MINUTES OF REGULAR MEETING OF THE
UNIVERSITY OF HAWAI'I BOARD OF REGENTS

September 5, 2003

I. CALL TO ORDER

The monthly meeting of the Board of Regents was called to order by Chairperson Patricia Lee on Friday, September 5, 2003, at 8:45 a.m., in Laulima 105, Maui Community College. Chairperson Lee recognized Emeritus Regent Everett R. Dowling for his outstanding service on the Board of Regents.

Attendance

Present were Regents Byron W. Bender, Ted H. S. Hong, Trent K. Kakuda, Charles K. Kawakami, Duane K. Kurisu, Kitty Lagareta, Patricia Y. Lee, Walter Nunokawa, Alvin A. Tanaka, Jane B. Tatibouet, and Myron A. Yamasato; President Evan S. Dobelle; Executive Administrator and Secretary of the Board David Iha; and Executive Assistant Carl H. Makino.

Also present were Mr. Sam Callejo, Chief of Staff; Dr. Doris Ching, Vice President for Student Affairs; Mr. Paul Costello, Vice President for External Affairs and University Relations; Mr. Walter Kirimitsu, Vice President for Legal Affairs and General Counsel; Dr. David McClain, Vice President for Academic Affairs; Mr. James R. W. Sloane, Vice President for Administration; Ms. Peggy Cha, Chancellor, Kaua'i Community College; Dr. Shirley Daniel, Interim Chancellor, Hawai'i Community College; Dr. Peter Englert, Chancellor, University of Hawai'i at Mānoa (UH-Manoa); Dr. Angela Meixell, Chancellor, Windward Community College; Dr. John Morton, Chancellor, Kapi'olani Community College; Dr. William Pearman, Chancellor, UH-West O'ahu; Mr. Ramsey Pedersen, Chancellor, Honolulu Community College; Dr. Clyde Sakamoto, Chancellor, Maui Community College; Dr. Mark Silliman, Chancellor, Leeward Community College; Dr. Rose Tseng, Chancellor, University of Hawai'i at Hilo; Ms. Elizabeth Sloane, University of Hawai'i Foundation; Mr. J. N. Musto, Executive Director, University of Hawai'i Professional Assembly (UHPA); Ms. Mary E. Tiles, President, UHPA; Mr. Walter Niemczura, President, Administrative, Professional, and Technical (APT); and others.
II. APPROVAL OF MINUTES

Upon motion by Regent Nunokawa and second by Regent Tatibouet, the Board approved the minutes of the July 11, 2003 meeting.

III. ITEMS FROM PRESIDENT’S MEMORANDUM NO. 22
RECOMMENDATIONS FOR ACTION AND
GENERAL INFORMATION

Proposed Revision to Administrative Policy on Procurement

Vice President McClain requested that the Board authorize the administration to implement revised procedures for the procurement of goods, services and construction.

The primary purpose of the revised procedures is to promote greater efficiency in the procurement process by minimizing the complexity of the process while at the same time maximizing competition through greater use of the Internet and automated information systems. While simplifying the procurement system, the revised procedures as drafted, comply with applicable laws, rules and regulations, and Board policies. These revised procedures will supersede the procurement process presently being utilized by the University.

Act 115, Session Laws of Hawai‘i 1998, exempted the University from the bidding requirements and other provisions of Chapter 103D, Hawai‘i Revised Statutes, which governs public procurement within the State of Hawai‘i. In so doing, the Hawai‘i Legislature delegated “substantially increased authority” to the Board of Regents to “[d]evelop and administer procurement regulations appropriate specifically to the university.” In pertinent part, Act 115/98 amended Section 304-4(d) to provide that “the board shall develop internal policies and procedures for the procurement of goods, services, and construction, consistent with the goals of public accountability and public procurement practices, but not subject to Chapter 103D.”

Currently, most purchases of $25,000 or more require the formal advertising of an invitation for bids or request for proposals. Exceptions to the advertised bidding requirement are in place for sole source, emergency and certain exempt purchases where bidding is neither practical nor advantageous. Under the revised procurement procedures, most purchases from $2,500 to $100,000 would be made through use of the SuperQUOTE electronic, on-line request for quotation system. It is anticipated that use of an online marketplace will serve to promote openness and greater competition among vendors for the University’s purchasing needs, thereby increasing the potential for cost savings to the University in the purchase of goods and services. In addition, the use of an electronic request for a quotation system, in conjunction with the use of an automated information system to generate requisitions and purchase orders, should serve to reduce significantly administrative costs and effort associated with procurement. Written requests for quotations would still be utilized for certain purchases such as construction and other goods and
services where the use of electronic quotations is not feasible.

