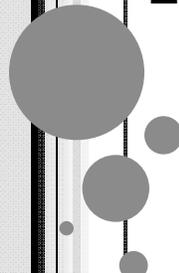


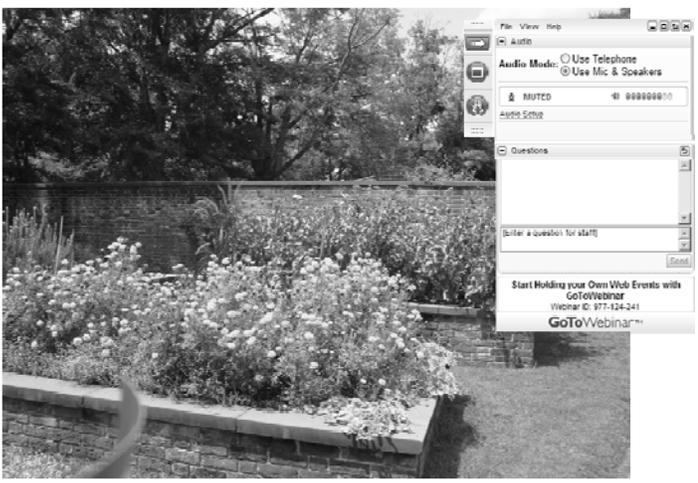
STATE PROCUREMENT OFFICE

2014 PROCUREMENT TRAINING
FOR
STATE AND COUNTY PURCHASING PERSONNEL

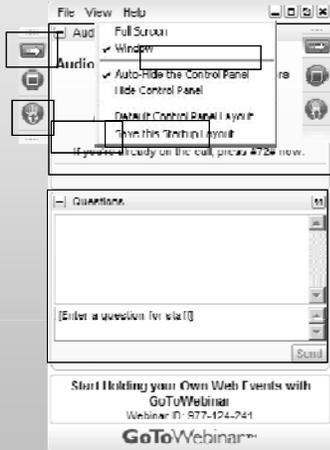
EMERGENCY & SOLE SOURCE
PROCUREMENT TRAINING



THE GOTOWEBINAR ATTENDEE VIEW



HOW TO PARTICIPATE TODAY



- Open and close your Panel
- View, Select, and Test your audio
- Submit text questions
- Raise your hand
- Q&A addressed at the end of today's session

CITRIX GoTo

STATE PROCUREMENT OFFICE

2014 PROCUREMENT TRAINING
FOR
STATE AND COUNTY PURCHASING PERSONNEL

EMERGENCY PROCUREMENTS

HRS Section 103D-307
HAR chapter 3-122 Subchapter 10

METHODS OF PROCUREMENT

Method	Bases for Use/Award	\$ Threshold
Competitive Sealed Bids	Used unless it is not feasible or practicable./Lowest responsive, responsible bid.	As stated in Invitation for Bid (IFB)
Competitive Sealed Proposals	Competitive sealed bidding is not practicable; price is not the most critical factor. Requires HOPA approval to use Request for Proposals (RFP) process./Best value based on RFP evaluation criteria.	As stated in Request for Proposal
Sole Source	There is only one source for the required good, service, or construction. Written approval required.	As stated in approval
Emergency	Threat to life, public health, welfare, or safety; immediate and serious. Approval required.	As stated in approval
Professional Services	Professional services as defined in rules and statutes. Demonstrated competence and qualification for the type of services required, at fair, reasonable prices.	All dollar levels.
Small Purchase	Purchasing small amount and not feasible or practicable to use competitive sealed bidding./Lowest responsive, responsible quotation.	Less than \$100,000 for goods, services; \$250,000 for construction*

PROCUREMENT DELEGATION AND TRAINING

Before you develop/draft/participate in a solicitation, review, approve, conduct, manage, or administer a procurement/contract, you must:

- Have written delegated authority per signed and submitted (to SPO) Form SPO-036.
- Have taken all required training.

Reference: Procurement Circular 2010-05

Note: Requirements may be changed so check the website periodically.

- See: <http://hawaii.gov/spo>
 - > For State & County Procurement Personnel
 - > Training & Informational Sessions

**CRITERIA FOR EMERGENCY PROCUREMENTS
(HRS 103D-307)**

- An Emergency Procurement is a good, service, or construction item essential to meet an emergency when all the following conditions exist:
 1. A situation of an unusual or compelling urgency creates a threat to life, public health, welfare, or safety by reason of major natural disaster, epidemic, riot, fire, or such other reason as may be determined by the head of the purchasing agency;

**CRITERIA FOR EMERGENCY PROCUREMENTS
(HRS 103D-307)**

2. The emergency condition generates an immediate and serious need for goods, services, or construction that cannot be met through normal procurement methods and the government would be seriously injured if the purchasing agency is not permitted to employ the means it proposes to use to obtain the goods, services, or construction; and

THE CRITERIA FOR EMERGENCY PROCUREMENTS (HRS 103D-307)

3. Without the needed goods, services, or construction, the continued functioning of government, the preservation or protection of irreplaceable property, or the health and safety of any person will be seriously threatened.
- 

SITUATION THAT ARE NOT EMERGENCY PROCUREMENTS

1. A situation that has been ongoing but needs immediate attention due lack of proper maintenance, agency's non-responsiveness to correct the situation or problem or poor budgetary planning for repair, maintenance and/or upgrading;
 2. Procurements due to potential loss of funds at the end of a fiscal year.
- 

**EMERGENCY PROCUREMENT REQUIREMENTS
HAR 3-122, SUBCHAPTER 10**

1. It must be as a result of a situation that was **unforeseen** or **unanticipated** and meet the conditions in HRS 103D-307.
2. Obtain CPO approval as soon as practicable using SPO-002 (for **all** dollar levels)
 - ❖ CPO approval of an emergency procurement may be obtained “prior to” or as an “after-the-fact” emergency procurement.



**EMERGENCY PROCUREMENT REQUIREMENTS
HAR 3-122, SUBCHAPTER 10**

3. Emergency procurements may be utilized only to purchase the immediate needs for the emergency and not subsequent non-emergency requirements.
4. Small purchase requirements (obtaining quotes) do not apply to emergency procurements.



