

**COMMUNITY COUNCIL ON PURCHASE OF HEALTH AND HUMAN SERVICES
MEETING**

April 22, 2010

9:00 a.m.

1151 Punchbowl Street, Room 426

Honolulu, Hawaii 96813

Members Present: Joseph Fichter
Richard Grimm
Mary Ann Navarro
Pauline Pavao
Ruthann Quitiquit
Laura Robertson

Others: Aaron Fujioka, State Procurement Office (SPO)
Corinne Higa, SPO
Mara Smith, SPO

Agenda – Item I. Call to Order

The meeting of the Community Council on Purchase of Health and Human Services was called to order at 9:08 a.m.

Agenda – Item II. Approval of minutes of June 19, 2009

Richard Grimm moved and Pauline Pavao seconded to approve the minutes. There was no discussion and the minutes were unanimously approved.

Agenda – Item III. Introduction to Hawaii electronic procurement system (HePS) and procurement of health and human services.

Mara Smith, SPO HePS Manager, provided background information and explained the functionality of HePS. Although HePS was implemented in 2006, Mr. Fujioka stated that the planning of the system goes back to 2001. With the implementation of HePS small purchase procurements reduced paper usage and the process increased transparency. There are four basic components of HePS: (1) Vendor registration; (2) Vendor notification of available solicitation(s); (3) Responses and availability of modified abstract after bid/quotes submittal deadline; and (4) Notice of award and non-awards. Mr. Fujioka noted that currently purchasing agencies post on the Procurement Notices System (PNS) and providers need to check the PNS regularly for available solicitations. In HePS, the system notifies the interested party of an available solicitation. As the system grows and expands, it is anticipated that the PNS will no longer be necessary and the HePS system will replace the source of procurement notices.

Ms. Smith also said that with HePS a vendor/provider can look at responses from previous solicitations and because HePS archives all solicitations and responses, it is easier for purchasing agencies to amend documents for resolicitation. Mr. Fujioka added that from the provider's point of view, there should be less paperwork generated.

It was brought up that under the current process for Hawaii Compliance Express, some departments are asking the providers who are registered on HCE to submit the paper compliance documents. Ms. Smith replied that on HePS, if the vendor/provider is registered on HCE, HePS will automatically retrieve the compliance reports. Mr. Fujioka said that the department should be printing the HCE compliance documents without asking the providers. A memo will be issued to the departments reiterating that the purchasing agencies are required to print the compliance certificate and should not be requesting it from the HCE registered vendors/providers.

Ms. Smith showed the council the SPO website and how to access HePS for vendors and purchasing agencies, frequently asked questions, and an overview of the HePS solicitation process. Laura Robertson asked if there is a transaction fee, and Ms. Smith responded that there is a .085% fee per total amount awarded. Mr. Fujioka added that there is no upfront registration fee. The transaction fee applies to the selected offer and is the cost of doing business. It is not known at this time how the system will be compensated for health and human service awards. Pauline Pavao indicated that the transaction fee could result in less provided services; therefore, it is an issue that should be discussed.

Ruthann Quitiquit asked if the transaction fee is an upfront cost and written into the quote. Mr. Fujioka replied that the transaction fee is billed and payable to SicommNet, the company providing HePS to the State of Hawaii. The vendor/provider pays SicommNet .85% of the award, (or \$8.50 for every \$1,000). The fee for awards of \$588,000 and above is capped at \$5,000. All council members thought the cap is a good idea.

Ms. Robertson inquired as to who decides when HRS Chapter 103F services will be procured on HePS. Mr. Fujioka replied that SPO has the authority and will implement health and human service procurements when the system and support is in place for the request for proposals process. Ms. Smith said that one system upgrade is to having each evaluators receive a copy of the proposal for evaluation purposes. Pauline Pavao noted that the federal government does the solicitation, award and payment online.

As a word of precaution, Ms. Smith said that providers should avoid uploading and submitting proposal/documents close to the submittal deadline on HePS. Due to a possible slow internet connection, a provider may encounter problems, and HePS does not accept proposals/documents after the scheduled deadline. Ms. Quitiquit asked if there are timed out sessions. Ms. Smith replied that slow internet connections could possibly cause a session to be timed out; however, HePS does record use and activity connections. Ms. Smith also stated that the HePS system does meet the requirements of HRS Chapter 489E, Uniform Electronic Transactions Act.

There was a discussion about setting up accounts on HePS. Ms. Robertson asked if a provider is limited to one account and Ms. Quitiquit wanted to know who created the category codes. Ms. Smith explained that each provider should only have one account, but that subaccounts could be established. Ms. Smith did a brief review of the HePS website and the profile commodity categories, which included in a handout distributed to council members. The commodity codes are from the National Institute of Government Purchasing (NIGP). Mr. Fujioka said that the user agencies will be informed of the category codes to use for procurements of health and human services. Ms. Smith said that there is a vendor liaison who works with vendors/providers to set up their HePS profiles.

Ms. Smith said that in the future HePS could possibly be the future site for all procurement notices and the database for all contracts. Ms. Navarro acknowledged the great work that is being done on HePS. Other council members agreed.

Agenda – Item IV. Review and discussion on cost principles amendments

Council members reviewed the handout of draft amended cost principles for HRS Chapter 103F. Mr. Fujioka explained that the cost principles serve as a guide, and what is allowable may not be appropriate for reimbursement under a particular contract. Mr. Grimm added that the phrase “with prior approval” would allow the user agency to decide on the appropriateness of the cost to the contract. Ms. Quitiquit noted that user agencies insist that providers use the state’s system of hotel and lodging costs as required by collective bargaining.