Advertised invitations for bids and requests for proposals would continue to be utilized for most purchases exceeding $100,000. The existing procedures, subject to minor modification, would remain in place for professional services, sole source and emergency purchases, and exempt purchases where the solicitation of multiple quotations, bids or proposals is neither practical nor advantageous to the University.

In accordance with Section 8-1 of the Board’s policies, the procedures provide that the following University contracts for the procurement of goods, services and construction require the prior approval of the Board:

1. Contracts for goods and services exceeding $500,000;
2. Construction contracts, including those for repair and maintenance, exceeding $500,000;
3. Consultant contracts exceeding $100,000 or which impact Board policies or University programs, regardless of amount or source of funding; and
4. Any procurement contract, regardless of amount or source of funding, which is anticipated to have a significant impact on University policy, programs or operations, or have a systemwide impact.

Consistent with the intent of Act 115/98, the revised procedures are intended to streamline the procurement process while still achieving a primary goal of public procurement - the promotion of competition to the maximum extent practicable by affording vendors a reasonable opportunity to take part in the process.

The Hawai‘i Government Employees’ Association (HGEA) had earlier raised objection that the University had not allowed the union the opportunity to review the proposed policy. Upon response to a concern raised by HGEA the University did agree to a minor change that might have affected HGEA members. The University has subsequently received written concurrence from the union relative to the proposed administrative procedures.

Regent Hong proposed technical changes that would apply to University employees who intentionally violate the procurement code and regulations.

Regent Kurisu moved to approve the implementation of revised administrative procedures for the procurement of goods, services and construction, dated July 2003, with the assurance that these procedures conform to statutes and current Board policies with technical revisions as suggested by Regent Hong and as presented in President’s Memorandum No. 22 (Agenda), Item A-1, dated September 5, 2003. Regent Tatibouet seconded the motion which was unanimously carried.
Capital Improvements Program and Repairs and Maintenance Projects Contracts for Fiscal Year 2003-2004

Chief of Staff Callejo requested that the Board approve the capital improvements program (CIP) and repairs and maintenance (R&M) contracts for planning and design consultants and construction projects for fiscal year 2003-2004.

On May 23, 2003, the Secretary of the Board of Regents set forth a process to comply with the Board of Regents' policy Section 8-1 regarding the awarding of contracts. The process states:

1. Beginning on July 1, 2003, the Administration will present an expenditure plan for the various CIP/repair and maintenance projects planned for the new fiscal year. The expenditure plan will include but not be limited to project number, title, estimated cost and/or appropriations and the estimated bid opening date.

2. Upon bid opening, provided there are sufficient funds, the Administration is authorized to award the contract and give a notice to proceed to the contractor.

3. As the expenditure plan is revised during the fiscal year, the revised expenditure plan will be transmitted to the Board for approval.

The adoption of this process was done to ensure that CIP and R&M projects could be implemented on a timely basis.

Regent Kurisu moved to authorize the University administration to enter into the consultant and construction contracts for CIP and R&M projects for fiscal year 2003-2004 with the understanding that any revisions to the expenditure plan shall require prior Board approval, as presented in President’s Memorandum No. 22 (Agenda), Item A-2, dated September 5, 2003. Regent Tatibouet seconded the motion which was unanimously carried.

Affiliated Student Housing Contract

Vice President Ching reported that the current available student housing space does not meet the increasing demands at the University of Hawai‘i (UH). For a number of years, the demand for on-campus student housing far surpassed the availability of housing accommodations at UH-M~noa, which currently has available approximately 3,000 bed spaces. In Fall 2002, the number of M~noa students who were waitlisted for available student housing was between 300 to 400. Kapi‘olani Community College and Honolulu Community College have also experienced increased demands for student housing. Increased out-of-state student recruitment activities and other factors have contributed to the demands. Guarantee of housing accommodations is a critical factor in prospective students’ decisions to attend the University of Hawai‘i, particularly for those who live on neighbor islands and in other states and countries.
Last year, a pilot project using hotels to supplement the residence halls proved to be successful. The administration wishes to expand the project significantly, aiming for approximately 100 rooms, or 200 additional bed spaces. The lease will start at the beginning of Fall 2003 through Spring 2004. A subsequent one-year agreement may be added by mutual agreement between the hotel and the University.