EMERGENCY PROCUREMENTS?

Runway lighting for the Honolulu airport failed due to an electrical short . Two 5000 volt circuit breakers tripped “open” and could not be reset to the “closed” position. These circuit breakers provide primary power to the runway lighting system. An emergency generator was used to provide emergency power to keep the runway lights operational until primary power could be restored. Airport electricians were unable to determine the cause of the outage and unable to restore primary power.

Is this an appropriate emergency procurement?



EMERGENCY PROCUREMENTS?

Yes. The department is responsible to maintain safe runway conditions. Without runway lights, aircrafts cannot safely land or takeoff, which creates a safety hazard. The scope of work would be limited to address the immediate needs of the situation.



EMERGENCY PROCUREMENTS?

An agency requests after-the-fact approval to replace termite damaged civil defense siren poles to safe operations on the Leeward coast.

Is this an appropriate emergency procurement?



EMERGENCY PROCUREMENTS?

No. However, SPO approved based on the DOD's responsibility to provide emergency alert system. The chief procurement officer comments (CPO) state:

"The deterioration of poles, due to termite damage occurs over a period of time and repair or replacement should be procured in an anticipated timely manner utilizing normal procurement methods. Emergency procurements are to address unanticipated serious situations that require immediate action by a governmental agency that may affect the health & safety of the general public. However, with the passing of time, the situation has elevated to this urgent situation and any further delay could result in potential danger to the general public. Your agency should consider maintenance/prevention programs in place to alert for possible damage to avoid similar 'emergency' situations. Future requests will be considered violations due to DOD failure to take appropriate precautionary measures in a timely manner."

EMERGENCY PROCUREMENTS?

Continued collection and disposal services for contaminated materials that would affect public health and safety if not properly disposed of. This was for an interim period pending execution of a new contract. Request received July 19, 2013 and services being requested for July 1, 2013 to September 30, 2013, when a new contract could be executed.



Is this an emergency procurement?

EMERGENCY PROCUREMENTS?

No. This was previously done on a contract and would not meet the requirement of being unanticipated. Continued services should be requested as a procurement violation.

EMERGENCY PROCUREMENT PROCEDURES

- A. The head of the purchasing agency determines in writing (SPO-002) that the required goods, services, or construction meets the requirements in HRS 103D-307.
- ❖ Request prior approval as time permits; or
 - ❖ As soon as practicable thereafter.

SPO-002 (for **ALL** dollar amounts)- Information shall include:

- 1) Nature of emergency;
- 2) Name of contractor;
- 3) Amount of expenditure;
- 4) Listing of the good, service or construction; and
- 5) Reason for contractor selection

*Attach any information that would explain the need for the continuing function of the gov't , preservation or protection of irreplaceable property, or the health and safety of the public.

EMERGENCY PROCUREMENT PROCEDURES

- B. Competition shall be obtained as practicable to assure that the good, service, or construction is procured in time to meet the emergency.
- C. As soon as practicable, a confirming purchase order/pCard must be prepared. The payment document shall include, in detail, any agreements, including price, made orally with the contractor.
- D. HCE (Hawaii Compliance Express) compliance documentation is not required at the time services are rendered. However, SPO may check at when the form SPO-002 is submitted.

SPO-002, Emergency Procurement Request



STATE PROCUREMENT OFFICE
EMERGENCY PROCUREMENT

13 AUG -6 AM :46

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: TRANSPORTATION - AIRPORTS DIVISION
Name of Requesting Department

Pursuant to HRS § 103D-307 and HAR chapter 3-122, Subchapter 10, the Department requests approval for the following:

1. Date or period of Emergency: 04/23/2013	2. After-the-Fact: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>3. Describe in detail the emergency situation that created a threat to life, public health, welfare or safety. Runway lighting for the entire airport failed due to an electrical short. Two 5000 volt circuit breakers in Vault "M" at the Honolulu International Airport had tripped "open" and could not be reset to the "closed" position. Power from both circuit breakers provides primary power to another Vault "X" and the runway lighting system. Without runway lights, aircraft cannot safely land or takeoff. An emergency generator provided emergency power in order to keep the runway lighting system operational until primary power could be restored via the two circuit breakers. DOT airport electricians were unable to determine the cause of the outage and were unable to restore power to the lighting system.</p>	

1. Date of emergency
2. Prior or after-the fact
3. Nature of emergency – be specific and include reference to governor's proclamation if applicable

SPO-002, Emergency Procurement Request

4. Vendor/Contractor/Service Provider Name: AMERICAN ELECTRIC	5. Amount of Request: \$ 30210.92
--	--------------------------------------

6. Describe in detail the emergency goods, services, or construction and explain why it is necessary. The DOTA did not have the personnel or equipment to troubleshoot and repair the problem, and contacted American Electric to provide electrical services to locate, repair, and restore primary power to the two circuit breakers. American Electric discovered that the underground conduits for the lighting wiring was underwater which may have caused the outage and it was necessary to perform dewatering of the manholes in several locations (conduit feed between vaults was 3/4 of mile). American Electric used specialized equipment to identify and isolate the problem area and provided the necessary repairs to the restoration of power until permanent repairs could be completed.

7. State the reason(s) the vendor/contractor/service provider was selected. Explain what competition, as is practicable, was conducted. Several electrical contractors were considered for the emergency work but American Electric was chosen because of their expertise in finding high voltage electrical faults and that their company is currently performing work at the airport. American Electric employees had the necessary Airport Operations Area (AOA) badges for their employees and also had the necessary equipment to locate and repair the suspected problem.

4. Vendor/contractor name
5. Amount of request
6. Detailed description of the emergency goods, services & construction and why it is necessary
7. Why the contractor was selected. Why other vendors/contractors could not be invited to quote on the goods, service, or construction

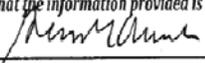
SPO-002, Emergency Procurement Request

8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required.)

*Point of contact (Place asterisk after name of person to contact for additional information.)