There was discussion on Category A: Personnel Costs. Council members were unclear as to the meaning of unallowable costs for “accrued leave payout for terminating employees” and “...while staff are active employees.” Corinne Higa said that the amended wording is intended to clarify that reimbursement costs should be limited to only what can be allocated to the contract. Joe Fichter suggested that the cost be allowed with prior approval.

Ms. Robertson questioned the amendment to the allowable/unallowable costs for Category B: Operating Costs on food. Council members felt that allowable food costs should not only be limited to “residential or group homes and to the Women, Infant and Children (WIC) program.” Ms. Robertson said that day youth programs include food costs. Ms. Higa explained that the reason for the pending amendment is to limit food costs to only that which are included in the contract.

Looking across the columns of the cost principles’ table, Mr. Grimm said that the cost item in the first column should match with the allowable/unallowable column item. The next draft will be reformatted for clarity.

The review of the cost principles will continue at the next meeting. Mr. Fujioka requested for council members to review the cost principles table and to submit recommendations for any amendments. Council members agreed to submit any recommendations to Ms. Higa by the end of June 2010.

Agenda – Item V. Review of RFP timelines

Postponed to the next meeting.

Agenda – Item VI. Discussion on the Request for Information (RFI) process

Postponed to the next meeting.

Agenda – Item VII. Overview of the State Procurement Office (SPO) website

Postponed to the next meeting.

Agenda – Item VIII. Overview of the Contracts Database Reporting System (CDRS)

Postponed to the next meeting.

Agenda – Item IX. SPO training program for state agencies and private providers

Postponed to the next meeting.

Agenda – Item X. Election of Officers

Mr. Grimm nominated Laura Robertson to be the council's secretary. The council unanimously approved. Other officers were not elected.

Agenda – Item XI. Announcements – Future Community Council meeting dates.

Council members selected the following dates for future council meetings:

July 8, 2010

September 22, 2010

January 13, 2011

Due to time constraints, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,

April 22, 2010
Date

Laura D. Robertson

Attachment: April 22, 2010 Agenda
HePS Vendor Quick Reference and Commodity Tables
Draft of Amended Cost Principles

**State Procurement Office
HePS ~ Hawaii eProcurement System
Vendor Quick Reference**

To Register for HePS

1. <http://hawaii.gov/spo> click **Hawaii Electronic Procurement System (HePS)**
2. Click **For Vendors, Contractors and Service Providers** and download **HePS Vendor Registration Walk-Through**.
3. Click **HePS Vendor Registration**.

FAQ (Frequently Asked Questions) for Vendors

- <http://hawaii.gov/spo> click **Hawaii Electronic Procurement System (HePS)** and then **For Vendors, Contractors and Service Providers**
- Click [FAQ \(Frequently asked Questions\) for Vendors](#)

Logging in

- <http://hawaii.gov/spo> click **Hawaii Electronic Procurement System (HePS)**
- Click **Vendor Login**
- *Note: Your login and password are case sensitive.*

After logging in, you will see a dark blue area at the top of the page with two rows of tabs. Each time you select a different tab from the upper row, the lower row (sub-tabs) will change.

Tutorials

Select the **Main** tab and then the **New Users** sub-tab.

Viewing Solicitations

Log in.

1. Select **Agency Opportunities** from the upper row of tabs
2. Select the **Quotations, Bids or Proposals** sub-tab (the lower row of tabs). You will see a listing of solicitations.
3. In the **Respond** column select the radio button next to the solicitation you wish to view.

Note: if you cannot find a solicitation, try the **Find** or **Show all Solicitations** buttons.

The screenshot shows the HePS Vendor interface. At the top, there are two rows of tabs. The upper row includes: Main, Agency Opportunities, Solicitation Manager, Awards Manager, Partners Manager, Profiles Manager, and Miscellaneous. The lower row includes: Request for Quotation, Bids, Proposals, Information, Abstracts, Additional Bid Postings, Past Responses, Contact Us, Help, and Logout. Below the tabs, the user is logged in as 'HEPS TEST VENDOR' with address '1151 Punchbowl St., #416' and phone 'HI 96813'. A 'The Market Place' logo is visible. A callout box labeled '3' points to a radio button in the 'Respond' column of a table. Another callout box says 'Can't find the solicitation? Try the Find or Show all Solicitations buttons.' Below the table are 'Find' and 'Show All Solicitations' buttons.

Respond	Delete	Agency Nbr	Close Date	Commodity	Description	Items
<input type="radio"/>		Q2009000049	THU JUL 17, 2008 04:30:00 PM HST	2001691025	NAVY BLUE WINDBREAKERS, 100% NYLON, WITH FLANNEL LNING, GRIPPER SNAP CLOSURE, E	1

Deleting the receipt of mainland e-mail notifications

1. Select the **Partners Manager** tab.
2. Select **Agencies + Associations** from the sub-tabs.
3. Select the **radio button** in the **Del** column to stop receiving solicitation notices from an agency

The screenshot shows the HePS Partners Manager interface. The top navigation bar includes tabs for Main, Agency Opportunities, Solicitation Manager, Awards Manager, Partners Manager, Profiles Manager, and Miscellaneous. The Partners Manager sub-tab is active, showing sub-tabs for Customers, Suppliers, Invite Partners, Agencies + Associations, Contact Us, Help, and Logout. A callout box labeled '1' points to the Partners Manager tab, and another labeled '2' points to the Agencies + Associations sub-tab. Below the navigation is a header for 'HEPS TEST VENDOR' with address '1151 Punchbowl St, #416, Honolulu, HI 96813'. A blue banner reads 'Public Agencies / Organizations from whom you will receive business opportunities. Click Agency name to visit their Website.' Below this is a table with columns: Review, Terms, Buyers, Certs, Contracts, Del, Agency / Organization, Agency Vendor Nbr (Add - Update / Help - FAQ), Date Added, and Status. The table lists three agencies: Hawaii Health Systems Corporation (A0000000024), State of Hawaii State Procurement Office (A0000000025), and Animal Care & Control of NYC (A0000000026). A callout box labeled '3' points to the radio button in the 'Del' column for the NYC agency.