By guaranteeing a hotel a certain number of room rentals through the lease agreement, it is anticipated that the room rate, which the University can subsequently offer to students, will be significantly reduced from current levels. In addition, the hotel will be staffed in a similar manner as the UH-Manoa residence halls with live-in staff including resident advisors, hall director, and other appropriate staff. Student programming will also be provided to the student residents, and these residents will be expected to comply with all University policies and student housing regulations.

At its meeting on May 16, 2003, the Board of Regents authorized the administration to issue a Request for Proposal (RFP) reflecting the student housing needs of the various University of Hawai‘i campuses that choose to participate in the project with the understanding that the negotiated final agreements with the hotels shall be approved by the Board. An RFP was distributed to 36 local hotels. The proposals were subsequently evaluated on their proposed lease rental rates and ability to provide amenities, such as meal programs, high speed internet access, American Disabilities Act (ADA) disability-certified accommodations, and other appropriate services.

In the pilot program introduced in Fall 2002, a referral agreement was arranged between the University of Hawai‘i, the Kuhio Village Resort, and the Queen Kapi‘olani Hotel. In this agreement, the University served as referral agent and provided live-in staffing and programming for approximately 36 UH students who participated in the program. In this pilot program, students made their contractual arrangements directly with the hotel. Without a guaranteed number of students who would participate in the program, room rates were significantly higher than is expected with guaranteed rental of a specific number of rooms.

Under the proposed legal relationship, the University has committed to renting a block of rooms from the hotel for a specific number of weeks. The University will obtain reimbursement from the students who occupy the rooms. The University will, thus, be contractually liable for the rents of the rooms even if they remain vacant and are not occupied by students. In the previous pilot program, by contrast, the University served as a facilitator of a direct contractual relationship between the student and the hotel. As anticipated, the University can negotiate better room rates for students and other amenities, such as complimentary rooms for resident advisors, by undertaking direct liability for the rents.

After appropriate discussions and site visits to the interested hotel, the Ohana Reef Towers was selected to serve as the affiliated student housing. The RFP response due date of July 11, 2003 coincided insufficiently to submit this request for approval at the July 10-11 meeting of the Board of Regents. Inasmuch as no Board
meeting was scheduled in August, 2003, the earliest possible date for Board approval of this request is September 4-5, 2003. In order to meet students’ housing needs for the Fall 2003 semester, the administration requested permission to expedite a contract, which was verbally granted on July 21, 2003 by the Board of Regents’ Chairperson, with the understanding that a request for approval would be submitted “after the fact.”

Regent Kurisu moved to approve the actions to date and authorize the President, or the President’s designee, to implement the Affiliated Student Housing program, as presented in President’s Memorandum No. 22 (Agenda), Item A-3, dated September 5, 2003. Regent Kakuda seconded the motion which was unanimously carried. Vice President Ching introduced Mr. Darryl Zehner and Ms. Louise Yamamoto who were responsible for this initiative.

Continued Delegation of Personnel Authority to the President to Approve Personnel Actions

Agenda Item A-4, “Continued Delegation of Personnel Authority to the President to Approve Personnel Actions” was deferred at the request of President Dobelle.

Delegation of Authority to the President to Grant Exceptions to the Board of Regents’ Policy on Personnel Employed Through the Research Corporation of the University of Hawai‘i (RCUH)

Agenda Item A-5, “Delegation of Authority to the President to Grant Exceptions to the Board of Regents’ Policy on Personnel Employed Through the Research Corporation of the University of Hawai‘i (RCUH) was deferred at the request of President Dobelle.

Establishment of the Sidney and Erica Hsiao Endowed Chair, Department of Zoology, College of Natural Sciences, University of Hawai‘i at Mānoa

Chancellor Englert requested that the Board approve the establishment of the Sidney and Erica Hsiao Endowed Chair in the Department of Zoology, College of Natural Sciences, University of Hawai‘i at Mānoa.

Sidney Hsiao served as a Professor of Marine Biology in the Department of Zoology in the College of Natural Sciences. He was a graduate of Harvard University and became an Assistant Professor of Zoology at the University of Hawai‘i at Mānoa in 1949 taking only two years leave for other professional activity until his retirement in 1971. He passed away in 1987. His wife, Erica Hsiao, an acclaimed and internationally-known artist, is best known for her glass creations which are found throughout Hawai‘i. She passed away in April 2003, at the age of ninety-nine.