Name	Division/Agency	Phone Number	E-mail Address
Roy Sakata	Airports/DOT	836-6533	roy.sakata@hawaii.gov
Benton Ho*	Airports/DOT	838-8804	benton.ho@hawaii.gov

All requirements/approvals and internal controls for this expenditure is the responsibility of the department. I certify that the information provided is to the best of my knowledge, true and correct.



 Department Head Signature

JUL 22 2013

 Date

8. Identify procurement staff

SPO-002, Emergency Procurement Request

For Chief Procurement Officer Use Only

Chief Procurement Officer (CPO) Comments:

Approval is based on the department's determination that the shorted runway lighting system created a safety hazard to all aircraft. HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting System. Copies of the HCE certificate and awards posting are required to be documented in the procurement/contract file. When processing payment to vendor the department shall attach a current compliant HCE certificate with the invoice for payment.

If there are any questions, please contact Wendy Ebisui at 586-0563, or wendy.mo.ebisui@hawaii.gov.

Approved

Disapproved

No Action Required



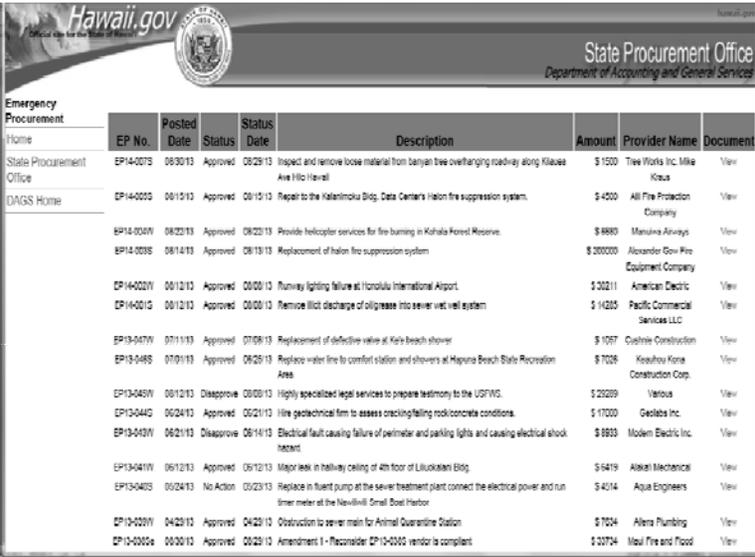
 Chief Procurement Officer Signature

8/8/2013

 Date

PROCUREMENT TRANSPARENCY

o The SPO posts all SPO-002 on the SPO website.



The screenshot shows the Hawaii State Procurement Office website. At the top, it says "Hawaii.gov" and "State Procurement Office, Department of Accounting and General Services". Below this is a table titled "Emergency Procurement" with columns for EP No., Posted Date, Status, Status Date, Description, Amount, Provider Name, and Document. The table lists various procurement items, including tree removal, fire suppression system repairs, helicopter services, and electrical work.

EP No.	Posted Date	Status	Status Date	Description	Amount	Provider Name	Document
EP14-0075	08/30/13	Approved	08/29/13	Inspect and remove loose material from banyan tree overhanging roadway along Kilauea Ave Hilo Hawaii	\$ 1500	Tree Works Inc. Mike Krou	View
EP14-0020	08/15/13	Approved	08/15/13	Repair to the Kalahele Bldg. Data Center's halon fire suppression system.	\$ 4500	All Fire Protection Company	View
EP14-0081	08/23/13	Approved	08/23/13	Provide helicopter services for fire burning in Kihaha Forest Reserve.	\$ 8800	Manana Airways	View
EP14-0036	08/14/13	Approved	08/13/13	Replacement of halon fire suppression system	\$ 200000	Alexander Gow Fire Equipment Company	View
EP14-0021	08/12/13	Approved	08/09/13	Runway lighting failure at Honolulu International Airport.	\$ 30211	American Electric	View
EP14-0010	08/12/13	Approved	08/09/13	Remove illicit discharge of oil/grease into sewer/wet well system	\$ 14285	Pacific Commercial Services LLC	View
EP13-0470	07/11/13	Approved	07/08/13	Replacement of defective valve at Kala Beach shower	\$ 1597	Cashiro Construction	View
EP13-0485	07/01/13	Approved	06/25/13	Replace water line to comfort station and showers at Hapuna Beach State Recreation Area	\$ 7026	Keehoon Kona Construction Corp.	View
EP13-0450	06/12/13	Disapprove	06/05/13	Highly specialized legal services to prepare testimony to the USFWS.	\$ 23269	Various	View
EP13-0440	06/24/13	Approved	06/21/13	Hire geotechnical firm to assess cracking/falling rock/concrete conditions.	\$ 17000	Geolabs Inc.	View
EP13-0430	06/21/13	Disapprove	06/14/13	Electrical fault causing failure of perimeter and parking lights and causing electrical shock hazard	\$ 8893	Modern Electric Inc.	View
EP13-0410	06/12/13	Approved	05/12/13	Major leak in hallway ceiling of 4th floor of Liliuokalani Bldg	\$ 6419	Aleali Mechanical	View
EP13-0405	06/24/13	No Action	05/23/13	Replace in float pump at the sewer treatment plant connect the electrical power and run timer meter at the Nawiliwili Small Boat Harbor	\$ 4014	Aqua Engineers	View
EP13-0390	04/29/13	Approved	04/29/13	Obstruction to sewer main for Animal Quarantine Station	\$ 7004	Alena Plumbing	View
EP13-0306	06/30/13	Approved	06/28/13	Amendment I - Reconsider EP13-0306 vendor is compliant	\$ 33754	Maul Fire and Flood	View