Review	Terms	Buyers	Certs	Contracts	Del	Agency / Organization	Agency Vendor Nbr Add - Update / Help - FAQ	Date Added	Status
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Hawaii Health Systems Corporation A0000000024	<input type="text"/> Add/Update: <input type="checkbox"/> Help -FAQ: <input type="checkbox"/>	Wed Aug 09 2006	Active
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	State of Hawaii State Procurement Office A0000000025	<input type="text"/> Add/Update: <input type="checkbox"/> Help -FAQ: <input type="checkbox"/>	Tue Jan 11 2005	Active
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Animal Care & Control of NYC A0000000026	<input type="text"/> Add/Update: <input type="checkbox"/> Help -FAQ: <input type="checkbox"/>	Thu Jul 10 2008	Active

Adding an employee to a company account.

1. Select the **Profiles Manager** tab.
2. Select **Add a New User** from the sub-tabs.
3. Enter the information.
4. When completed, the employee will receive an e-mail with the login and password.

Note: The State of Hawaii does not use the reverse auction function.

The screenshot shows the HePS Profiles Manager interface. The top navigation bar includes tabs for Main, Agency Opportunities, Solicitation Manager, Awards Manager, Partners Manager, Profiles Manager, and Miscellaneous. The Profiles Manager sub-tab is active, showing sub-tabs for Demographic Profile, Business Profile, Billing Profile, My Profile, Commodities Profile, Other User Profiles, Add a New User, Contact Us, Help, and Logout. A callout box labeled '1' points to the Profiles Manager tab, and another labeled '2' points to the Add a New User sub-tab. Below the navigation is a header for 'HEPS TEST VENDOR' with address '1151 Punchbowl St, #416, Honolulu, HI 96813'.

Viewing Responses to Solicitations

1. Select the **Agency Opportunities** tab.
2. Select the **Abstracts** sub-tab.
3. Select the status:
 - a. **Awaiting Award:** Solicitation has closed but has not been awarded yet.
 - b. **Awarded:** Notices of award/nonaward have been sent.
 - c. **Intent to Award:** An email has been sent to the intended awardee notifying them of the state's intent to award provided the vendor supplies certain documentation, such as compliance documents, insurance, etc.
 - d. **RFB/RFP Public Openings:** This is currently not used by the State of Hawaii.
 - e. Note : Pursuant to statute, RFPs will not display any information prior to award.
4. Select the RFX type:
 - a. **Quotations:** Small Purchase Request for Quotations
 - b. **Bids:** Invitations for Bids (IFBs) or Competitive Sealed Bids or eRFBs(electronic Requests for Bids)
 - c. **Proposals:** Requests for ProposalsNote: Optionally, the RFX number may be entered instead of the status and RFX type.
5. Agency on-line days of History: Select the number of days of history to display. The default is the maximum that can be displayed.
6. Select the appropriate **View** button to the left of the Agency.

HEPS TEST VENDOR
1151 Punchbowl St., #416
Honolulu, HI 96813

Registered Agencies that allow Abstracts New current as of: Thu GMT-0700 (PDT) 2010

Abstract Status: Select Status Solicitation Type: Select RFX Type Optional Specific RFX Nbr:

View	Agency	Agency on-line days of history	Max Value
<input type="radio"/>	Hawaii Health Systems Corporation	180	180
<input type="radio"/>	State of Hawaii	365	365
<input type="radio"/>	Hawaii State Judiciary	180	180

Back

Questions? Contact us at the State Procurement Office!

Mara Smith, , 808 587-4704; mara.smith@hawaii.gov

Bonnie Kahakui, 808 587-4702; bonnie.a.kahakui@hawaii.gov

Wendy Orita, 808-586-0563 or wendy.m.orita@hawaii.gov

Need help navigating HePS, practicing the mechanics of submitting a quote or completing the vendor profile?

