



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:
EMD/CWB
04022NMB.12

April 25, 2012

Mr. Andrew Walden
Editor
Hawai'i Free Press
P.O. Box 61761
Honolulu, Hawaii 96839

Subject: Healthy Hawaii Coalition: The Hawaii Watershed Experience Contract
(ASO# 12-078)

Dear Mr. Walden:

The Clean Water Branch, Polluted Runoff Control Program (PRCP) would like to respond to the iLind.net blog post published on March 21, 2012 ("Gabbards get no-bid contract from Dept. of Health") and republished by the Hawai'i Free Press on March 21, 2012, regarding the PRCP's contract with Healthy Hawaii Coalition (HHC).

In summary, Mr. Lind's article claimed that: 1) HHC was awarded a no-bid contract by the PRCP; 2) HHC is not listed in the State Attorney General's charitable organization registry; and 3) HHC is not on a no-bid contractor list maintained by the Department of Health (DOH) or the State Procurement Office.

Please understand that the contract awarded to HHC was through a Request for Proposals (RFP), otherwise known as a request for competitive sealed proposals. Applicants are required to submit sealed proposals, which are then concurrently graded by an Evaluation Committee (EC). Applicants that meet all thresholds are awarded a contract. Rules for submission, required documentation and information, as well as the scoring matrix are all included with the RFP and are disclosed when it is released to the public. A .pdf copy of the RFP from which HHC was awarded its contract is available at the PRCP website:

<http://hawaii.gov/health/about/admin/health/environmental/water/cleanwater/prc/grants.html>

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The FY11 RFP EC was comprised of six individuals: two federal employees of the U.S. Environmental Protection Agency (EPA), and four fully federally-funded State employees of the PRCP.

The entire procurement process was held in accordance with HRS Section 103D-303, and a contract for goods or services based upon competitive sealed proposals was drafted.

To wit, the assertion that HHC was awarded a no-bid contract is incorrect: HHC's contract was awarded through a competitive sealed bid request. This also addresses the third claim: HHC is not on the no-bid contractor list because they are not a no-bid contractor.

In a recent conversation with HHC's Program Director, Ms. Alison Riggs, the PRCP was informed that HHC is exempt from registering with the State Attorney General as a charitable organization due to its small size: they normally receive less than \$25,000 in contributions annually, and do not compensate any professional solicitor or fundraising counsel.

We understand how Mr. Lind may have been given the wrong impression: the DOH's Administrative Services Office (ASO), insisted that the PRCP publicly post a notice that HHC was awarded a contract, due to HHC's connections with State Senator Mike Gabbard and his daughter, Councilwoman Tulsi Gabbard. Conversations with the State Ethics Commission on Monday, February 13, 2012, underscored the fact that a public posting was not necessary, since the award was made through competitive sealed bids (HRS section 84-15(a)(2)). However, in the interests of transparency, and due to the DOH-ASO requirement that a Notice to Proceed (NTP) would not be issued unless the award was publicly posted, the PRCP submitted a public notice to DOH-ASO to be posted in the lobby of DOH's main office (Kinau Hale) and forwarded a notice to the Ethics Commission, which was subsequently discovered by Mr. Lind.

Senator Gabbard and Councilwoman Gabbard play an active role with HHC, inasmuch as both dress up and act in school plays presented by HHC when their schedules permit. The PRCP is also aware of Mr. Gabbard's presence on the HHC website. However, the PRCP has never discussed HHC's proposal with either the Senator or the Councilwoman, and neither have had any contact with the PRCP when HHC's proposal was being evaluated. Throughout the current contract (11/2009 to 08/2012), Ms. Riggs (referred above) has been the only point of contact between the PRCP and HHC. This is expected to continue during the upcoming contract.

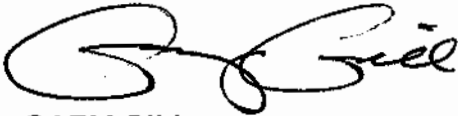
The PRCP is a fully-federally funded program, supported by the EPA's Clean Water Act. As such, Senator Gabbard has no direct influence over the PRCP's budget, even with

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the Senator chairing the Senate Committee on Energy and the Environment. Federal dollars were used to fund the HHC contract. No State funds of any kind (General, Special, etc.) were used.

If you have any questions, please feel free to contact Mr. Michael Burke, of the Polluted Runoff Control Program, Clean Water Branch, at 586-4309.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Gill". The signature is fluid and cursive, with the first name "Gary" being larger and more prominent than the last name "Gill".

GARY GILL
Deputy Director for
Environmental Health Administration