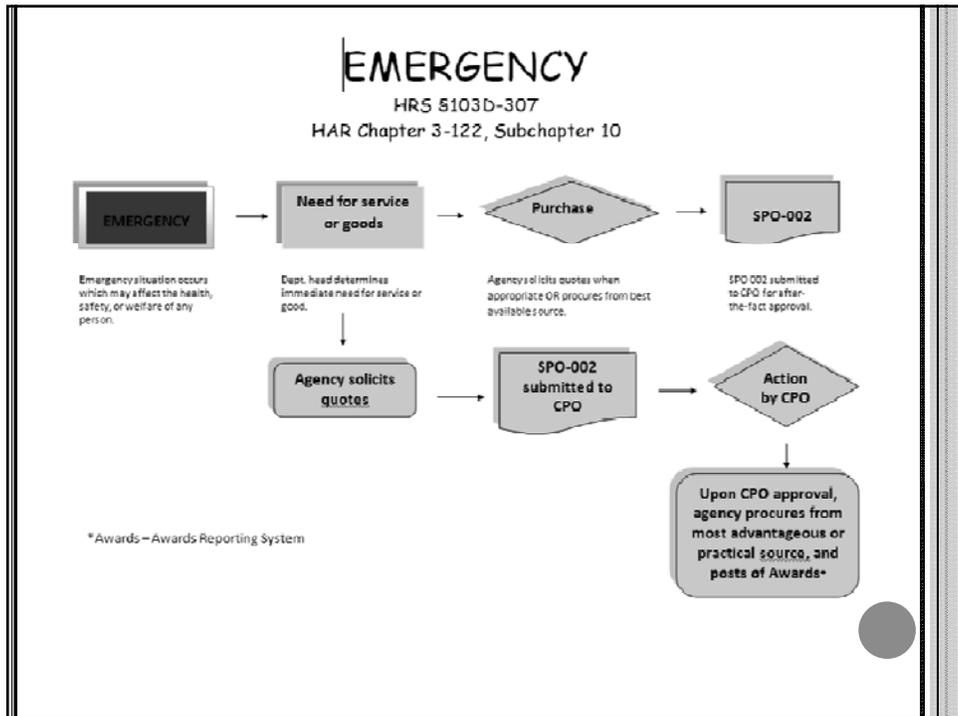
PROCUREMENT TRANSPARENCY

- We use taxpayer funds
- Our 'shareholders' are the taxpayers
- We must be open/transparent
 - General public has a right to know and have easy access to information about government expenditures.
- o We are accountable
 - Keep an auditable trail
 - Follow rules & procedures (statutes, administrative rules, procurement circular, internal procedures)

Posting Requirement on Procurement Awards, Notices & Solicitations System (PANS)

Branch Agencies are required to post emergency procurements \$2,500 or more

Award Date	Contract/PO NO.	Description	Original Award Amount	Method	Vendor	Department
08/19/2013	Pending	Repair leaking pipe located at Kauiakau Street Waimanalo Irrigation System.	\$3,700	E.P.	Royal Contracting Co., Ltd.	Agriculture
09/05/2013	3311457	Emergency Procurement of Electrical Repair Services to troubleshoot and repair runway lighting for the entire Honolulu International Airport due to an electrical short. Date of emergency was April 23 2013. An emergency generator provided electrical power to the runway lighting system until the primary power could be restored. DOT-Airport electricians were unable to determine the cause of the outage and could not restore power to the runway lighting system.	\$30,211	E.P.	American Electric Co., LLC	Transportation
08/23/2013	107913	Emergency repair and replenishment of Halon for the Fire Suppression System of the Data Center at Kalamonuku Building	\$159,790	C.P.	Alexander Gow Fire Equipment Co.	Accounting & General Services
08/19/2013	107911	18 Halon clean agent handheld fire extinguishers will be purchased during this remediation period to repair the Kalamonuku Building Data Centers Halon fire suppression system. These fire extinguishers will be the first line of defense if fire occurs within the Data Center. These fire extinguishers will be located in the areas where the Halon tanks discharged to provide similar clean agent protection that the Halon tanks provided.	\$4,800	F.P.	All Fire Protection Co., Ltd.	Office of Information Management and Technology
07/28/2013	60234242	Remove and dispose of an illicit discharge of oil and grease in the sewer lift station in accordance with Federal State and CC rules and regulations at Pier 38 Fishing Village Honolulu Harbor.	\$14,285	E.P.	Pacific Commercial Services, LLC	Transportation
04/04/2013	PO 291295	Repair chilled water line and vent chilled water line on the 4th floor at the Likiepiani Building	\$6,419	F.P.	Alakai Mechanical Corporation	Accounting & General Services
04/01/2013	01370667	Emergency repair on waterline break at Hawaii State Veterans Cemetery.	\$7,000	E.P.	T. Yoshimura Construction, Inc.	Defense



STATE PROCUREMENT OFFICE

**2014 PROCUREMENT TRAINING
FOR
STATE AND COUNTY PURCHASING PERSONNEL**

SOLE SOURCE PROCUREMENTS

**HRS Section 103D-306
HAR chapter 3-122 Subchapter 9**

METHODS OF PROCUREMENT

Method	Bases for Use/Award	\$ Threshold
Competitive Sealed Bids	Used unless it is not feasible or practicable./Lowest responsive, responsible bid.	As stated in Invitation for Bid (IFB)
Competitive Sealed Proposals	Competitive sealed bidding is not practicable; price is not the most critical factor. Requires HOPA approval to use Request for Proposals (RFP) process./Best value based on RFP evaluation criteria.	As stated in Request for Proposal
Sole Source	There is only one source for the required good, service, or construction. Written approval required.	As stated in approval
Emergency	Threat to life, public health, welfare, or safety; immediate and serious . Approval required.	As stated in approval
Professional Services	Professional services as defined in rules and statutes. Demonstrated competence and qualification for the type of services required, at fair, reasonable prices.	All dollar levels.
Small Purchase	Purchasing small amount and not feasible or practicable to use competitive sealed bidding./Lowest responsive, responsible quotation.	Less than \$100,000 for goods, services; \$250,000 for construction*

PROCUREMENT DELEGATION AND TRAINING

Before you develop/draft/participate in a solicitation, review, approve, conduct, manage, or administer a procurement/contract, you must:

- o Have written delegated authority per signed and submitted (to SPO) Form SPO-036.
- o Have taken all required training.
Reference: Procurement Circular 2010-05
Note: Requirements may change so check the website periodically.