Michael Matsumoto, SicommNet, 808-371-4274 or mmatsumoto@sicomm.net



HEPS TEST VENDOR

1151 Punchbowl St., #416

Honolulu, HI 96813

Drill Down Commodity Categories	
More Detail	Description
<input type="radio"/>	01 - Administrative, Financial, and Management Services Human Services (952)
<input type="radio"/>	02 - Agricultural Equipment and Related Products and Services
<input type="radio"/>	03 - Arts, Crafts, Entertainment, Theatre
<input type="radio"/>	04 - Automotive Products, Vehicles, and Services
<input type="radio"/>	05 - Building Equipment, Supplies, and Services
<input type="radio"/>	06 - Clothing, Textiles, Laundry Equipment, and Supplies
<input type="radio"/>	07 - Communication Equipment and Services
<input type="radio"/>	08 - Computers, Software, Supplies, and Services
<input type="radio"/>	09 - Food, Equipment, and Related Services
<input type="radio"/>	10 - Furnishings and Related Services
<input type="radio"/>	11 - Furniture and Related Services
<input type="radio"/>	12 - Hardware, Related Equipment, and Services
<input type="radio"/>	13 - Highway Road Equipment, Materials, and Related Equipment
<input type="radio"/>	14 - Janitorial and Cleaning Equipment, Supplies, and Services
<input type="radio"/>	15 - Laboratory Equipment, Supplies, and Services
<input type="radio"/>	16 - Maintenance and Repair of Equipment
<input type="radio"/>	17 - Medical Equipment, Supplies, and Services Health (948)
<input type="radio"/>	18 - Miscellaneous Commodities and Services
<input type="radio"/>	19 - Office Supplies, Related Items, and Services
<input type="radio"/>	20 - Paper, Printing Equipment, and Related Products and Services
<input type="radio"/>	21 - Personal Products, Equipment, and Services
<input type="radio"/>	22 - Public Works, Park Equipment, and Construction Services
<input type="radio"/>	23 - Rental and Leasing Services
<input type="radio"/>	24 - Safety and Protection Equipment and Related Services
<input type="radio"/>	25 - School and Library Equipment, Supplies, and Services
<input type="radio"/>	26 - Sporting, Athletic, and other Outdoor Equipment and Services
<input type="radio"/>	27 - Testing and Sampling Equipment and Services
<input type="radio"/>	28 - The Trades: Electrical, Engineering, HVAC, Plumbing, and Welding

<input type="radio"/>	29 - Transit Equipment and Related Services, Mass
<input type="radio"/>	30 - Water and Sewer Treatment Equipment, Supplies, and Services
Back	

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b2bCommodityCategoryLookup

Marketplace Account Number: P00000059661 UserID: HAWAII Company: HEPS TEST VENDOR

HEPS TEST VENDOR



1151 Punchbowl St., #416

Honolulu, HI 96813

Commodities / Services Add Wizard	
Search for an item using one of the following methods	Keyword Search: <input type="text"/> <input type="button" value="Go"/> or press Enter to search
	Drill Down Method: <input type="radio"/>
Excludes commodities for which you are already registered	
<input type="button" value="Back"/>	

LIST	ADD	Class	Item	Description
<input type="radio"/>		948	*	HEALTH RELATED SERVICES (FOR HUMAN SERVICES SEE CLASS 952)
		948	07	Administration Services, Health
		948	12	Ambulance Services, Non-emergency (See 990-37 for Emergency Ambulance Services)
		948	15	Audiology Services (Including Hearing Aid Services)
		948	26	Cytology Screening Services
		948	27	Dental Laboratory Services
		948	28	Dental Services
		948	29	Dental Prosthetic Manufacturing Services
		948	32	Dietician Services
		948	33	Disease Prevention and Control Services, Non-Contagious (See 948-92 for Vaccination Services)
		948	34	Disease Prevention and Control Services, Contagious (See 948-92 for Vaccination Services)
		948	36	Exercise Program Services
		948	37	Experimental Medical Services
		948	44	Health Physics Services
		948	46	Hospital Services, Inpatient and Outpatient
		948	47	Health Care Center Services
		948	48	Health Care Services (Not Otherwise Classified)
		948	49	Hygiene Services, Industrial
		948	51	Imaging and Diagnostic Services
		948	52	Infant Mortality Reduction Initiative
		948	53	Laser Light and Electro Stimulation Services (Includes Acupuncture Services)
		948	54	Massage Services
		948	55	Medical and Laboratory Services (Non-Physician)
		948	64	Nursing Services

		948	65	Nursing Home Services
		948	68	Optician/Optomterical Services (Non-Physician)
		948	71	Physician Credentialing Services
		948	72	Pharmaceutical Services
		948	73	Physical Fitness Programs
		948	74	Professional Medical Services (Including Physicians, Pharmacists, and All Specialties)
		948	75	Prosthetic Manufacturing Services (Other Than Dental)
		948	76	Psychologists/Psychological and Psychiatric Services (Including Behavioral Management Services)
		948	80	Radiation Control and Leak Detection Services
		948	81	Radiation Therapy Treatment Services
		948	82	Research and Science Services, Medical
		948	85	Sanitary Napkin Disposal Services
		948	86	Therapy and Rehabilitation Services
		948	87	Telemedical Professional Services
		948	92	Vaccination Program Services
		948	93	Waste Disposal Services, Medical
		948	97	X-Ray Services (Incl. Dental)

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b2bShowSelectedCommodities

Marketplace Account Number: P00000059661 UserID: HAWAII Company: HEPS TEST VENDOR

HEPS TEST VENDOR



1151 Punchbowl St., #416

Honolulu, HI 96813

Commodities / Services Add Wizard		
Search for an item using one of the following methods	Keyword Search:	Drill Down Method:
	<input type="text"/> <input type="button" value="Go"/> or press Enter to search	<input type="radio"/>
Excludes commodities for which you are already registered		
<input type="button" value="Back"/>		

LIST	ADD	Class	Item	Description
<input type="radio"/>		952	*	HUMAN SERVICES
		952	05	Alcohol and Drug Detoxification (Incl. Rehabilitation)
		952	06	Alcohol and Drug Prevention
		952	07	Alcohol and Drug Testing Services
		952	08	Assisted Living Services
		952	09	Autopsy and Other Coroner Type Services
		952	10	Barber/Beautician Services
		952	11	Babysitting or Nanny Services
		952	12	Bioethical Services
		952	13	Big Brother, Big Sister, and Similar Type Program Services
		952	14	Cemetery Services (Including Operation, Management, and Maintenance)
		952	15	Case Management
		952	16	Chaplain/Minister Services
		952	17	Child Abuse: Identification, Treatment, and Prevention (Including Sexual Abuse)
		952	18	Child Care Services (Incl. the Food Program)
		952	19	Community Garden Program
		952	20	Correctional
		952	21	Counseling
		952	22	Community Service Campaigns (Anti-Litter Programs, etc.)
		952	23	Court Intervention Services
		952	24	Cultural Administration and Promotion Services
		952	25	Day Care (Preschool)
		952	26	Day Care (Adult)
		952	28	Day Care Training Consortium
		952	29	Dating and Escort Services

