The Minutes of the 18th Contract Review Committee

Okinawa Institute of Science and Technology School Corporation

1. Date: Thursday, October 29, 2020 13:30 - 15:30

2. Venue: OIST Center Building, Meeting Room C210

3. Participants (members): Mr. Tonio Shimabukuro, Mr. Hideaki Tanaka, Mr. Kenta Tomori and

Ms. Orie Nishimura

4. Summary of proceedings

O Election of the chairperson

The committee members elected the Chairperson of the committee from among the committee members, pursuant to the provisions of Article 3, Paragraph 2 of the Detailed Stipulations for the Contract Review Committee of Okinawa Institute of Science and Technology Graduate University and Mr. Tanaka was elected as the chairperson.

Appointment of an acting chairperson

Chairperson Tanaka appointed Mr. Tomori as an acting chairperson, pursuant to the provisions of Article 3, Paragraph 3 of the Detailed Stipulations for the Contract Review Committee of Okinawa Institute of Science and Technology Graduate University and the appointment was approved.

OIST overview

An overview of OIST was given by the secretariat.

Agenda

(1) Selection of projects for deliberation

Mr. Tanaka reported that four projects had been selected from among 170 candidates. (Two projects for public construction work contract, two projects for goods and service contract)

Reasons for selecting the agenda items

Committee member in charge: Mr. Tanaka

Reason for the selection:

The following four projects were selected due to the fact that all of them are high in price, high bid rates, and unlikely to be special equipment or facilities used for research.

[Contract for Public construction]

1. General competitive bidding (lowest price contract award method)

No. 83: No.2 Extra High-voltage Substation at Okinawa Institute of Science and Technology Graduate University

2. Negotiated contract (public recruiting method)

No.1: Lab 5 Building Work at Okinawa Institute of Science and Technology Graduate University

[Contract for Goods and services]

3. Negotiated contract (special negotiated contract)

No.13: Contract of Travel Agency (JTB)

4: Negotiated contract (special negotiated contract)

No.51: Outsourcing of maintenance for facilities

(2) Deliberation regarding individual agenda items

① General competitive bidding

No. 83: No.2 Extra High-voltage Substation at Okinawa Institute of Science and Technology Graduate University

<Explanation on the summary (provided by the secretariat)>

1. Summary of construction work

- This is a work to install an extra-high voltage substation facility that cannot be installed in the existing energy center (No.1 Energy Center), with the expansion of the campus facilities.
- This is a project that also requires work by a power company. Equipment provided by the power company and OIST must be procured from the same manufacturer. The power company cannot specify a manufacturer, and accordingly there was a schedule constraint that OIST had to select the manufacturer of and place an order in advance for the equipment by calculating backwards from the delivery date so that the equipment is delivered in time. Usually, it is common that extra-high voltage equipment is included in and ordered as a part of the electrical equipment work, at the time when the designs of all the construction and electrical equipment works are completed; however, due to the aforementioned schedule constraint, we had to take an irregular practice of ordering only extra-high voltage equipment in advance. Because the design of the wiring part was not ready in time, we decided to include the work up to the installation of the equipment body.

2. Results of the bidding

- We adopted general competitive bidding through the lowest price contract award method as a contract method.
- Two parties applied for bid participation; however, only one of them actually made a bid.
- The winning bidder, Toko Electrical Construction Co., Ltd. has a track record of being contracted for the electrical equipment work for the No.1 Energy Center.
- This contract is closely related to the extra-high voltage substation facility of the No.1 Energy
 Center. This contract is advantageous to the manufacturer of the existing equipment as it
 includes the work to refurbish the existing equipment with the expansion of the energy center.
- At that time, there was an ongoing construction rush across the country, which could be a factor for reduced participants in major construction projects.

3. Target price

• For the target price of this contract, a severe price was set based on more detailed examination with reference to the results of the bidding of the No.1 Energy Center project and the rate used to calculate the target price at that time.