- See: <http://hawaii.gov/spo>
 - o > **For State and County Procurement Personnel**
 - o > **Training & Informational Sessions**

CRITERIA FOR SOLE SOURCE PROCUREMENT (HRS 103D-306)

- o A good, service, or construction that has a unique feature, characteristic, or capability that is essential for an agency to accomplish its work and there is **only one** source or supplier.
- o A situation when an agency obtains CPO approval for a limited quantity of a good or service for test or evaluation purposes (cleaning solution, specialty paint, etc.).

PRE-APPROVED SOLE SOURCE PROCUREMENTS

- o The Procurement Policy Board has approved 7 sole source procurements pursuant to section 3-122-81, HAR.
 1. Rental of booth space for exhibits at conventions and trade shows when organized by a single sponsor. *(when rental available only through one source)*
 2. For the repair, replacement, installation or relocation of public utility company equipment or facilities. *(when equipment or facility owned or controlled by utility company)*

PRE-APPROVED SOLE SOURCE PROCUREMENTS

3. Annual license renewal and maintenance for computer software. *(when license renewal/maintenance can only be obtained from the manufacturer of the software)*
4. Procurement of computer software conversions, modifications, and maintenance for existing programs from the manufacturer of the software. *(when conversion, modification or maintenance can only be obtained from the manufacturer of the software)*
5. Transcripts of court proceedings. *(when transcripts are only available from the assigned court reporter provided by the Judiciary)*



PRE-APPROVED SOLE SOURCE PROCUREMENTS

6. Repair and maintenance services and supplies from the original equipment manufacturer or its designated representative. *(when the services or supplies can only be obtained from the manufacturer or designee to retain the manufacturer's warranty or guarantee)*
7. Procurement of equipment upgrades from the original manufacturer to existing equipment and information technology hardware. *(when the upgrades are available only from the manufacturer)*

PRE-APPROVED SOLE SOURCE PROCUREMENTS

- ❖ If using any of the 7 items, cite on the payment document "Approved for Sole Source Procurement pursuant to HAR § 3-122-81, No____." SPO 001 not required.
- ❖ Goods or services listed in Section 3-122-81, HAR may be procured as necessary and has no dollar limitations.
- ❖ HCE (Hawaii Compliance Express) compliance documents required for purchases \$2,500 and more
- ❖ Procurements over \$2,500 are required to be posted on the Awards Reporting System.

REQUIREMENTS FOR SOLE SOURCE PROCUREMENTS (HAR 3-122, SUBCHAPTER 9)

- Only one source is available for a purchase, unless expressly exempt from public bidding by law or rule (HAR 3-122-81)
- Justification must establish that the good, service, or construction has a unique feature, characteristic, or capability essential to the agency to accomplish its work and is available from only one supplier.
 - Proprietary items
 - Compatibility to existing software/hardware
 - Utility repairs that can only be done by the utility company
- The following are NOT justifications for sole source procurements:
 - ✓ Exact brands, but other brands that qualify as “equal.”
 - ✓ Item is unique, but available from more than one supplier (may be restrictive spec).
 - ✓ The previous or current person or organization/company furnishing the services does not render them the only source.
 - ✓ Potential loss of funds at the end of the fiscal year.

REQUIREMENTS FOR SOLE SOURCE PROCUREMENTS (CON'T)

- Contract or purchase order terms shall not exceed **one year**, unless approval is granted for a multi-term contract pursuant to section 3-122-149, HAR.
- Annual renewal of sole source request (same conditions for an additional year) should be submitted as a new request, not an amendment.

REQUIREMENTS FOR SOLE SOURCE PROCUREMENTS

- Procurement Officer may need to negotiate with the sole source provider such factors as cost, quality, quantity, terms and delivery.
 - Pursuant to 103D-309.....A contract with funds certification must be executed for a sole source procurement . **All dollar levels**
- ✦ However, if a request involves a situation where the compensation cannot be accurately estimated at contract award or consideration is in kind or forbearance, or will be done as a one-time payment, no contract encumbrance is necessary.
- ✦ If an agency is requesting CPO approval, (SPO-001) and will not execute a contract, the agency must provide justification in the request to support the method of payment to be used.

REQUIREMENTS FOR COST OR PRICING DATA (HRS103D-312, SUBCHAPTER 15, & HAR SECTION 3-122-123)

A cost and/or pricing data is required when:

- Sole source contract that is expected to exceed \$100,000;
- Any price adjustment to a contract involving aggregate increases or decreases in costs plus applicable profits expected to exceed \$100,000.
- A procurement officer makes a written determination that circumstances warrant submission of cost or pricing data.

WHAT IS COST OR PRICING DATA?

- o Factual data or other pricing documentation used by a vendor to support the pricing being offered to the agency for a contract.

- o A vendor may be required to provide certification pursuant to HAR 3-122, Subchapter 15.
 - SPO-013, *Certification of Cost or Pricing Data*, is available on SPO website, Forms for Vendors, Contractor, Service Providers.



CERTIFICATION OF COST OR PRICING DATA

STATE OF HAWAII CERTIFICATE OF CURRENT COST OR PRICING DATA

This is to certify that, to the best of my knowledge and belief, cost or pricing data as defined in section 3-122-122 and submitted pursuant to section 3-122-125; either actually or by specific identification in writing to the procurement officer in support of _____, are accurate, complete, and current as of _____.

(month, date, year)

This certification includes the cost or pricing data supporting any advance agreement(s) between the offeror and the (State) which are part of the proposal. Please type or print:

Name:	Title
-------	-------

(Signature)

(Print Name and Title)

(Date)

(End of Certificate)

EXCEPTIONS TO REQUIRE COST OR PRICING DATA (HAR 3-122-124)

- ⊕ Existence of an established catalogue price, price list, schedule, or other form.
- ⊕ An established market price.
- ⊕ Prices set by law or regulation.
- ⊕ When the CPO or head of the purchasing agency determines in writing to waive the applicable requirements of HAR § 3-122-123(1) or § 3-122-123 (2).
- A copy of the determination shall be kept in the procurement file and available to the public upon request.

EXAMPLES OF SOLE SOURCE

- An agency requires certain unique features that are available on Manufacturer's A equipment. Other manufacturers can offer the unique features, but none has all the features on a single equipment. The agency would have to purchase 3 pieces of equipment in order to have all the unique features offered on Manufacturer's A equipment. Can the agency request Manufacturer's A equipment as a sole source procurement?

