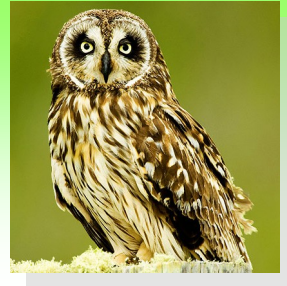


BuyLine



Procurement Rule Changes

The SPO is working to improve our State Procurement processes. The Procurement Policy Board (PPB) approved a number of interim rules in October 2014.

Inventory Management

Department heads are no longer required to forward their disposal applications to SPO. They can approve the requests internally within their departments, saving a tremendous amount of time and resources in processing disposal applications for all departments statewide. This change aligned the administrative rules relating to inventory management with HRS §103D-1204.

For details, please refer to [Procurement Circular 2014-17\(A\)](#).

Professional Services

The SPO now recommends that in addition to acquisition planning, procurement staff are to spend time conducting market research and ensure that the scope of work is broad enough to ensure a list of at least three qualified applicants can be obtained.

The PPB voted to repeal HAR §3-122-66 through interim rules pursuant to HRS §103D-202. This was as a result

of the Hawaii Supreme Court decision in *Asato v. Procurement Policy Board* (2014), which invalidated HAR §3-122-66. The Court found that there was legislative intent to require a “minimum of three persons” to respond to a solicitation for procurement of professional services under HRS §103D-304.

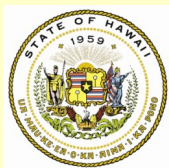
For details, please refer to [Procurement Circular 2014-16\(A\)](#).

“Etc.”

HAR section 3-120-4 and Exhibit A were amended through interim rulemaking to avoid ambiguity from the previous inclusion of “Etc.,” as well as to clarify ethical requirements for exemption.

Exemption Language

An exempt procurement still requires a contract per contract law, due diligence and ethical accountability for the State’s fiduciary responsibilities to safeguard taxpayers’ money. A rule change regarding exemption language provides clarity that regardless of being exempt from HRS chapter 103D, there are always ethical and contractual requirements.



State Procurement Office

Kalanimoku Building
1151 Punchbowl Street
Room 230A
Honolulu, Hawai‘i 96813
(808) 586-0554

<http://spo.hawaii.gov>

CPO Roundtable—Save the Date!

CPOs are asked to save a date for its inaugural SPO-CPO Roundtable:

Wednesday, January 14, 2015
8:30 a.m. to 12:15 p.m.
Ali‘iōlani Hale
Judiciary History Center
417 South King Street, Room 101

This Roundtable for all CPOs — or their top procurement official as a designee — is a forum for interaction, the promotion of

information sharing, and facilitation of problem-solving.



Details will be sent to CPOs mid-December. If you have any questions, please do not hesitate to contact Ruth Baker at (808)587-4701 or at Ruth.A.Baker@hawaii.gov.

SPO Seeks Small Business Input

The SPO seeks feedback from stakeholders about the small business set-aside law, and what rules should be associated with it. The SPO has been conducting focus groups that include small business owners, community leaders, the Building Industry Association, and representatives from the Department of Labor and Industrial Relations; and Department of Business, Economic Development and Tourism.

The next step is the survey, which can be accessed <https://www.surveymonkey.com/s/HISmallBiz>. Anyone interested in offering additional input on this small business initiative is asked to contact Hōkūlei Lindsey, Procurement Policy Specialist, at ruth.h.lindsey@hawaii.gov, or 587-3355.

The SPO will publish a report of its findings in the new year.

In Pursuit of Agile Acquisition

By Sarah Allen, State Procurement Administrator

A successful procurement is wider and deeper than the mere act of procuring. Procuring is just a portion of what goes on with a contract. And if we focus solely on the act of award, then we are risking our chances of overall success. Overall success of a procurement has a much greater chance of occurring when we look at the procurement from a holistic viewpoint. Each procurement has a lifecycle. Some can last a week, others for years. All of them have beginnings, ends, and a couple of steps in-between.

The Acquisition Lifecycle guides us through a series of best practices that, if followed, offer a solid base for any contract requirements we have.

I encourage you to align your procurements to your mission and consider it part of your **strategic plan**. Bring your procurement officer into your planning meetings to assist in choosing the best acquisition tools for your requirement.

Due diligence in researching what we want is vital to defining your requirement. **Market research** in the capacity of what you want, who is in the market, and what a reasonable market price may be are a few of the questions that must be asked. Defining Your Requirement is typically the hardest thing to do in the acquisition, and good market research alleviates

many assumptions and instead provides for an educated team who is confident in what they want and what they can get.

A successful contract is possible if you place the phases before and after as vital to the root of your **contract**. Good planning and market research will help you understand the liability risks you will be faced with, confidence in your evaluation, and knowledge in your negotiations. Plus so much more.

A golden contract is nothing without good **contract management**. And having a mutually agreed upon process for contract management should be added to your contract. This way, everybody knows the rules up front. Contract Management means having clear roles and responsibilities for both yourself and your contractor, with a process for evaluation and management of performance.

Closeout often means handover to a new, re-competed contract. And guess what? Everything starts again! Don't forget to plan in advance for the next one!

Want to know more about the Acquisition Life-Cycle? HOLD THIS SPACE! The SPO is developing this training to be offered in the New Year!