Opinions and comments of the Committee	Explanation provided by the secretariat
Is it quite special equipment?	The equipment introduced this time itself is
	dealt with by several manufacturers, and
	therefore competition should usually work and,
	in that sense, for newly introduced equipment
	itself, it did not matter which manufacturer.
	However, as this contract includes the
	renovation of the existing equipment and the
	renovation cannot be conducted by
	manufacturers other than the manufacturer of
	the existing equipment, and accordingly, the
	price inevitably becomes comparatively high.
	For this reason, the number of participants in the
	competition becomes limited from a cost
	perspective, even if it is technically possible.
Is the number of companies that can conduct the	No, it is not. The construction work itself can be
construction work is limited depending on the	done by any companies.
manufacturer of equipment?	
If it was planned to establish the No.2 Energy	The No.1 Energy Center was established for all
Center from the beginning, then we had better	our buildings including Lab 4. Normally, the
include the costs of the renovation and	national budget does not allow us to go that far;
replacement as maintenance costs at the time of	however, at the time, we were able to enter into
the competition for the construction work of the	an "efficient" contract as a special exception.
No.1 Energy Center.	In this expansion for Lab 5 and other buildings
	to be built in the future, it was decided to
	construct a new one as the size of the land and
	building is too small to expand the No.1 Energy
	Center.
	If we can conduct a large-scale construction
	work at once, covering Lab 6 up to Lab 8, we
	can significantly reduce the costs.
	However, forward-thinking and expensive
	construction work is not allowed while the 10-
	year review and future plans are not determined.
	Consequently, the current situation is that the
	work must be done in stages, even if it becomes
	expensive.

The reduction rate of 28% that was applied to	We referred to the reduction rate set at the time
the quotes seems to be very low.	of the contract for the No.1 Energy Center. The
	rate for the No. 1 Energy Center was set by
	utilizing the experience of the persons in charge
	and the design firm at the time based on quotes
	obtained from multiple companies. For the No.2
	Energy Center, a severe price was set based on
	more detailed examination. It turned out to be a
	tender with only one bidder; however, if
	competition had worked, the successful bid rate
	would have been lower.
Are the maintenance costs not included in the	As for the maintenance, a separate contract is to
contract?	be executed with the equipment manufacturer.
	In the case of the PFI method, it would be a long-
	term contract that includes maintenance work;
	however, due to the nature of the budget, the
	contract must be based on a single-year basis.
Normally, the reduction rate would be different	We applied a uniform reduction rate this time as
depending on equipment types; however, why	this work is focused on the installation of extra-
did you apply a uniform reduction rate in this	high voltage substation facility. In the case of
case?	general electrical equipment work, a reduction
	rate is set for each piece of equipment; however,
	in this case, a uniform reduction rate was applied
	as the equipment comprising the substation
	facility is treated as a set.
Was the bidding procedure based on the premise	No, it was not. We did not narrow down
of a bid by the existing equipment	manufacturers since we were hoping that
manufacturers?	competition would work. However, we cannot
	predict as to how much cost savings can be
	achieved by participants other than the existing
	equipment manufacturers.
If it is possible to specify the existing equipment	We made it as a competitive bidding since there
manufacturer, it could have been settled as a	was a concern that the costs may remain high.
negotiated contract.	

2 Negotiated contract (public recruiting method)

No.1: Lab Building Work at Okinawa Institute of Science and Technology Graduate University

<Explanation on the summary (provided by the secretariat)>

- 1. Summary of construction work
 - It is a new construction project for Lab 5 through the design-build method, including facilities design and structural design.

2. Background of adopting the selection method

- As for the construction of Lab 4, the contractor was selected using the general competitive bidding method (overall evaluation method and lowest price contract award method)); however, until the execution of the contract, we experienced many difficulties as we suffered a long period of unsuccessful bidding such as no bidders and no successful bidder. As for the construction of LAB 5, we gave consideration in order to adopt a better selection method.
- We adopted the technical design-build method for the construction of Lab 5 due to our desire to involve a general contractor at an early stage and expectations for the general contractor's ability to make proposals and reduce costs.
- The technical design-build method is a slight modification of the usual design-build method. We divided the detailed design into 1 and 2, and submitted it to a competitive procedure when the detailed design 1 was completed, and made it a contract where the detailed design 2 (of which, structural and equipment design) is to be conducted by the contractor. The fact that the contractor can devote their time to on-site arrangements and settings, arrangements of subcontractors, materials, and equipment during the period between the detailed design 2 and the commencement of the construction (approximately 6 months) is also attractive to the contractor.
- In the technical design-build method, technical proposals are publicly solicited, and then
 based on the results of the examination, the contract is executed after negotiating with the
 selected contractor regarding the construction methods and price, etc. and defining
 specifications.

3. Selection procedure

- After examining the technical proposals of the three parties (all JVs (joint ventures)) and conducting interviews, we have selected Takenaka-Nakamoto JV as a preferred negotiation right holder.
- After conducting price negotiations twice, we have finally agreed on an amount within the expected target price and executed the contract.

