no later than three (3) months follow the adoption of this policy."

Regent Hong emphasized that debarment would apply only for convictions and guilty pleas.

The following testimonies were received:

1. Glenn Lau, American Council of Engineering Companies of Hawai‘i, urged the reconsideration of the debarment provision since one contractor’s fault it may affect an entire project, hurting innocent firms involved in that project. He asked that the matter be deferred in order to allow further study of this matter.

2. Roy Yamashiro, American Council of Engineering Companies of Hawai‘i, expressed concerns over the long term effects and unknown consequences of the policy amendments.

Regent Hong emphasized that his proposed amendments were intended to be broad to allow the administration to develop implementation details to take into consideration some of the concerns brought in testimony.

Regent Lagareta expressed that she could support the amendments since it would be a broad policy statement leaving the specific standards and implementation details to the administration to develop.
Mr. Zwald offered that national firms chosen as contractors might take longer to start working if they had to have their legal staff conduct a review throughout their entire firm for violators. Regent Hong reiterated that implementation details would be up to the administration. Chairperson Lee added that this matter would be reviewed for legal form and content because when policies state “shall,” compliance is mandatory. As such the policy needs to be clear before adopting. Regent Kakuda concurred, adding that while he agreed in principle with the intent of Regent Hong’s amendments, that he was concerned about impact, and therefore he needed to be comfortable that the policy would not create an impact that the Regents did not anticipate. Regents Tanaka and Haynes agreed, adding that they were not ready to adopt all of the amendments although they fully support their intent.

Regent Hong moved to adopt the proposed amendments, Regent Haynes seconded. Regent Tanaka moved to table the motion until the next meeting of the Board. Regent Yamasato seconded the motion which was carried by a majority vote. Regent Hong voted in opposition.

University of Hawai‘i Repairs and Maintenance Program

Director Yokota provided a briefing on the University’s Repairs and Maintenance (R&M) Program. She explained that there is a responsibility to protect the taxpayers' investment in physical facilities with an estimated replacement value over $1.6 billion. The 2003 Legislature appropriated a total of $10 million in general obligation bonds for fiscal biennium 2003-2005 for systemwide R&M. The 2004 Legislature was presented with a Capital Improvements Program (CIP) Budget request for $30 million in state funds.

Regent Lagareta commented that she did not see an urgency on the part of the administration for an R&M program when discussing the University’s supplemental budget. Instead, the administration was more interested in more programs. She added that it is an embarrassment when the University cannot take care of what it has and yet seems preoccupied in pursuing new buildings.

Chairperson Lee agreed stating that R&M needs to be a higher priority and that a reserve fund is necessary. Regent Haynes added that deferring maintenance only compounds costs.

Regent Lagareta asked what will be the next step suggesting that a plan be developed for R&M program.

Regent Yamasato moved to authorize the administration to develop a plan for R&M to include funding and on-going maintenance. Regent Haynes seconded the motion which was carried unanimously.
President Dobelle concurred that R&M throughout the University has been put off to long. Regent Lagareta suggested that President Dobelle use his high visibility profile to let the people know about the problem so that the public is given an honest the impression that everything is not “rosey” all the time.

Update of University of Hawai‘i at Mānoa Off-Campus Student Housing

Vice Chancellor Sakaguchi updated the Committee on developments in obtaining off-campus housing for students at Mānoa. Previous RFP’s were withdrawn to acquire facilities off-campus for housing and a revised request for proposals has been prepared. He described some of the new specifications including minimum standard for furnishings and internet connections. General Counsel and the Procurement Office will recommend additional language to protect the University as expressed concerns were brought up by the Committee.

Regent Tatibouet commented that this is a big shift in position from the urgency of the original request. She stated that the Committee did not appreciate the Mānoa Chancellor’s Office dropping last minute items before the Regents claiming urgency when there was no urgency in this matter. Regent Lagareta agreed, expressing that the previously, liability issues were not addressed and were caught by the Committee. She added that the Board does not wish to get involved with managerial details but when highly paid administrators are not doing their job, things have a way of ultimately landing in the Regents’ lap. She stated that the Mānoa Chancellor must take more responsibility in having his staff focus on due diligence and the resulting liabilities that may have occurred.

Vice Chancellor Sakaguchi added that the RFP’s would call for approximately 200 beds rather than taking over an entire property. Additional beds would be able to be contracted from other properties. Regent Lagareta stated that when asking the Committee to consider private properties that an engineering report should be part of the recommendation showing structural integrity to insure for the safety of our students.

There being no further business before the Committee, the meeting was adjourned at 11:58 p.m.

Respectfully submitted,

David Iha, Secretary
Dated: May 17, 2004

C: Chairperson Patricia Y. Lee
   Members, Committee on Finance and Facilities
   President Evan S. Dobelle
   Vice President James R. W. Sloane
   Chief of Staff Sam Callejo
   Director Jan Yokota