No. Although there are unique features involved, there are other options for the agency to get the unique features. Therefore, it does not meet HRS 103D-306 as an agency could get the same features on 3 machines (not single source) but it may not be practicable to do so based on space limitations, budget, cost, etc. It may be a reason for an exemption from HRS Chapter 103D .

EXAMPLES OF SOLE SOURCE

- ✦ An agency needs to reconfigure their office space to accommodate more staffing. They initially purchased the modular furniture utilizing an RFP. They would like to purchase new cubicles, desktops, panels, overhead files etc. to accommodate the increased staffing. Cost is estimated to be \$100,000. Is this a sole source situation?

Yes, if the modular furniture manufacturer has appointed a sole Hawaii representative to sell and install their furniture. Usually, components (connecting pieces, lighting fixtures, panels, etc.) are unique to a particular furniture manufacturer and are not interchangeable with other manufacturers. Cost or Pricing Data will be required if purchase exceeds \$100K.

EXAMPLES OF SOLE SOURCE

- An agency is requesting to partner with a single statewide food chain to support their Fruit & Vegetable Media campaign for a 5-month period. The food chain will share their fruits and vegetables sales data with the agency to track the effectiveness of their campaign. Information will be used to plan another program to include all interested grocery chains to promote the sale and consumption of fruit and vegetables. Could this be a sole source procurement?

Yes, on the basis that the request was for a limited period for evaluation purposes that would be used for planning a future program. No compensation was given to the food chain for working with the agency for the pilot.

EXAMPLES OF SOLE SOURCE

- o An agency is requesting to purchase Polyguard burial vaults of various sizes for different casket sizes. Justification was vendor is the manufacturer of solicited polyguard burial vaults. Other vendors purchase the items from the designated manufacturer for the purposes of reselling. Purchase from any other vendor other than the manufacturer would be more costly. Is purchasing from the manufacturer a sole source procurement?

No. The request stated that Polyguard burial vaults are also available from other vendors, therefore, it is not a sole source. This may be a situation where restrictive specifications may also be an issue.

PROCEDURES FOR SOLE SOURCE PURCHASES

1. The head of the purchasing agency determines in writing that the required goods, services, or construction meets the criteria in HRS 103D-306 (*and not on the pre-approved list*).
2. SPO-001, *Notice & Request for Sole Source*, must be submitted to the CPO for approval (for **ALL** dollar amounts)
3. The CPO posts the request on the designated website for 7 calendar days before taking any approval action.

SOLE SOURCE EXAMPLE



STATE PROCUREMENT OFFICE
NOTICE & REQUEST FOR SOLE SOURCE

13 SEP -3 P12 :08

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer
FROM: Department of Transportation, Airports Division (DOTA)
Name of Requesting Department

Pursuant to HRS §103D-306 and HAR Chapter 2-122, Subchapter 2, the Department requests sole source approval to purchase the following:

1. Describe the goods, services, or construction to be procured.
The DOTA's Motorola SmartNet 700/800 MHz Digital, Association of Public Safety Officials (APCO) capable radio communication systems and radio subscriber units (control stations/portables) will have their software upgraded (Flash upgrade software) to the Project 25 (P25) State Shared Blended (SSB) platform. DOTA's Motorola XTL and XTS P25 subscribers are the only radios that are migratable to P25, Phase I and II and backward compatible to APCO 16 Motorola Smartnet analog trunking systems.

2. Vendor/Contractor/Service Provider Name: Pacific Wireless Communications (PWC)	3. Amount of Request: \$179,461.64
4. Term of contract (shall not exceed 12 months), if applicable: From: 01-Sep-13 To: 28-Feb-14	5. Prior SPO-001, Sole Source (SS) No.:

1. Detailed description of the goods, service or construction
2. Name of vendor/contractor
3. Amount of request
4. Term of contract (cannot be retroactive)
5. Prior sole source number (SS#) if applicable

SOLE SOURCE EXAMPLE

6. Describe in detail the following:

a. The unique features, characteristics, or capabilities of the goods, service or construction.
The software upgrade allows communication equipment on the P25 SSB platform across the State to communicate directly to all State Civil Defense and key State First Responders using the P25 SSB platform

b. How the unique features, characteristics or capabilities of the goods, service or construction are essential for the department:
700/800 MHz Motorola Trunked/Conventional Digital APCO P25 allows key DOT airport management/line personnel direct interface into the SSB Statewide P25 Astro Trunked radio network. The software upgrade to the SSB platform allows Airport Rescue and Firefighting (ARFF) and emergency staff teams statewide to communicate directly with State Civil Defense and key State First Responders in the event of an emergency or natural disaster. During emergency situations the SSB Digital APCO 25 compliant system allows Airports 800 MHz Smartnet radios a seamless integration into SSB's statewide 700/800 MHz P25 trunked radio system. Interfacing emergency satellite (SAT) phones through the ACU1000 will allow SAT phone access to key onsite Smartnet radio subscribers during a phone outage. The ACU1000 phone docking station set up will also give the SAT phones access to all airport Private Area Branch Exchange (PABX) systems statewide via the in-house phone system.

Form SPO-001 (rev 08/13/2012)

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- 6(a) Describe the unique features, characteristics, or capabilities of the goods or service.
- 6(b) Explain how these unique features, characteristics or capabilities are essential to the department to accomplish its work.

SOLE SOURCE EXAMPLE

7. Describe the efforts and results in determining that this is the only vendor/contractor/service provider who can provide the goods, services or construction.

All Motorola XLT and XTS 5000, Astro P25 Digital Trunking subscriber units can only be serviced and programmed by authorized factory service centers. PWC is an authorized service center and is the only local vendor allowed to secure proprietary Motorola P25 flash and AES flash upgrades for use on any P25 radio network throughout the State of Hawaii. They are the only service provider with Federal clearance to program higher level Tier III encryption. PWC is the only Motorola warranty service provider for Motorola Astro P25 Digital Trunking radios for the State of Hawaii and the Federal government with full capability of implementing OVER-THE-AIR field programming as needed.

