



## Procurement Delegation and Training Requirements

- Employees conducting, participating or utilizing the SPO PL/VL contracts do not require Procurement Delegation; however, it is mandatory for employees to attend this Workshop # 190, “SPO Price and Vendor Lists/Cooperative Contracts,” prior to using these contracts.

*Reference: Procurement Circular 2010-05 (Statewide Procurement Training Program)*

**Note: Check the website periodically as some requirements may have changed.**

- See: <http://spo.hawaii.gov> click “Training for State & County Personnel”

## Definitions - HRS §103D-801

- “*Cooperative purchasing*” means procurement conducted by a public or external procurement unit with one or more public procurement units, external procurement units, or nonprofit private procurement units, pursuant to this chapter.
- “*External procurement unit*” means any buying organization not located in the State, which, if located in this State, would qualify as a public procurement unit.
- “*Local public procurement unit*” means any county of the State or public agency of any county, public authority, educational, health, or other institution, and to the extent provided by law, any other entity which expends public funds for the procurement of goods, services, and construction.

### Definitions (continued)

- “*Nonprofit private procurement unit*” means a nonprofit health or human services organization that receives public funds to provide services to the public.
- “*Public procurement unit*” means either local public procurement unit or a state public procurement unit.
- “*State public procurement unit*” means the office of chief procurement officer and any other purchasing agency of this State.

### Cooperative Agreements Governing Authority - Statutes

- **HRS §103D-802**
  - A public procurement unit may either participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of goods, services or construction with one or more public procurement units, external procurement units, or nonprofit private procurement units pursuant to rules adopted by the policy board (HAR Chapter 3-128) and an agreement entered into between the participants

## Cooperative Agreements Governing Authority - Statutes

- **HRS §103D-802**
  - The cooperative purchasing may include, but shall not be limited to, joint, or multi-party contracts between public procurement units, and state public procurement units requirements contracts which are made available to local public procurement units.
  - Cooperative purchasing agreements may be exempt from preferences pursuant to Part X, HRS Chapter 103D
  - July 19, 2012 – Memorandum of Agreement signed between the Aaron Fujioka, CPO of the SPO and the CPO for each jurisdiction.

## Cooperative Agreements Governing Authority - Admin Rules

- **HAR §3-128**
  - Requires prior written approval by the CPO
  - Must be in compliance with Chapter 103D, HRS, except when done by an external procurement unit;
  - The external unit includes the public procurement unit in its notice & solicitation as a participating entity;
  - Any public procurement unit intending to participate in an external procurement unit's cooperative agreement, shall place a public notice within the State, of the external's solicitation, and include a statement of the public procurement unit's intent to participate;
  - Agencies shall not enter into or 'piggyback' on an existing cooperative agreement.

### Cooperative Agreements Governing Authority - Procurement Circulars

Reference Procurement Circular No. 2006-09:  
*“Cooperative Purchasing Agreement Compliance Requirements”*

Reference Procurement Circular No. 2009-10  
*“Governmental Relations and Cooperative Purchasing”*

Procurement Circulars can be accessed from the SPO website:  
<http://spo.hawaii.gov>. Click on , *References*, then *Procurement Circulars*.

### Variations of Cooperative Purchasing Agreements\*

Lead	Participating
External Procurement Unit (WSCA-NASPO)	SPO (on behalf of the State of Hawaii)
SPO (on behalf of Executive Departments)	CPO Jurisdictions
Executive Department	Specific Executive Department(s)
Executive Department	All Executive Department(s) & CPO Jurisdictions
CPO Jurisdiction	Specific Executive Department(s)
CPO Jurisdiction	Other CPO Jurisdiction(s)
External Procurement Unit	Specific Executive Department(s)

\* Requires CPO approval

### Examples of External Cooperative Purchasing Alliances

- WSCA-NASPO Cooperative Purchasing Org. LLC.  
The National Association of State Procurement Officials (NASPO) has formed a subsidiary entity, the WSCA-NASPO Cooperative Purchasing Organization, LLC
- MCPA  
Multi-State Corrections Procurement Alliance
- MMCAP  
Minnesota Multi-state Contracting Alliance for Pharmacy

### Cooperative Purchasing Agreements (CPA) Form SPO-037

- ❖ Pursuant to HAR § 3-128, CPA's require prior written approval by the CPO.
- ❖ Participating departments/CPO jurisdictions shall be included in the solicitation as participating entities.
- ❖ Submit memo to CPO requesting approval to conduct a cooperative agreement, accompanied by a completed Form SPO-037.
- ❖ Depending on the lead procurement unit and the participating entities, the SPO-037 will need to be revised to fit the situation.
- ❖ Contact SPO for a copy of the SPO-037.

### **FORM SPO-037 COMPONENTS**

1. Purpose - cost and contract efficiencies
2. Effective Dates – valid for the entire length of contract (including extensions)
3. Solicitation & Contract Development – type of goods or services being procured
4. Type of Contract - Optional /Mandatory
5. Term of Contract – scheduled contract dates, including options to extend
6. Point of Contact Information – CPA and PL/VL
7. Approved Signatures – Department Head/CPO jurisdictions

### **NASPO >>>WSCA–NASPO Cooperative Purchasing Organization**

The National Association of State Procurement Officials (NASPO) has formed a subsidiary entity, the WSCA-NASPO Cooperative Purchasing Organization (WSCA-NASPO), LLC to manage its national cooperative purchasing program. The LLC was formed on October 2012 and began operating officially on January 1, 2013. WSCA-NASPO represents a unified, nationally focused cooperative purchasing program that will leverage the collective expertise of WSCA and NASPO, aggregate the demand of all 50 states, the District of Columbia and the five organized territories, and their subdivisions and other eligible entities, and help spur innovation and competition in the marketplace.