Opinions and comments of the Committee	Explanation provided by the secretariat
Did you also obtain quotes at the time when the	We asked the three parties to also submit their
technical proposals were initially submitted?	quotes along with their technical proposals. The
How much was the difference between the initial	initial quotations of all the three parties
quotation and the contract amount?	exceeded the OIST's reference amount.
You mentioned earlier that it was possible to	The contract was executed after the completion
divide the detailed design into 1 and 2 and spend	of price negotiations at the end of October. It
more time on the detailed design 2; at what stage	was before the commencement of the detailed
did you execute the contract?	design 2. As a matter of fact, we need to have
Will there be a lot of work to be done before	them start working during negotiations. If the
negotiations are concluded? And if negotiations	negotiations are unsuccessful, then we will
break down, will there be any setback?	negotiate with runner-up and lower-ranked
	technical proposal submitters.
What was the criteria for selecting the first	We asked the participants to submit proposals
candidate?	for the following five issues, "Procurement of
	materials and equipment and securing engineers
	and other workers," "Selection of construction
	materials and methods," "Response to the
	natural environment and environmental impact
	statement," "Response to planned expansion,"
	and "Design and construction plan," and we
	scored their proposals by using a point-addition
	scoring system and selected the proposer with
	the highest score as the first-choice candidate.
Is a party with the highest score selected as the	We selected a party that obtained the highest
first-choice candidate even if the proposed	score as the first-choice candidate and
amount is higher than the reference amount?	negotiated the amount with the party so that it
	can stay within the reference amount. Since the
	budget ceiling is limited, we cannot execute a
	contract whose amount exceed the reference
	amount.
I have a concern that lowering the price may	We have set the level of requirements in the
result in lowering the quality.	implementation guidelines, and we rejected
	proposals that do not meet these requirements.
	We do this so that we can ensure at least the
	minimum quality standards.
Usually, the design-build method is applied to	One of the advantages of the design-build
<u> </u>	•

special construction works, where it is difficult to determine the specifications.

I have confirmed the level of requirements for this project, and it seems to be standard. Was it difficult to develop the specifications?

If the level of requirements is standard, was not it possible to adopt the way that competition works better, for example, by using the overall evaluation method with technical proposals.

If that is the reason, it can also be said that there is room for adopting the way that the competition works better, such as the overall evaluation method including technical proposals.

It was mentioned only three JVs had participated in the competition for the 8 billion yen scale project; I would like to know the process of narrowing down participants to these three JVs.

had We participants.

In the budget execution examination, the Ministry of Finance commented that drastic cost reductions should be made, and external and internal funds should be used to develop facilities that go beyond this, and I consider that the key point is how to measure the effect of the cost reductions in the construction of Labs.

How to increase your own financial resources could be one of performance indicators. In that sense, you may want to consider incorporating method is that we can obtain the best proposal from a general contractor. For example, when it also comes to the building structure, we can have the general contractor propose the best proposal that takes into account such aspects as costs and a construction period. Therefore, we have adopted the design-build method, without setting restrictions on specifications so that flexible proposals can be made.

intention to no narrow down

At a stage when the basic design was somewhat ready before submitting the project to the competition procedure, we showed drawings and other materials to several companies and held preliminary interview to see if it was possible for them to participate in the competition through the design-build method. We approached approximately 10 companies and expected the participation of approximately six companies; however, only three JVs actually participated.

the PFI method also in the construction of Labs.	
Basically, a general contractor becomes the	We consider it is because companies in Okinawa
representative of the JV; however, have you	are small and do not have many employees and
analyzed the reasons why companies in	technicians.
Okinawa cannot become the representative of	Because they have their local network, they can
the JV, from the orderer's point of view?	become a partner with a JV; however, it is
	difficult for them to become the representative
	of the JV due to their sizes.
Is there a high hurdle for companies in Okinawa	In the prefecture, there are design firms such as
to become the representative of a JV, after all?	KOKUBA-GUMI Co., Ltd. and KUNIKEN
	LTD.; however, none of them have a design
	department as a general contractor. Therefore,
	we consider that it is difficult for them to
	become a representative of a JV under a design
	and construction contract.
What are the reasons why the construction cost	It is due to both of those reasons. The costs
per square meter becomes high? Is it due to	required for the special construction work to
topographical/geological reasons or for building	protect nature become higher, compared to other
design reasons?	national universities. In addition, the ISS floor
	(equipment floor) has been established to
	improve our research environment, which
	provides us with an advantage that we can
	renovate facilities without interrupting our
	research. Such features are our weapon to attract
	excellent researchers and are also important for
	producing world-class research results. The
	costs required for these also become higher,
	compared to other national universities.
Contractors who conducted the construction of	Takenaka that conducted the construction of Lab
our Labs in the past have a proven track record.	5 received the orders for Lab 1 and Lab 3, and
So, can't we reduce the costs with them?	Nishimatsu received the orders for Lab 2 and
	Lab 4. As expected, contractors with a track
	record of successful contracts tend to have an
	advantage.
I think it was a challenging attempt.	
I hope you will accumulate knowledge, evaluate	_
your performance and utilize them in future	

contracts.	