		952	30	Delivered Meals (Including Shelf Stable Meals and Congregate Meals)
		952	31	Discrimination Investigation
		952	32	Domicile
		952	35	Elder Abuse Prevention Services
		952	36	Emergency Food
		952	37	Emergency Shelter
		952	38	Employee Assistance Programs (Including Unemployment Compensation Administration Services)
		952	39	Employment Generating Activities
		952	40	Elderly Assistance Services
		952	41	Face and Body Beauty Treatment Services
		952	42	Family Planning
		952	43	Family and Social Services (Including Shopping and Buying Services)
		952	44	Fire Fighting and Prevention Services (For Buildings, Homes, etc.; See 990-43 for Oil and Gas Well Fires)
		952	45	Food Stamps/Coupons
		952	47	Foster Home and Adoption Services
		952	48	Genetic Parentage Testing Services (DNA)
		952	49	Halfway Housing
		952	51	Head Start Program
		952	53	Home Management
		952	54	Homemaker
		952	55	Homelessness Prevention Services
		952	56	Housekeeping Services
		952	57	Human Population Census Services
		952	58	Human Resources Development Services
		952	59	Human Services (Not Otherwise Classified)
		952	60	Job Search Workshop
		952	61	Law Enforcement - Community Relations Services (Incl. Victim Notification Services)
		952	62	Mental Health Services: Vocational, Residential, Etc.
		952	64	Mortuary and Funeral (Including Crematory Services)
		952	65	Musical Awareness Services
		952	67	Parenting Intervention
		952	68	Personal Care Services
		952	71	Rape and Sexual Assault Prevention
		952	72	Reading Services for the Blind
		952	74	Referral Services
		952	75	Refugee Assistance
		952	76	Respite Care
		952	77	Research and Evaluation, Human Services (Including Productivity Audits)

		952	78	Safe Housing
		952	80	Senior Aides Program
		952	81	Slum/Community Redevelopment Services
		952	83	Summer Youth Program
		952	84	Supplemental Food Services
		952	85	Support Services
		952	88	Teenage Pregnancy Services
		952	90	Training and Instruction (For Clients, Not Staff)
		952	91	Transitional Domicile
		952	92	Transitional Living
		952	93	Try-out Employment
		952	94	Transportation Services For the Elderly, Handicapped, Incapacitated, Prisoners, Juries, etc.
		952	95	Youth Care Services
		952	96	Urban and Regional Development Services

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b2bShowSelectedCommodities

Marketplace Account Number: P00000059661 UserID: HAWAII Company: HEPS TEST VENDOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE
CHAPTER 103F, HRS – COST PRINCIPLES
PURCHASES OF HEALTH AND HUMAN SERVICES**

1. Any cost charged to the Agreement must be reasonable, appropriate, lawful and allocable to the contract.
2. To the maximum extent practicable, the suggested terminology should be used consistently in all phases of budgeting, accounting, and reporting.
3. This list represents selected cost items and is not an all inclusive list of costs which may be prescribed by federal and or State laws or regulations.
4. Although a cost may be allowable under federal guidelines, the state purchasing agency has the discretion to limit or disallow the cost due the unavailability of funds, and or funding restrictions, or its inappropriateness to the contract.
5. In cases where certain items, definitions, explanations or requirements are difficult to understand, the applicant/provider should seek written clarification from the state purchasing agency.
6. Required cost documentation shall be in place shall be kept by the provider and only submitted at the request of the purchasing agency.

COST ITEM	DESCRIPTION	ALLOWABLE/UNALLOWABLE	REMARKS
<p>CATEGORY A: PERSONNEL COSTS</p> <p>Compensation for Personal Services Salaries and Wages Vacation Leave Sick Leave Overtime Bonuses Severance Pay</p>	<p>Compensation for personal services currently paid or accrued.</p>	<p>Allowable: Base salaries and wages to the extent that the range is reasonable for the services rendered.</p> <p>Allowable with prior approvals: Overtime. Salary increases.</p> <p>Unallowable: Bonuses. Severance pay. Accrued leave payout for terminating employees Excessive compensation. Payment for vacation and sick leave in lieu of leave not taken while staff are active employees.</p>	<p>Required Documentation: Schedule detailing total annual salary for each position, computation of each positions' FTE and service site.</p> <p>Reports reflecting the distribution of activity of each employee must be maintained for all staff members whose compensation is charged, in whole or in part, directly to the contract(s). The reports must reflect an after-the-fact determination of the total actual activity of each employee. The reports must be signed by the individual employee, or by a responsible supervisory official having first hand knowledge of the activities performed by the employee, that the distribution of activity represents a reasonable estimate of the actual work performed by the employee during the periods covered by the reports. (Note: The State is requesting that adequate records supporting the allocation of salaries be maintained and not necessarily detailed timesheets, e.g., accounting for each quarter hour for each employee.)</p> <p>Personnel policies and procedures governing vacation leave, sick leave, and overtime pay.</p>