8. Alternate source. Describe the other possible sources for the goods, services, or construction that were investigated but did not meet the department's needs.

PWC is the only locally licensed and Federally certified contractor in Hawaii providing Motorola Smartnet subscriber programming/flash P25 and AES Encryption option/services for selected P25 Radio Communications System. PWC has the qualifications/security clearance to work on all HDOT-A networks including on site phone PABX's and ACU consoles with certified field and shop service facilities on all islands. Programming P25 flash upgrade/integrating disparate radios/SAT phones is restricted to Motorola/PS ACU 1000 integrators. PWC is the only authorized Motorola integrator with the high level radio security clearance for all key public safety Motorola radios throughout the State of Hawaii.

- 7. What department did to determine the vendor is the sole supplier .
- 8. Other possible sources that were investigated

SOLE SOURCE EXAMPLE

9. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required.)
 *Point of contact (Place asterisk after name of person to contact for additional information).

Name	Division/Agency	Phone Number	E-mail Address
Martinez Jacobs <i>FX</i>	Airports-Operations	838-8702	<i>martinez.jacobs@hawaii.gov</i>
Roy Sakata <i>RS</i>	HNI, Oahu District	836-6533	<i>roy.sakata@hawaii.gov</i>

Department shall ensure adherence to applicable administrative and statutory requirements, including HAR chapter 3-122, Subchapter 15, Cost or Pricing Data if required.

All requirements/approvals and internal controls for this expenditure is the responsibility of the department. I certify that the information provided is to the best of my knowledge, true and correct.

[Signature] AUG 28 2013
 Department Head Signature Date

- 9. Contact person who is knowledge of the procurement, has delegation and training.
- 10. Signed by Department Head or designee.

SOLE SOURCE EXAMPLE

For Chief Procurement Officer Use Only

Date Notice Posted: 9/13/13

Submit written objection to this notice to issue a sole source contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

Approval is for the period 09/03/13 to 02/28/14 and is based on the department's determination that Pacific Wireless Communications LLC is the only authorized manufacturer's representative and the only company that is locally licensed and federally certified to perform the upgrade to the system and the units. This approval is for the solicitation process only. IIRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting System. Copies of the HCE certificate and awards posting are required to be documented in the procurement/contract file.

If there are any questions, please contact Wendy Ebisui at 586-0563, or wendy.mo.ebisui@hawaii.gov.

Sole source requires posting (7 days)
CPO Comments and determination – Sole source awards of \$2,500 or more required HCE compliance (PC2011-02)

Posted on the SPO Website (Awards/CPO Approvals)

State Procurement Office
Department of Accounting and General Services

Sole Source		SS No.	Posted Date	Status	Status Date	Description	Amount	Provider Name	Document
Home	State Procurement Office	5314-0205	10/03/13	Pending	10/03/13	Planning and coordinating the Hawaii Science Bowl. The winning team travels to Washington DC to compete in the National Science Bowl.	\$ 7000	Hawaii Science Bowl	View
DAIGS Home		3374-018V	10/02/13	Pending	10/02/13	Two Motorola APX 8000 800 MHz Radios	\$ 12000	Pacific Wireless Communications LLC	View
		0214-019B	09/23/13	Pending	09/23/13	Trail/Track Software is for High Efficiency Trail Assessment Process (HETAP) and Universal Trail Assessment Process (UTAP) to document the actual conditions in outdoor and nature environments. Trail/Track is also used to determine requirements to meet the new AGG Accessibility Guidelines for Outdoor Recreation Areas.	\$ 12002	Demotech Design Inc.	View
		0214-017V	09/13/13	Disapproval	09/17/13	Repair and maintenance of Motorola PDS Digital Radio Equipment	\$ 30231	Pacific Wireless Communications LLC	View
		0214-016D	09/12/13	Approved	09/19/13	Disposal of demolition and construction debris and other material not accepted by the City and County of Honolulu refuse sites at H-Power and Waimanalo Gulch.	\$ 20000	PVT Land Company Ltd.	View
		0513-059B	09/10/13	Approved	09/06/13	Amendment 1 Reconsideration, analysis for demolition and construction waste materials	\$ 125000	PVT Land Company Ltd.	View
		0814-015W	09/05/13	Pending	09/05/13	Upgrade to latest version of MorphoTrak Automated Fingerprint Identification System AFIS.	\$ 270000	MorphoTrak Inc.	View
		0214-014C	09/03/13	Approved	09/12/13	Siemens Access Model 50205-HF 2LEF 800 for the frequency band 130-130 MHz 1W10 for 80 KHz.	\$ 1414	Pacific Wireless Communications LLC	View
		0314-015W	09/03/13	Approved	09/16/13	Upgrade software on DDT-Airports Motorola SmartNet 700/800 MHz Digital radio communication systems and radio subscriber units to the Project 28 State Shared Blended Platform.	\$ 175402	Pacific Wireless Communications LLC	View

PROCUREMENT TRANSPARENCY

- ❑ We use taxpayer funds
- ❑ Our 'shareholders' are the taxpayers
 - We must be open/transparent
 - Everyone has a right to know and have easy access
- We are accountable
 - Keep an auditable trail
 - Follow rules & procedures (statutes, administrative rules, procurement circular, internal procedures)

Sole Source Procedure (continued)

- Objections to the request must be written and received by the CPO within 7 calendar days of the initial posting on the website.
- Written objections received by the deadline will be considered by the CPO.
- The CPO may approve the request after the 7th calendar day from the initial posting on the website.
- No action or disapproval action on a request can be done anytime after posting on the website and returned to the agency.

AMENDMENT TO A CPO APPROVED SOLE SOURCE PROCUREMENT

- SPO-001B, *Notice of Amendment to a Sole Source Contract* is required:
 - Change to the original scope of work; or
 - 10% or more increase to the original contract price
- SPO-001B must be submitted prior to the expiration of the approved sole source.
- The request for amendment (SPO-001B) has the same posting and approval process as the initial request.

