



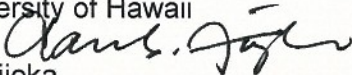
**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 587-4700 Fax: (808) 587-4703
<http://hawaii.gov/spo>

September 14, 2011

PROCUREMENT CIRCULAR NO. 2011-07

TO: Executive Department Heads
Chief Procurement Officers for:
Department of Education
The Judiciary
Office of Hawaiian Affairs
Hawaii Health Systems Corporation
University of Hawaii

FROM: Aaron S. Fujioka 

SUBJECT: Cost Principles
HRS Chapter 103F, Purchases of Health and Human Services

The Cost Principles for HRS chapter 103F has been revised and available at <http://hawaii.gov/spo>. Select *Health and Human Services, Chapter 103F, HRS Procurements*, then on the left sidebar, click *For State Agencies*.

With the input from State agencies, the Cost Principles have been reformatted and revisions made for clarification purposes.

Cost Principles are guidelines for state purchasing agencies to use in determining allowable expenditures for HRS chapter 103F contracts in regards to:

- Proposal budgets submitted by service providers in response to Request for Proposals (RFP);
- Contract budgets and unit costs negotiated between state purchasing agencies and service providers;
- Financial reporting requirements established by state purchasing agencies; and
- Fiscal monitoring, evaluation and audit requirements established by state purchasing agencies.

Your staff may contact Corinne Higa at 587-4706, or corinne.y.higa@hawaii.gov if they have any questions, or you may call me at 587-4700.