③ Negotiated contract (special negotiated contract)

No.13: Contract of Travel Agency (JTB)

<Explanation on the summary (provided by the secretariat)>

1. Summary of the contract

- For the purpose of reducing waste in administrative procedures and enhancing cost effectiveness, a preferred travel agency system has been introduced, and the university's internal regulations also clearly state that air tickets should be arranged though the preferred travel agency. The travel agency is responsible for arranging domestic and international airline tickets, accommodations, and package travels for OIST staff and invitees on their business trips, providing relevant support, and handling settlement procedures.
- As for this project, a proposal competition was held in FY 2019 to select a contractor from among three applicants. The contract is referred to as a "negotiated contract" on the face of it; however, it was awarded through a competitive process on the premise of a two-year contract, and this is the second year of the contract.

2. Administrative flow

- First, a business traveler makes his/her business trip schedule and contacts a travel agency, who then presents his/her flight schedule to the traveler. At this time, the travel agency should respond within three hours and present two types of itineraries. Once the flight schedule is decided, the business traveler shall ask the travel agency to make a reservation. At the same time, each business traveler shall submit an application for the business trip to the university.
- The fee per arrangement is flat, regardless of the destination: 7,000 yen for outbound travel and 10,000 yen for inbound travel.
- As for the settlement, all fees for the entire university, including arrangement fees, shall be billed on a monthly basis.

3. Current Situation

- The total results for FY 2019 are 1,477 cases on a settlement basis. Of which, 55% are for inbound travel, totaling approximately 400 million yen.
- Since the beginning of FY 2020, there have been almost no overseas business trips, due to the spread of the COVID-19, and inbound travels have also ceased under the current situation.

Therefore, six months have already passed in this fiscal year; however, there are almost no results for this fiscal year.

Opinions and comments of the Committee	Explanation provided by the secretariat
In the statement of Justification for Negotiated	In order to evaluate and confirm the status of
Contract, it is stated that the contract may be	business implementation, we have them submit
awarded until FY2020 if the status of the	analysis materials such as travel destinations,
business implementation in the previous year is	carriers and classes used, etc., in the form of a
good and both parties agree; are there materials	dashboard on a regular basis.
for evaluating and assessing the situation of the	
business implementation?	
In spite of the fact that Article 2 of the service	It was a competition on the premise of a two-
agreement states 3. consulting services to	year contract and there is no problem with the
establish a business trip workflow and 4.	status of their business performance, and
consulting services to reduce costs, which serve	therefore we made it a negotiated contract.
as a periodic analysis of business trip expenses,	
the fact that the target price is based on the	
previous year's actual results seems to be a weak	
as the reason for a negotiated contract.	
I consider that there is room to consider how to	
evaluate the performance of consulting services	_
and how to reflect it in the target price.	
(In light of No.51(Outsourcing of maintenance	A Performance Evaluation Committee has not
for facilities))	established for this project. An SLA (Service
Will this project be not referred to the	Level Agreement) has been stipulated in the
Performance Evaluation Committee?	agreement, which ensures the quality.
Could you consider an incentive or a mechanism	Each department is making efforts to save travel
for saving travel expenses themselves?	expenses. Budget authorizers may allocate the
	travel expenses reduced to other expenses.
	In addition, when making arrangements, it may
	be cheaper to make personal arrangements using
	Expedia and other methods rather than making
	arrangements through a travel agency. In that
_	case, we allow business travelers to make
	personal arrangements, to the extent not
	exceeding the prescribed maximum amount.
	In addition, we clearly state in the
	implementation guidelines that the travel agency

	shall also propose air tickets that are comparable to those that can be found on air ticket booking
	sites.
Even if it is cheaper to make personal	
arrangements, administrative costs are incurred	
in the settlement process and, therefore, there is	_
an advantage and disadvantage.	