The Sidney and Erica Hsiao Endowed Chair in the College of Natural Sciences will be made possible through funds distributed from the Sidney and Erica
Hsiao Trust. Presently, $1,000,000 is required to provide for such an endowment. If assets distributed from the Sidney and Erica Hsiao Trust are insufficient, the net income may be accumulated until such time as sufficient funds are available to provide adequately for the endowed chair. A distribution now valued at approximately $1.4 million has been received by the University of Hawai‘i Foundation. Their continued commitment throughout their lives to the University of Hawai‘i at Mānoa is underscored by this final donation.

There is a critical need for faculty in this area since the College of Natural Sciences is now implementing a bachelor’s degree in Marine Biology. It is therefore appropriate that this endowed chair be for a distinguished scholar in the Department of Zoology. The endowed chair will meet a critical academic need in the College of Natural Sciences which can be best articulated by the Dean of the College. Thus, the Chair’s field of expertise or discipline within the Natural Sciences will not be decided until the future at which time the most pressing need can be assessed.

Regent Nunokawa moved to approve the establishment of the Sidney and Erica Hsiao Endowed Chair in the Department of Zoology of the College of Natural Sciences on the Mānoa campus subject to the Regents’ policy on academic chairs, as presented in President’s Memorandum No. 22 (Agenda), Item A-6, dated September 5, 2003. Regent Bender seconded the motion which was unanimously carried.

Proposed Amendment to Board of Regents’ Policy Relating to Research

Vice President McClain requested that the Board of Regents adopt proposed amendments to the Board’s policy on research.

Current Board policy provides for a “Managerial Group” which is responsible for the University’s classified contracts. The composition of this group is specified in Board policy by position. During the recent reorganization of the University, there have been several changes in this group. The faculty has expressed concern that the senior academic research leadership of the University should always be represented in this group.

The proposed amendment first codifies the participation of academic leadership in this group as a statement of policy. The amendment then implements this policy by adding both the recently established position of the Vice President for Research as well as the Vice President for Academic Affairs. In addition, the position of the University Chief Information Officer is proposed for inclusion to address the information and network security issues that are increasingly relevant to the work of the Management Group.

During the many consultations regarding this section of Board policy, a number of other issues have been raised. The administration is now working to address these issues in a consultative manner with the faculty, through faculty governance structures as well as their collective bargaining representative, and with other affected constituencies and collective bargaining representatives. It is
expected that additional proposed amendments to this section of the Board policy will be forthcoming after appropriate consultations with the Hawai‘i Government Employees Association and University of Hawai‘i Professional Assembly have been completed.

Regent Nunokawa moved to adopt the proposed amendments to its policy governing the administrative unit for classified contracts, as presented in President’s Memorandum No. 22 (Agenda), Item A-7, dated September 5, 2003. Regent Tatibouet seconded the motion which was unanimously carried.

**Gifts, Grants, and Contracts**

Vice President McClain reported that during the period June 16, 2003 through July 15, 2003, the University of Hawai‘i system received a total of $45,385,222 in research and training grants. The University of Hawai‘i at Hilo received $610,436 during the period June 16, 2003 through June 30, 2003. He also reported that Chancellor Clyde Sakamoto of Maui Community College was the Principal Investigator of two grants, each for $5,000,000 from the Department of Labor. Vice President McClain stated that the University as a whole received more than $300 million in research and training funds last fiscal year.

Regent Kurisu moved to accept with thanks the gifts and grants and ratify the actions of the administration in executing the necessary contracts, as presented in President’s Memorandum No. 22 (Agenda), Item A-8, dated September 5, 2003. Regent Tanaka seconded the motion which was unanimously carried.

Vice President McClain introduced Dr. Laurence Kolonel of the Cancer Research Center of Hawai‘i. Dr. Kolonel has been one of the University’s most distinguished researchers for the last 29 years and recently received a Regent’s medal for his performance in research. Dr. Kolonel provided a report on his cancer studies.
Appointments, Changes in Appointments, Leaves of Absence, Promotion, Tenure, Waivers of Minimum Qualifications, Emeritus Titles, Shortening of Probationary Period, Salary Adjustments, Position Actions, Classification and Pricing

UNIVERSITY OF HAWAI'I, SYSTEM

Executive

GAINES, JAMES
Interim Vice President for Research
Office of the Vice President for Research
August 1, 2003 - July 31, 2004, or until a Vice President is appointed, whichever occurs sooner.

JOHNSRUD, LINDA
Interim Associate Vice President
Office of the Vice President for Academic Affairs
August 1, 2003 - July 31, 2004, or until an Associate Vice President is appointed, whichever occurs sooner.