**STATE OF HAWAII
STATE PROCUREMENT OFFICE
CHAPTER 103F, HRS – COST PRINCIPLES
PURCHASES OF HEALTH AND HUMAN SERVICES**

COST ITEM	DESCRIPTION	ALLOWABLE/UNALLOWABLE	REMARKS
<p>CATEGORY A: PERSONNEL COSTS</p> <p>Payroll Taxes and Assessments</p>	<p>All Federal and State requirements.</p>	<p>Allowable: Employer’s portion of FICA, workers compensation, unemployment insurance, and temporary disability insurance.</p> <p>Unallowable: Fines and penalties due to late filing and/or payment.</p>	<p>Required Documentation: Schedule detailing applicable percentages of statutory ceilings for each payroll tax, insurance and other costs.</p>
<p>CATEGORY A: PERSONNEL COSTS</p> <p>Fringe Benefits</p>	<p>Employers’ portion of health care and retirement benefits.</p>	<p>Allowable: Health care insurance.</p> <p>Allowable with prior approval: Retirement plans.</p> <p>Unallowable: All costs considered as perquisites.</p>	<p>Required Documentation: Each benefit should be clearly detailed in the personnel policies and procedures.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Airfare (Inter-Island)</p>	<p>Costs for airline tickets or coupons.</p>	<p>Allowable with prior approval.</p> <p>Unallowable: First class travel.</p>	<p>Required Documentation: Schedule of inter-island travel detailing staff, destination, purpose, fare costs, per diem/subsistence and dates of travel. Personnel policies and procedures governing travel.</p> <p>Cost of unused coupons cancelled travel shall not be charged to the contract.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Airfare (Out-of-State)</p>	<p>Costs for airline tickets or coupons.</p>	<p>Allowable with prior approval.</p> <p>Unallowable: First class travel.</p>	<p>Required Documentation: Schedule of out-of-state travel detailing staff, destination, purpose, fare costs, per diem/subsistence and dates of travel. Personnel policies and procedures governing travel.</p> <p>Cost of unused coupons cancelled travel shall not be charged to the contract.</p>

**STATE OF HAWAII
STATE PROCUREMENT OFFICE
CHAPTER 103F, HRS – COST PRINCIPLES
PURCHASES OF HEALTH AND HUMAN SERVICES**

COST ITEM	DESCRIPTION	ALLOWABLE/UNALLOWABLE	REMARKS
<p>CATEGORY B: OPERATING COSTS</p> <p>Audit Services</p>	<p>Cost of an audit by an independent certified public accountant.</p>	<p>1. Allowable under contracts with federal funds:</p> <p>a. Audits completed in accordance with OMB Circular A-133, required for providers expending \$300,000 or more in federal funds during the fiscal year.</p> <p>b. Limited scope audits arranged and paid for by pass through entities to monitor subrecipients.</p> <p>2. Allowable under contracts with only State funds:</p> <p>a. Financial audits of the organization.</p> <p>b. Special audits required by the State.</p>	<p>Required Documentation:</p> <p>1.a. Financial statements and schedule of expenditures of Federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plans. If the audit does not contain questioned costs or audit findings related to the pass through federal funds, a notification letter may be sent to the pass through entity (see OMB Circular A-133, Subpart C.)</p> <p>1.b. Copy of limited scope audit report.</p> <p>2.a. & b. Copies of the audit report and management letter issued by the auditor.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Contractual Services - Administrative</p>	<p>Costs of administrative professional and consultant services, which cannot be performed by the applicant/provider's staff.</p>	<p>Allowable: e.g., accounting, bookkeeping, payroll, and secretarial services.</p> <p>Unallowable: Legal fees for defense and prosecution of criminal and civil proceedings. Retainer payments to attorneys.</p>	<p>Required Documentation: Schedule detailing business or individual's name, description of the service, and contract amount or fee.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Contractual Services - Subcontracts</p>	<p>Costs of professional and consultant services necessary for the delivery of the primary contracted services, which cannot be performed by the applicant/provider's staff.</p>	<p>Allowable with prior approval: Professional fees for services used by the program.</p>	<p>Required Documentation: Justification for contractual services proposed. Schedule detailing subcontracted organization or individual's name, description of the service, and contract amount or fee. Executed agreements between the contracting parties.</p>

**STATE OF HAWAII
STATE PROCUREMENT OFFICE
CHAPTER 103F, HRS – COST PRINCIPLES
PURCHASES OF HEALTH AND HUMAN SERVICES**

COST ITEM	DESCRIPTION	ALLOWABLE/UNALLOWABLE	REMARKS
<p>CATEGORY B: OPERATING COSTS</p> <p>Depreciation</p>	<p>Depreciation expense is the method of allocating the cost of a capital asset over the estimated useful life of the asset as it relates to the contract.</p>	<p>Allowable: Depreciation of equipment, motor vehicles, and buildings and capital improvements, required for the program, e.g., renovations in connection with the program for office and program requirements.</p> <p>Unallowable: Idle facilities. Assets acquired through the State or Federal government.</p>	<p>Required Documentation: Depreciation schedule, cost allocation bases, previous depreciation taken, and budgeted depreciation expense.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Food</p>	<p>Provisions for meals and snacks. Food provided as part of the contract services for clients.</p>	<p>Allowable with prior approval: Food costs required as part of the contract services for clients in residential or group homes, and Women, Infant and Children (WIC) program.</p> <p>Unallowable: Food costs covered by SSI or other funds.</p>	<p>Required Documentation: Schedule detailing description and cost.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Indirect Costs (Negotiated Federal Rate)</p>	<p>Costs incurred for common or joint objectives that cannot be readily identified with a particular final cost objective, e.g., general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.</p>	<p>Allowable: General operating costs equitably distributed to benefiting objectives by using a current rate negotiated with the federal government.</p> <p>Unallowable: Indirect costs based on a rate that has not been negotiated with the federal government.</p>	<p>Required Documentation: A valid copy of the written agreement with the federal agency for the negotiated rate.</p> <p>Attach to <u>Proposal Budget</u> if used.</p>