4 Negotiated contract (special negotiated contract)

No.51: Outsourcing of maintenance for facilities

<Explanation on the summary (provided by the secretariat)>

- It is a contract to place a blanket order for general facility and equipment maintenance services for OIST facilities (the maintenance and inspection of various facilities such as air conditioning, electrical, sanitary and fire protection equipment), security services to deploy security guards in various locations, cleaning services, green space management services, short-term accommodation cleaning and linen change services).
- In FY2019, a contractor was selected by the general competitive bidding using the overall evaluation method based on the premise of a three-year contract. As a result of the business status evaluation conducted at the end of FY2019, the contract was renewed in the form of a negotiated contract, as it was determined that there were no particular problems in renewing the contract, and also a quotation within the newly established target price was obtained. The business status evaluation was conducted by convening the committee members who were also involved when the competition was implemented.
- Based on the Estimation Standards for Building Maintenance Work established by the Ministry of Land, Infrastructure, Transport and Tourism, the target price was calculated by the so-called accumulation method, in which the number of man-hours for a certain work was multiplied by the amount equivalent to the daily allowance according to the level of the workers. As for items not specified in the estimation standards, an estimate was adopted to make it as the target price.

Opinions and comments of the Committee	Explanation provided by the secretariat
What are the standards for projects to be referred	Basically, OIST's contracts are single-year
to the Performance Evaluation Committee?	contracts, so we do not have a uniform standard.
	As for this project, it is a contract under which
	competition is conducted on the premise of a

three-year contract and a single-year contract is renewed if there are no problems with the performance of the work.

If it is a simple single-year contract, it would be difficult for us to invest in materials, equipment, and personnel, and accordingly, companies would be discouraged, and we cannot expect many participants in the bidding. Meanwhile, if we adopt a multi-year contract from the beginning, it becomes difficult to deal with issues such as decreased performance during the term of the contract.

The self-defense fire defense duties under the section of security as stipulated in the specifications include the preparation, implementation, recording and reporting of plans for drills; has OIST checked and verified the matter? If the contractor is responsible for the primary firefighting work, OIST had better make sure that drills are appropriately carried out for this purpose.

As for the evacuation guidance team and initial firefighting team for OIST's self-defense fire defense duties, each section, group, or research unit has determined respective roles, and each of them conducts drills individually. Since the initial response of each group is especially important for initial firefighting activities, mock firefighting drills actually using extinguishers are conducted for the initial firefighting team under the guidance of qualified OBM personnel, during a comprehensive evacuation drill. Among the self-defense fire defense duties, initial firefighting activities using indoor fire hydrants, initial firefighting activities on holidays and at night, safeguarding and reporting are outsourced to OBM. OBM periodically conducts drills for the outsourced activities and keeps records of the drills. OBM's records of the drills are checked by the General Manager [Toukatsu-Kanri-sya] of the fire defense organization for self-protection (OIST). The comprehensive evacuation drill is planned by OIST and conducted under the supervision of the General Manager of the fire defense self-protection. organization OBM participates in the comprehensive evacuation

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	drill for the parts of the drill, which include
	notification, initial firefighting activities, and
	safeguarding. In addition, CDC's disaster
	prevention drills are regularly conducted, and
	the records of the drills are maintained, under the
	cooperation between CDC's person in charge of
	the fire and disaster prevention and OBM. The
	disaster prevention drills for the server room are
	conducted and the records of the drills are
	maintained, under the joint efforts of persons in
	charge of the server room management support,
	facility management section and IT section from
	OBM.
Are there criteria for the renewal?	The evaluation was conducted by dividing the
	status of business accomplishment into five
	categories and setting scores and setting passing
	criteria as a total of 72 points or more.
Was there also a price negotiation at the time of	At the time of initial bidding, we made them
renewal?	submit the quotation only for the first year. As
	for the following year and thereafter, quotations
	are obtained and the target price is set for
	negotiation each time. Since the OIST campus is
	in the expansion period, new buildings are put
	into service one after another. Accordingly, it is
	not possible to obtain a quotation for multiple
	years at the time of the initial bidding. A careful
	examination shall be conducted based on the
	quotation by taking into consideration the
	condition of the building and equipment at the time of the contract renewal.
How was the condition that "the contract is	We described that the contract is awarded on the
awarded on an annual basis and it will not be	premise of a three-year contract and it cannot be
renewed if performance is poor" described in the	renewed in case of poor performance.
materials announced?	G: d OIGT
Don't you consider awarding a multiple-year	Since the OIST campus is in the expansion
contract?	period, it is difficult to anticipate multi-year
	costs, so we do not consider that a multi-year

	contract is appropriate at this time. If a situation where no new construction takes place arises, we think there is room for
	consideration.
As for performance evaluation, you could	We think there is room for consideration.
consider the room for the introduction of a	
performance-based contract in which the	
contractor is incentivized to provide better	
services.	

