



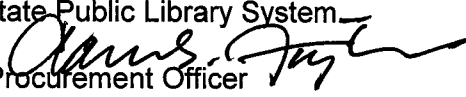
**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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December 6, 2010

PROCUREMENT DELEGATION NO. 2010-01

TO: Chief of Staff, Office of the Governor
Chief of Staff, Office of the Lieutenant Governor
Executive Department Heads (Excludes DOE, UH, OHA and HHSC)
State Librarian, Hawaii State Public Library System

FROM: Aaron S. Fujioka, Chief Procurement Officer 

SUBJECT: Delegation of Procurement Authority

This Procurement Delegation replaces prior Procurement Delegation No. 2008-01 dated October 23, 2008 and 2009-01 dated September 11, 2009.

Pursuant to HRS chapter 103D, Hawaii Public Procurement Code (Code), procurement authority is centralized to the chief procurement officer (CPO), and allows the CPO to further delegate authority to designated Procurement Officers. To enable departments and agencies to operate effectively, efficiently, and expediently, procurement authority is delegated by the CPO to the head of the purchasing agency.

PROCUREMENT AUTHORITY

Pursuant to HRS chapter 103D and chapter 103F, effective the date of this memo, as CPO for the above agencies, I hereby delegate procurement authority to you as the head of the purchasing agency, for the following procurement methods:

HRS chapter 103D - Hawaii Public Procurement Code (goods, services, construction)

1. Competitive Sealed Bidding (HRS §103D-302);
2. Competitive Sealed Proposals (HRS §103D-303);
3. Professional Services (HRS §103D-304);
4. Small Purchases (HRS §103D-305)
Pursuant to and in compliance with Procurement Circular 2009-15, or as amended, on *Procedures for Small Purchases Procurement*;
5. Sole Source (HRS §103D-306)
Requires prior CPO written approval for ALL dollar amounts (Refer to form SPO-001); and
6. Emergency (HRS §103D-307)
Requires CPO approval for ALL dollar amounts and approval may be obtained after-the-fact (Refer to form SPO-002).

Other HRS chapter 103D delegations granted are for:

- Preparation of specifications (HAR §3-122-11);
- Bid security (HRS §103D-323);
- Contract performance and payment bonds (HRS §103D-324);
- Resolution of protests (HRS §103D-701);
- Contract controversies (HRS §103D-703);
- Act 150, SLH 2009 for the expedient use of ARRA funds (HAR chapter 3-133); and
- Designation of:
 - HePS System Administrator and alternate(s),
 - pCard Administrator and alternate(s), and
 - Emergency pCard Administrator and alternate(s).

HRS chapter 103F - Purchases of Health and Human Services

1. Competitive Purchase of Service (HRS §103F-402);
2. Restrictive Purchase of Service (HRS §103F-403);
Requires CPO approval for ALL dollar amounts (Refer to Form-H500);
3. Treatment Purchase of Service (HRS §103F-404);
4. Small Purchase of Service (HRS §103F-405); and
5. Crisis Purchase of Service (HRS §103F-406);
Requires CPO approval for ALL dollar amounts and approval may be obtained after-the-fact (Refer to Form-H600).

Exemptions to HRS chapter 103D (HRS §103D-102 & HAR chapter 3-120) and HRS chapter 103F (HRS §103F-101 & HAR chapter 3-141) may be used as appropriate. Except CPO exemptions pursuant to HRS §103D-102(b)(4)(L) and HRS §103F-101(a)(4) shall continue to be submitted using form SPO-007 or SPOH-150 as appropriate. Authorized designated Procurement Officers or personnel are required to attend SPO training Workshop #125, *Exemptions from HRS chapter 103D and/or #210 Treatment, Restrictive, Crisis and Small Purchase of Health & Human Services, and Exemptions from HRS Chapter 103F*, prior to submitting the respective request for exemption for approval.

DELEGATION OF PROCUREMENT AUTHORITY

This procurement authority may be further delegated by you to personnel as designated procurement officers or authorized to conduct and participate in procurement activities in accordance with HAR §3-121-16. Participation in procurement activities includes small purchases, developing/drafting a solicitation, reviewing, approving, conducting, managing, and administering the procurement/contract.

"Procurement officer" means any person with the delegated authority to enter into and administer contracts and make written determination with respect thereto. The term includes an authorized representative acting within the limits of authority. The delegated authority is received from the chief procurement officer directly or through the head of purchasing agency.

Delegation of procurement authority to a procurement officer is based on their expertise, knowledge and proficiency to carry out procurement duties, while seeking economy and efficiency to achieve program operations. Careful consideration shall be taken when granting procurement authority, as you remain ultimately accountable to the CPO for this procurement delegation to authorized procurement officers within your office/department.

EDUCATION AND TRAINING

Procurement officers and personnel with delegated procurement authority to conduct and or participate in the procurement process are required to attend applicable State Procurement Office (SPO) training workshops. Applicable training ensures delegated procurement personnel receive the appropriate training, and are in compliance with HRS §103D-110, as amended by Act 194, SLH 2008 and HRS §103F-301 for purchases of health and human services.

A separate memo will address the education and training requirements.

Procurement officers and personnel without written delegated procurement authority and/or who have not completed the applicable mandatory training for HRS chapters 103D and 103F shall not conduct, approve, or participate in the procurement.

NEW PROCUREMENT DELEGATION FORM (SPO-036)

Effective December 6, 2010, Procurement Delegation forms SPO-36A through SPO-36G are replaced and consolidated with a single form SPO-036, *Procurement Delegation*. This change reduces the number of forms from seven to one, to be completed for each employee delegated procurement authority, Hawaii Electronic Procurement System (HePS) or pCard responsibilities.

Current delegation forms (SPO-36A through SPO-36G) submitted to the SPO will continue to remain valid through April 30, 2011 or until updated and replaced with the new form SPO-036, whichever occurs first. Additional time may be requested should your department be unable to meet this date. Copies of your department's current delegation forms should be requested from your Administrative Services Office.

To assist in documenting and preparing your procurement delegation submittal are forms:

- *Procurement Delegation* Form SPO-036;
- *Procurement Delegation Transmittal* Form SPO-036 Transmittal; and
- *Procurement Delegation* Form SPO-036 Instructions.

Form SPO-036 shall be used for new delegations and as a replacement for current personnel delegated procurement authority, submitted via e-mail to state.procurement.office@hawaii.gov with the *Procurement Delegation Transmittal Form* signed and authorized by the Department Head. Forms and Instructions are available at <http://hawaii.gov/spo>, click *Forms for State Agencies*.

INFORMATION SESSION

An informational session is available to brief your staff should they need assistance on the requirement for personnel participating in procurement to have the applicable procurement authority and to complete the requirements for delegated procurement authority.

Two sessions are available to choose from:

Dates and times: December 13, 2010 at 10:00 am to 11:00 am
 December 14, 2010 at 1:30 pm to 2:30 pm

Place: Kalanimoku Building,
 1151 Punchbowl Street
 Room 322 B/C
 Honolulu, HI 96813

For neighbor islands, a webinar is scheduled for December 21, 2010 from 9:00 am to 10:00 am. To attend an informational session, please register at the SPO training website <http://www4.hawaii.gov/spoh/tng/trainingschedule.htm>.

Your staff may contact Stanton Mato at 586-0566 if they have any questions, or you may call me at 587-4700. Thank you for your cooperation and assistance.