**STATE OF HAWAII
STATE PROCUREMENT OFFICE
CHAPTER 103F, HRS – COST PRINCIPLES
PURCHASES OF HEALTH AND HUMAN SERVICES**

COST ITEM	DESCRIPTION	ALLOWABLE/UNALLOWABLE	REMARKS
<p>CATEGORY B: OPERATING COSTS</p> <p>Insurance</p>	<p>Cost of insurance required or approved pursuant to the contract.</p>	<p>Allowable: Indemnification coverage. General liability. Bonding. Applicant/provider's automobiles. Fire. Hurricane. Flood.</p> <p>Unallowable: Life insurance premiums of officers, employees, or Board members where the applicant/provider is the beneficiary.</p>	<p>Required Documentation: A valid Certificate of Insurance which shows the following: 1. Policy in effect during the contract period. 2. Liability coverage(s) as specified in the agreement. 3. The contracted services or type of services. 4. The State of Hawaii and the state purchasing agency as the certificate holder. 5. Address of the state purchasing agency. 6. The State of Hawaii named as additionally insured. 7. Statement that the insurance policy shall not be canceled unless the insurance company has first given the State purchasing agency 30 calendar days written notice of the intended cancellation.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Interest</p>	<p>Costs incurred for interest on borrowed capital.</p>	<p>Allowable with prior approval: Interest on debt incurred after May 14, 1997 to acquire or replace capital assets (including renovations, alterations, equipment, land, and capital assets acquired through capital leases), acquired after May 14, 1997 and used in support of the State contracts.</p> <p>Unallowable: All other interest costs.</p>	<p>Required Documentation for prior approval: A statement of purpose and justification for facility acquisition or replacement. A statement as to why current facilities are not adequate. A statement of planned future use of the facility. A description of the financing agreement to be arranged for the facility. A summary of the building contract with estimated cost information and statement of source and use of funds. A lease/purchase analysis which shows that a financed purchase or capital lease is less costly to the organization than other leasing alternatives (See OMB Circular A-122.)</p> <p>Reimbursements will be limited to the least costly alternative.</p>

**STATE OF HAWAII
STATE PROCUREMENT OFFICE
CHAPTER 103F, HRS – COST PRINCIPLES
PURCHASES OF HEALTH AND HUMAN SERVICES**

COST ITEM	DESCRIPTION	ALLOWABLE/UNALLOWABLE	REMARKS
<p>CATEGORY B: OPERATING COSTS</p> <p>Lease/Rental of Equipment</p>	<p>Lease rent of program equipment used for contractual services.</p>	<p>Allowable with prior approval: Rental or lease cost in connection with the program for office and program requirements.</p> <p>Unallowable: Security deposits. Loan payments made in connection with purchase of equipment.</p>	<p>Required Documentation: Schedule detailing item, purpose, cost and usage. Lease/rental agreement.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Lease/Rental of Motor Vehicles</p>	<p>Motor vehicle lease costs related to contracted services.</p>	<p>Allowable with prior approval: Leasing costs of vehicles used directly in connection with the program.</p> <p>Unallowable: Security deposits. Loan payments made in connection with purchase of vehicle.</p>	<p>Required Documentation: Schedule detailing vehicle, purpose, cost and usage. Lease/rental agreement.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Lease/Rental of Space</p>	<p>Lease rental of office and program facility space.</p>	<p>Allowable with prior approval: Lease rent paid for office and program requirements. Common area charges.</p> <p>Unallowable: Security deposits. Unused space.</p>	<p>Required Documentation: Lease/rental agreement.</p> <p>Payments must be made to a third party and comparable to other properties in the area. Rental costs under sale and leaseback arrangements are allowable only up to the amount that would be allowed had the organization continued to own the property.</p>

**STATE OF HAWAII
STATE PROCUREMENT OFFICE
CHAPTER 103F, HRS – COST PRINCIPLES
PURCHASES OF HEALTH AND HUMAN SERVICES**

COST ITEM	DESCRIPTION	ALLOWABLE/UNALLOWABLE	REMARKS
<p>CATEGORY B: OPERATING COSTS</p> <p>Mileage</p>	<p>Travel allowances based on staff's mileage actually incurred.</p> <p>Reimbursement to staff using their private vehicles for business related to the contract.</p>	<p>Allowable: Mileage reimbursement not to exceed federal (IRS) allowances.</p> <p>Unallowable: Monthly auto allowances. Relocation costs. Reimbursement for personal use or non-contract related mileage.</p>	<p>Required Documentation:</p> <p>Schedule for mileage detailing position of staff, destination, purpose and total miles claimed.</p> <p>A record of business miles traveled for each trip using employees' personal vehicle.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Postage, Freight and Delivery</p>	<p>Mailing, shipping and delivery costs relating to the contract.</p>	<p>Allowable: Postage stamps. Costs for mailing, e.g., certified mail. Delivery charges for goods purchased.</p>	
<p>CATEGORY B: OPERATING COSTS</p> <p>Program Activities</p>	<p>All other cost items directly related to or required in order to deliver services to clients.</p>	<p>Allowable with prior approval: e.g., client incentives, client excursions, training wages, and client/volunteer stipends.</p>	<p>Required Documentation: A schedule detailing: 1. Description of program activity. 2. Frequency of activity. 3. Number of participants. 4. Cost per person.</p> <p>Restrictions: All program activities are limited to contract provisions; and costs must be incurred on behalf of clients.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Publication, Printing and Advertising</p>	<p>Costs of printing and binding, and subscriptions. Costs of media services. Media advertising includes magazines, newspapers, radio and television programs, direct mail, exhibit, and the like.</p>	<p>Allowable: Publications used directly in the program. Professional books and journals. Recruitment of personnel. Procurement of goods and services. Advertisements specifically required by contract.</p>	<p>Required Documentation: Schedule providing basis for estimating cost of postage, printing and copying. Schedule for subscriptions and publications detailing titles and costs.</p>

