

**State Procurement Office
Workshop No. SPO 200**

The Basics
of Procuring Health and Human Services
Pursuant to HRS Chapter 103F

Part 1
The Background

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Public Procurement

- Governed by the Hawaii Revised Statutes (HRS) and the Hawaii Administrative Rules (HAR)
- Taxpayer funds

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Public Procurement (continued)

- Statutes, its administrative rules and policies are the single source that assures all purchasing entities utilize the same process and procedures.
- Private sector, the businesses and vendors, have come to understand these processes and procedures, assuring fair and equal treatment.
- SPO procurement information at <http://spo.hawaii.gov> (change from <http://hawaii.gov/spo>)

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About The State Procurement Office (SPO)



Oversees Two Procurement Statutes

- HRS Chapter 103D – The Hawaii Public Procurement Code (goods, services and construction)
- HRS Chapter 103F – Purchases of Health and Human Services

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SPO also does:

- Price and vendor lists
- Complex procurements for agencies (HRS Chap.103D)
- Inventory Management and Excess Property
- Surplus Property
- Also
 - pCard
 - Hawaii e-Procurement (HiePRO)
 - Travel Services

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BEFORE 103F

- ⦿ HRS Chapter 42 and 42D
 - For grants, subsidies and purchases of service
 - No procurement uniformity for purchases of services

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HRS Chapter 103F

Purchases of Health and Human Services

Act 190, effective July 1, 1998

Intent and Objective

1. Separated processes for grants and subsidies and State purchases of health and human services for Hawaii's communities, families and individuals;
2. All purchasing entities use a single process to obtain and pay for health and human services
 - Consistent
 - Transparent (fair and open process)
 - Provides a framework to work from, but does not limit agency autonomy
 - Fosters broad-based competition

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Act 190, Intent and Objective (continued)

3. Optimize Resources
 - Best value
 - Share information
 - Planning and working together
 - Little or no duplication or waste
 - Collaboration is a good thing (collusion is not)

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APPLICABILITY OF HRS CHAPTER 103F

- **Applies** to all contracts made by state agencies to provide health or human services
- **Does not apply to:**
 - HRS Chapter 42F contracts
 - Transactions between government agencies
 - Transactions exempted by the chief procurement officer

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SPO ORGANIZATION

- ◎ **Procurement Policy Board (PPB)**, a seven member board, is responsible to adopt Hawaii Administrative Rules (HAR) for HRS Chapters 103D and 103F and establish policies/procedures to implement these chapters.
- ◎ **State Procurement Office (SPO) Administrator**, responsible:
 - Oversees Chapter 103F, Purchases of Health and Human Services
 - Resource for state agencies
 - Awards/contracts database
 - Training
 - Procurement manual

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SPO Organization (continued)

- **Community Council on Purchases of Health and Human Services**

- Advisory committee to the administrator
- Maximum 9 members

Current members:

- Oahu: Ruthann Quitiquit, Administrator and CEO, Parents and Children Together
- Oahu: Laura Smith, President/CEO, Goodwill Industries of Hawaii, Inc.
- Oahu: Zachary McNish, Alston Hunt Floyd & Ing
- Hawaii: En Young, The Food Basket

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SPO Organization (continued)

21 jurisdictions, each with its own Chief Procurement Officers (CPO):

- **Legislative**
 - Speaker of the House
 - Senate President
- **Judicial**
 - Administrative Director of the Courts
- **Executive**
 - Office of Hawaiian Affairs, Chairperson
 - University of Hawaii, President
 - Dept. of Education, Superintendent,
 - Hawaii Health Systems Corporation, Chief Executive Officer
 - All other Executive Depts/Agencies, Administrator, State Procurement Office (SPO)
- **Counties**
 - Executive Depts, Finance Director of each respective county
 - Councils, Chairperson of each respective county
 - Depts of Water, Chief engineer of each respective county
 - Honolulu Authority for Rapid Transportation, Executive Director

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Administrator State Procurement Office

In addition to being the CPO for various State Executive Departments:

- Periodic review of the procurement practices of all governmental bodies; and
- Procurement guide for vendors wishing to do business with the State and its Counties.

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Interagency Committee

- Comprised of heads of purchasing agencies or their designated representatives
- Advisory committee to the administrator

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Purchase of Service Team (POST)

- Open to procurement staff from all State/county agencies purchasing health and human services
- The State Procurement Office working with POST has collectively addressed issues to improve how the State procures for health and human services
- It's an information network between the State Procurement Office (SPO) and health and human services procurement personnel
- Subscribe to POST: <http://spo.hawaii.gov>
Home » Manual for State & County Personnel » Procurement » Solicitation » Health & Human Services » Purchase of Service Team (POST)

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Departmental Coordinators

Assist the State Procurement Office in coordinating activities and ensure all appropriate personnel are apprised of SPO activities.