(3) Report from OIST Financial Management Division

① The Budget Execution Examination by the Ministry of Finance (MOF)

<Explanation on the summary (provided by the secretariat)>

1. Background of the budget execution examination

- In the period between March and April 2019, OIST received a budget execution examination by the Ministry of Finance. This budget execution examination is an effort to be made by the Ministry of Finance, as part of the so-called PDCA cycle, to investigate the actual state of the budget execution and point out matters to be improved to review the budget.
- In the budget execution examination conducted on OIST, issues in the following four areas were pointed out: research productivity, status of acquiring external funds, faculty evaluation, and procurement and facilities development. In this committee meeting, we will report on the status of our response to the matters point out in the area of procurement.

2. Report on the results of consideration

- It seems the main points are whether or not to reduce the criteria of the bidding, which currently operates at 5 million yen or more and to what extent it will reduce costs, and whether it will be worth an increase in administrative costs. In order to address these matters pointed out, a procurement working group with cross-sectional participation of related departments, researchers and others was established within the university, and deliberations were held on two occasions.
- Assuming that the criteria for negotiated contracts is reduced from 5 million yen to 3 million yen, we examined a reduction of the costs and an increase in administrative costs.
- According to the results of the analysis conducted on the bidding results in FY 2016 and 2017, cost reduction through competition was recognized to some extent in public works

- contracts and the purchase of asset equipment not directly related to research activities (e.g., furniture and fixtures, IT-related equipment, etc.).
- Meanwhile, as for research equipment-related contracts, it was found out there is almost no
 cost reduction effect through competition, as the number of suppliers is often limited to only
 one due to the constraints imposed by the agency system.
- Based on the above-mentioned analysis, if we reduce the criteria for negotiated contracts, we consider it is reasonable to do so within the extent that cost reduction effects are expected, instead of making a uniform reduction. Therefore, we are considering the direction of dividing equipment into two categories, research equipment and non-research equipment, and reducing the contractual criteria to 3 million yen for non-research equipment, while keeping it at 5 million yen for research equipment as before.

Opinions and comments of the Committee	Explanation provided by the secretariat
As for the construction works and the purchases	The construction projects include relatively
of assets whose price ranges between 3 million	small renovation, repair and relocation works of
yen to 5 million yen, what kinds of projects are	existing buildings. The purchases of assets and
included?	equipment include the purchases of PCs, servers
	and software for administrative departments.
If they are items such as a PC, it may be good	OIST shall obtain competitive quotes in
enough only to obtain competitive quotes rather	principle for contracts worth between 1.5
than going through a bidding process.	million yen and 5 million yen, based on the
	current regulations.
	We consider that more cost reduction can be
	expected from the general competitive bidding
	than competitive quotations, because it gives
	more tension on the participants.
	In addition, if we reduce the criteria for
	negotiated contracts, administrative man-hours
	increase. Therefore, we consider what is
	important is whether the cost reduction is
	enough to cover the increase.
	If we reduce the criteria for negotiated contracts,
	administrative man-hours increase. We will
_	continue to keep a closely eye on whether there
	are enough cost reductions to cover the
	increased administrative man-hours.
In addition to a reduction in costs, it is also	We are making efforts to lower the barriers to the
important to secure competitive opportunities.	participation in bidding, including switching to

Increasing opportunities to receive orders also	an electronic bidding system that does not
leads to the regional promotion.	require an IC card.
Along with how much you have been able to	Even in areas that do not show up in numbers,
reduce costs, you had better also record how	such as negotiated contracts, and ratios of a
much your administrative costs have increased	tender with only one bidder, we are also
and report the matter to the Ministry of Finance.	focusing on improving administrative efficiency
	through our efforts such as reducing paperwork
	by omitting written contracts and introducing
	electronic contracts.
We would like you to work on improving	
business efficiency by considering it as an	We understand.
opportunity to create a better mechanism.	

- (4) Next meeting date and a committee member responsible for selecting projects for deliberation
 - The following plan was suggested by the secretariat and approved by the Committee: The next meeting is scheduled to take place in Okinawa in October 2021.
 - The committee member responsible for selecting projects for the next meeting will be Mr. Tomori.

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