**STATE OF HAWAII
STATE PROCUREMENT OFFICE
CHAPTER 103F, HRS – COST PRINCIPLES
PURCHASES OF HEALTH AND HUMAN SERVICES**

COST ITEM	DESCRIPTION	ALLOWABLE/UNALLOWABLE	REMARKS
<p>CATEGORY B: OPERATING COSTS</p> <p>Repairs and Maintenance</p>	<p>Necessary maintenance, repair and upkeep of facilities, buildings and equipment.</p>	<p>Allowable: Costs incurred for repair and maintenance of facilities and equipment, e.g., janitorial services, painting, plumbing and electrical repairs For leased space, allowed for lessee if responsibility by lessor is not specified in the rental agreement.</p> <p>Unallowable: Expenditures which will increase the life of a capital asset.</p>	
<p>CATEGORY B: OPERATING COSTS</p> <p>Staff Training</p>	<p>Cost of preparation and maintenance of on-the-job, classroom and other training to increase the employees' vocational effectiveness.</p> <p>Training for staff who provide direct service to recipients. Conference and workshops for the purpose of dissemination of technical information to improve the delivery of the service.</p>	<p>Allowable: Registration and tuition costs. Costs of materials, including books. Out of State training, with prior approval. Training for administrative personnel with prior approval.</p> <p>Unallowable: Entertainment costs, e.g., office parties. Training courses taken by an employee to acquire basic skills which should have been brought to the job, or to qualify for duties other than the position held.</p>	<p>Required Documentation: Schedule detailing title of training, date, persons attending and purpose.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Subsistence/Per Diem</p>	<p>Costs for room and board while on official travel status.</p>	<p>Allowable: Subsistence or per diem rates may be used.</p> <p>Restriction: Not to exceed State per diem allowances.</p> <p>Unallowable: All tips and gratuities.</p>	<p>Required Documentation: Travel policies and procedures. Receipts for subsistence payments.</p> <p>For overnight accommodations, room rates must be reasonable and ordinary in relation to accommodations within the surrounding area and type of accommodation.</p>

**STATE OF HAWAII
STATE PROCUREMENT OFFICE
CHAPTER 103F, HRS – COST PRINCIPLES
PURCHASES OF HEALTH AND HUMAN SERVICES**

COST ITEM	DESCRIPTION	ALLOWABLE/UNALLOWABLE	REMARKS
<p>CATEGORY B: OPERATING COSTS</p> <p>Supplies</p>	<p>Cost of materials and other consumable supplies necessary for the performance of the contract.</p>	<p>Allowable: Office supplies. Motor vehicle supplies. Educational supplies. Medical supplies. Recreational supplies. Janitorial supplies. Program supplies.</p>	
<p>CATEGORY B: OPERATING COSTS</p> <p>Telecommunication</p>	<p>Cost of telephone service, equipment rentals, telefacsimile, and long distance charges.</p> <p>For telephone equipment purchases, see Equipment Purchases.</p>	<p>Allowable: Normal monthly charges including telefacsimile lines. Inter-island calls. Long-distance mainland calls. Installation costs.</p>	<p>Required Documentation: Schedule detailing phone installation, monthly rates, inter-island calls, number of lines and instruments to support budget request.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Transportation</p>	<p>Cost of ground transportation while on official travel status.</p>	<p>Allowable: Taxi fare. Bus fare. Auto rentals. Parking fees.</p> <p>Unallowable: All tips and gratuities. Parking tickets and fines.</p>	<p>Required Documentation: Receipts.</p>
<p>CATEGORY B: OPERATING COSTS</p> <p>Utilities</p>	<p>Utility services.</p>	<p>Allowable: Water/Sewer. Electricity. Gas. Refuse.</p>	<p>Required Documentation: Schedule detailing monthly and annual costs for each item.</p>

**STATE OF HAWAII
STATE PROCUREMENT OFFICE
CHAPTER 103F, HRS – COST PRINCIPLES
PURCHASES OF HEALTH AND HUMAN SERVICES**

COST ITEM	DESCRIPTION	ALLOWABLE/UNALLOWABLE	REMARKS
<p>CATEGORY C: EQUIPMENT</p> <p>Equipment Purchases</p>	<p>Purchase of an item costing more than \$250 \$1,000 and having a useful life of more than one year</p>	<p>Allowable with prior approval: Equipment required for the program, as per the State Department of Accounting and General Services' accounting principles.</p>	<p>Required Documentation: Schedule detailing cost, use, and clear justification.</p> <p>Restrictions: Purchased equipment must be primarily for contracted services and critical to the delivery of services to the target population. Purchased equipment is the property of the State and may be collected upon termination of the contract.</p>
<p>CATEGORY D: MOTOR VEHICLE</p> <p>Motor Vehicle Purchases</p>	<p>Purchase of autos, vans, trucks and buses.</p>	<p>Allowable with prior approval: Motor vehicles required for the program.</p> <p>Allowable with prior approval: New vehicle.</p>	<p>Required Documentation: Schedule detailing cost, use, and clear justification.</p> <p>Restrictions: Purchased vehicle must be for contracted services and critical to the delivery of services to the target population. Purchased motor vehicles are the property of the State and may be collected upon termination of the contract.</p>