SOLE SOURCE PROCUREMENT TRANSPARENCY

- SPO-001 and SPO-001B are posted on the SPO public website prior to and after CPO action.
- Documents submitted supporting the sole source, objections and responses to the request, if any, shall be kept with the respective sole source file and public information after CPO action unless otherwise allowed under chapter 92F, HRS.
- An agency can use the website to see if SPO received their request and are able to print a copy of the approved/disapproved request upon CPO action. This allows the agency to track a particular request.

Posting Requirement on Procurement Awards, Notices & Solicitations System (PANS)

Branch Agencies are required to post emergency procurements \$2,500 or more

The screenshot shows the Hawaii State Procurement Office website with a search results page for 'Contracts for Goods, & Services, and Construction'. The results are sorted by award date in ascending order. The table below represents the data shown in the screenshot.

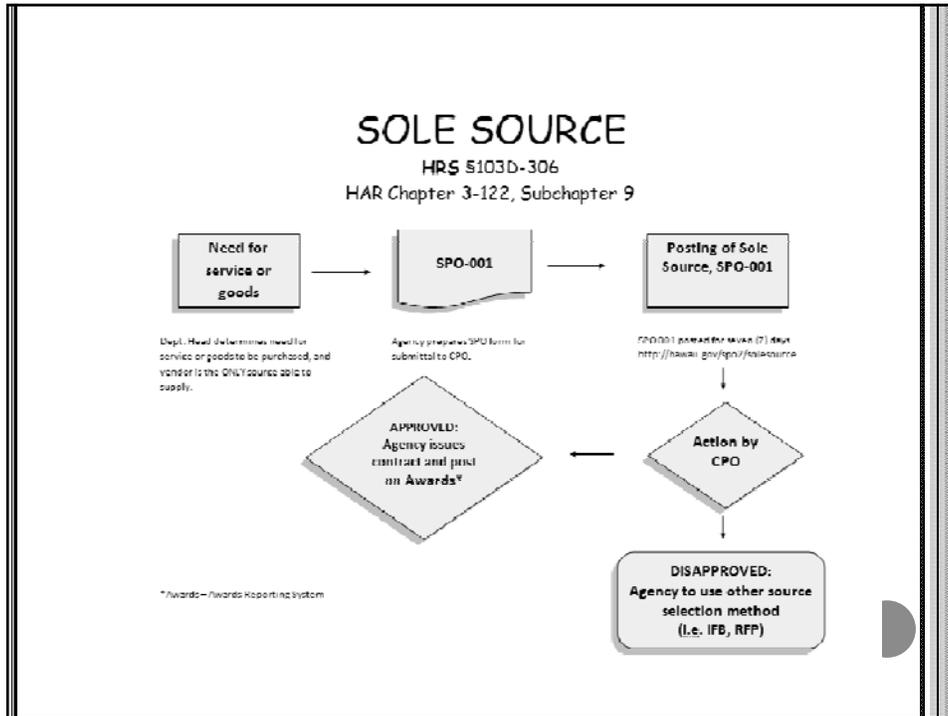
Home	Award Date	Contract/PO NO	Description	Original Award Amount	Method	Vendor	Department
Search	12/29/2013	06481	Maintenance service contract for scientific equipment	\$9,599 S.S.	S.S.	CASI Analytical Inc.	Health
State Procurement Office	10/01/2013	140304080	Current monitor modules with harness snap track	\$8,726 S.S.	S.S.	Federal Signal Corp.	Defense
DIAGG Home	09/27/2013	05020887	Software maintenance renewal 8/4/2013 to 8/3/2014 for Appintemals Xpert Console Scanner Signature and Penmat, Technical Support 1 Station and for Appintemals Xpert Collector License Upgrades and Premium Technical Support 10 licenses	\$11,974 S.S.	S.S.	Riverbed Technology Inc.	Attorney General
	08/25/2013	00140267	The City and County of Honolulu City bans certain waste streams including demolition and construction debris and other material from the City operated refuse sites at H-Power and Waimanalo Gulch. The PVT Land Company PVT is the only other ODA permitted facility that accepts demolition and construction debris and other material not accepted by the City. PVT accepts with proper environmental laboratory testing and probing certain other waste streams such as asbestos and petroleum contaminated soils that the City has banned from their sites.	\$10,000 S.S.	S.S.	PVT Land Company Ltd.	Transportation
	09/19/2012	01940000	Maintenance of Mainframe software Autom/GIG Maintenance M/V.	\$64,942 S.S.	S.S.	Whicon Systems, Inc.	Human Services
	0016/2013	pending	Software upgrade for Airport's Motorola SmartNet 700/800 Mhz radio communications system and subscriber units.	\$170,482 S.S.	S.S.	Pacific Wireless Communications, LLC	Transportation
	09/12/2013	pending	ESRI GIS Software semi-annual maintenance 10/3/13-1/3/14	\$5,389 S.S.	S.S.	ESRI	Business, Economic Development, & Tourism

Reminder - Sole Source Awards \$2,500 or more require HCE compliance

CONTRACT FORMS

- o State agencies can use the AG's standard contract form, AG-002, *Contract for Goods and Services: Exempt; Small Purchase; Sole Source; or Emergency.*

<http://hawaii.gov/forms/department-of-attorney-general>



FINAL REMINDERS

- Before conducting any procurement method
 - You must have Delegated Procurement Authority
 - Complete the mandatory training
- Training information is available on the SPO website, at Training for State & County Personnel
 - Position levels
 - Workshop descriptions
 - Training requirements
- Use the most current forms from the SPO website.
 - Do not download a copy as it may be obsolete and returned for resubmission.
 - Forms submitted with personnel listed that do have delegation or training may be returned with No Action/or Disapproved.

FINAL REMINDERS

- Please take a few minutes to complete the online survey.
- If you do not receive an e-mail confirmation of this attendance check the quarterly attendance report, which is the official record.
- SPO is migrating to a new website!

Please remember to complete the group attendance forms (available on the SPO training website and email them to state.procurement.office@hawaii.gov

Group Attendance forms submitted prior to the commencement of the workshop will not be accepted.

CONTACT INFORMATION

<http://hawaii.gov/spo>

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Thank You!