- AG- Shaleigh Tice
- DOD – Tom Moriyasu
- DOE – Lois Mow
- DHHL – Kamana’o Mills
- DOH – Sharon Abe
- DHS – Susy Kawamoto
- DHS, HPHA – Rick Sogawa
- DLIR – Yvonne Chong
- PSD – Marc Yamamoto
- OHA – Ernie Kimoto
- JUD – Jonathan Wong

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About HRS Chapters 103D and 103F

It's not a choice for State Agencies

	Chapter 103D	Chapter 103F
Applies to:	Goods, Services, Construction	Health and Human Services
Shall be utilized by:	State and County Agencies	State Agencies (optional for county agencies)
Method of procurement used most often:	Competitive Sealed Bidding [Invitation for Bids (IFB)]	Competitive Purchase of Service [Requests for Proposals (RFP)]

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HRS Chapters 103D and 103F

Methods of Procurement (Source Selection)

Chapter 103D (6 methods)	Chapter 103F (5 methods)
Competitive Sealed Bidding (IFB)*	None
Competitive Sealed Proposals (RFP)*	Competitive Purchase of Service (RFP)*
Sole Source	Restrictive Purchase*
Professional Services*	None
None	Treatment Purchase of Service
Emergency	Crisis
Small Purchase (<i>less than \$100,000, \$250,000 for construction</i>) <i>Purchases between \$15,000 and \$100,000 shall be purchased on HlePRO)</i>	Small Purchase (less than \$25,000)

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*Requires Procurement Notices posted on the internet .

KEYS TO A SUCCESSFUL PROCUREMENT

- ✓ Procurement Knowledge
- ✓ Team Work
- ✓ Good Planning
- ✓ Good Contract Management
- ✓ Good Record Keeping

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“TROUBLE / HOT SPOTS”

- Poor planning, too short timelines
- Not obtaining proper approvals
- Failing to provide adequate/appropriate disclosure
- Rendering services without an executed contract
- Failing to extend contracts on a timely basis
- Poor contract administration
- Exceeding the scope of the solicitation
- Exceeding the small purchase threshold
- Parceling

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SUGGESTIONS & HELPFUL HINTS

- **Attend training** and take refreshers
- Be clear on what you are procuring
 - Don't make it up as you go along
 - Don't use the procurement process to determine your needs; identify your needs first
- Work as a team
- Have a system of keeping track of contracts
- Be professional
- Ask SPO for assistance /consultation

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PROCUREMENT CODE OF ETHICS

- ✓ Diligently follow procurement laws and rules.
- ✓ Act in good faith.
- ✓ Ensure fair and equitable treatment to persons involved in public procurement process.
- ✓ Ensure all persons are afforded equal opportunity to compete in a fair and open process.
- ✓ Avoid the intent and appearance of unethical behavior and practices.
- ✓ Foster public confidence in government procurement.

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PROCUREMENT CODE OF ETHICS (continued)

- ✓ Avoid soliciting or accepting money, loans, credits, discounts, favors, or services from present or potential vendors which may influence or appear to influence purchasing decisions.
- ✓ Identify and eliminate conflicts of interest; refrain from activity that would create or appear to create conflict of interests between personal interest and interests of the government agency.

Ethics Commission: <http://hawaii.gov/ethics>,
phone (808) 587-0460

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Procurement Delegation and Training

You are required to have written delegated procurement authority and appropriate training:

- ✓ Procurement Delegation No. 2010-01 (12/7/10)
Amendment No. 1 (4/4/11)
- ✓ Procurement Delegation No. 2010-02 (12/7/10)
- ✓ Procurement Circular No. 2010-05 (12/7/10)

Training website:

<http://spo.hawaii.gov>, Training for State and County
Personnel

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Procurement Delegation and Training (continued)

Step 1: Obtain Written Delegation of Procurement Authority

Step 2: Determine Your Procurement Position Level

Step 3: Determine Your Procurement Training Requirements

Step 4: Register for Workshop(s)

Step 5: Attend Workshops

Department/CPO Jurisdiction

<http://spo.hawaii.gov>

Click on *"For State and County Personnel"*

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State Procurement Office

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Basics of Purchases of Health and Human Services

SPO 200, Part 1

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