NAKAMURA, GLENN K.
Interim Director of University Budget
University Budget Office
Reappointment and Salary Adjustment
July 1, 2003 - June 30, 2004, or until a permanent appointment is made, whichever occurs sooner

UNIVERSITY OF HAWAI'I AT MĀNOA

Executive

KEIL, KLAUS
Interim Dean
School of Ocean and Earth Science and Technology
August 1, 2003 - July 31, 2004, or until a permanent Dean is appointed, whichever is sooner.
KIM, KARL E.
Interim Vice Chancellor for Academic Affairs
Office of the Chancellor, UHM
Reappointment
July 1, 2003 - June 30, 2004, unless sooner relieved

O’MEALY, JOSEPH
Interim Dean
College of Languages, Linguistics and Literature
Reappointment

PORTER, EDGAR A.
Interim Dean
School of Hawaiian, Asian and Pacific Studies
Reappointment
September 7, 2003 - September 6, 2004, unless sooner relieved.

TANAKA, PETER F.
Interim Dean
Outreach College
Reappointment

OMIZO, MICHAEL
Associate Dean for Academic Affairs
College of Education
July 1, 2003

Classification 5 (Professors and Equivalent)

ENGLERT, PETER A. J.
Professor, I5
Hawai'i Institute of Geophysics and Planetology
School of Ocean and Earth Science and Technology
Award Tenure
SHELDON, PAULINE J.
Professor, I5
School of Travel Industry Management
Early Sabbatical Leave for one year at half pay
January 1, 2004

COMMUNITY COLLEGES

Emeritus

MICHALSKI, JOHN
Professor, CC
English
Leeward Community College

Regent Tatibouet moved to approve the appointments, changes in appointments, leaves of absence, promotion, tenure, waiver of minimum qualifications, emeritus titles, shortening of probationary period, salary adjustments, position actions, classification, pricing as recommended and modified by the Personnel and Legal Affairs Committee. Regent Nunokawa seconded the motion which was unanimously carried.

Resignations and Retirements of Board of Regents’ Appointees and Civil Service Employees

The list of resignations and retirements of Board of Regents’ appointees and retirements of Civil Service employees was presented for information. (The list of resignations and retirements is presented in President’s Memorandum No. 22 (Agenda), Items C-1 and C-2, dated September 5, 2003.

IV. ORAL REPORT OF EXECUTIVE OFFICER

President Dobelle introduced Chancellor Sakamoto of Maui Community College.

Chancellor Sakamoto reported that a process of master planning was started about 14 years ago. A few of the important goals that are part of the University of Hawai‘i strategic plan include:

1. Student access to a seamless UH system focusing on articulation on all of the campuses.
2. Expanding student access from all points in the county.
3. Developing a sustainable baccalaureate degree and possibly exploring other degrees.
4. Encouraging faculty members to look at ways in which to reduce cost
and generate revenues.

5. A process to promote more efficient, more economical and effective use of resources.

A partnership was created with Molokai Ranch and together created the Molokai Education Center with legislators and with the State’s help as well. MCC has a very active collaboration with the Institute for Astronomy, the High Performance Computing Center and with the Cooperative Extension Colleges. Distance education is supported not only through telecommunications but by face-to-face instruction as well. Chancellor Sakamoto said that MCC is looking forward to serving the Lanai community soon. MCC is also participating in a rural development project that will touch not only the remote communities of Maui county but Hawai‘i and Kaua‘i counties as well. This is an opportunity to create sustainable strategies to provide higher education and training all over the state. MCC is currently offering 14 bachelor’s and 10 master’s degrees with the help of colleagues from the University of Hawai‘i at Hilo, Mānoa, and West O‘ahu.

Chancellor Sakamoto also announced that there would be a dedication of the Pa‘ina building following the Board of Regents’ meeting. The Pa‘ina building has a cafeteria/food-court, fine dining room, bakery, cooking skills lab, microcomputer classroom, and other classrooms for food service instruction.

V. ANNOUNCEMENT

Next Meeting

Chairperson Lee announced that the next regular monthly meeting of the Board of Regents would be held on October 17, 2003 at 8:30 a.m. at University of Hawai‘i at Hilo. She thanked Chancellor Sakamoto and the faculty, staff, and students for their gracious hospitality and for hosting the reception dinner and breakfast.

VI. ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 10:05 a.m..

Respectfully submitted,

David Iha, Executive Administrator
and Secretary of the Board