All authorized governmental entities in any state are welcome to use WSCA-NASPO cooperative contracts with the approval of that state's Chief Procurement Official. Cooperative purchasing benefits states as well as cities, counties, public schools, institutions of higher education and other eligible entities.

### NASPO >> WSCA-NASPO

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More information on WSCA and cooperative purchasing is available at:

<http://www.aboutwsca.org>

### SPO WSCA-NASPO Contracts

Public Safety Communication Equipment; Data Communications Products & Services; Computer Equipment, Peripherals and Related Services; Telephone Based Interpreter Services; Satellite Phones, Equipment and Services; Laboratory Equipment and Supplies; Breast Pumps and Related Accessories; Facilities Maintenance Repair & Operations; Multifunction Copiers and Related Software; Software Value Added Reseller; Small Package Delivery Services; Digital Print and Copy Services; Inmate Kiosks; Mailing Equipment, Supplies and Maintenance; Body Armor; Legal Subscription Services; Wireless Management & Contract Compliance Services; Auto Parts; Wireless Voice Service, Wireless Broadband Service; Accessories and Equipment; Police Radar, Lidar, Parts and Equipment; HIV, Saliva, Alcohol, & Hepatitis C Testing Kits; Defibrillators, Automated External; Public Cloud Hosting Services; Electronic Monitoring of Offenders; Tire & Tube Services; Security Protection Services.



## SPO PRICE AND VENDOR LIST CONTRACTS

- Who can issue price and vendor list contracts?  
Pursuant to HAR § 3-121-6 , only CPO's can issue price lists.  
Departments may issue requirements contracts.
- Which jurisdiction may use the price and vendor list contracts?  
Only the jurisdictions which the CPO has signed a Cooperative Purchasing Agreement or a Memorandum of Agreement.
- What is the difference between mandatory or permissive contract?  
Mandatory means required and permissive means optional.
- What is the difference between a Price List (PL) and Vendor List (VL) contract?  
A price list contract is exactly what it states. It shows a the pricing by line item. For example, what is the cost for the spark plug for auto parts. Whereas a vendor list is comprised of qualified vendors that were competitively bid to provide specified goods and/or services. For example, request for price quotes for computer equipment.

## Benefits of Price/Vendor List Contracts

- The product or service is competitively solicited
- The qualified vendors must meet the standardized specifications for the goods and services
- Vendor Compliance
  - Prior to awarding a contract, the SPO verified compliance of the contractor with all laws governing entities doing business in the State pursuant to 103D-310(c) , and SPO will monitor compliance throughout the term of the contract via *Hawaii Compliance Express (HCE)*. Therefore, purchasing agencies are not required to verify vendor compliance prior to issuing a purchase order or a pCard payment.

### Form SPO-005 SPO Price/Vendor List Contract Purchase Exception

- Form SPO-005 – SPO Price or Vendor List Contract Purchase Exception; available on the SPO webpage at:  
<http://spo.hawaii.gov/all-forms/>
- This form is used when the PL/VL contract is “mandatory” or “required” and an exception may be granted if this contract does not meet the purchasing agency needs.
- Form SPO-005 is signed by the Department Head or personnel with delegated authority. The form is filed with the agencies contract file. Do not send form SPO-005 to the SPO.
- All approvals must be obtained prior to purchase. Purchases made after the fact without approval shall be processed as a procurement violation and submitted to the SPO on form SPO-016.
- Departments have the option to create or edit the SPO Form 5.

### Form SPO-012 Evaluation: Vendor & Product

Form SPO-012 – Evaluation: Vendor or Product; available on the SPO webpage  
<http://spo.hawaii.gov/all-forms/>

- Vendor and Product Evaluation Form, SPO-012, is available to the user agencies for the purpose of addressing their concerns on the price/vendor list contract resulting from this solicitation.
- Product Evaluation. Agency should notify the Contractor regarding a problem with their product. If the contractor does not resolve the problem, the agency submits Form SPO-012 to the SPO . The SPO sends the form to the Contractor regarding the agencies complaint of the product. Contractor shall follow up the complaint(s) with the manufacturer and respond back to the SPO as to what remedies have or will be taken to correct the problem. If product quality is not corrected and the complaint(s) persist, steps will be taken to delete product from the price /vendor list contract.

### Form SPO-012 (continued)

- **Vendor Evaluation.** In the event of a complaint regarding a Contractor's service (i.e. delivery delays, numerous backorders, failure to correct defective product deliveries, etc.), Contractor shall be sent a copy of the complaint(s). Contractor shall meet with or contact the agency that issued the complaint at the agency's place of business to resolve the problem. This shall take place within one (1) week of notification. Contractor shall contact and inform the SPO specialist as to the corrective measures taken to resolve the complaint.
- Should the Contractor consistently receives complaints for poor service or refuses to resolve the complaints, the Procurement Officer reserves the right to terminate the contract and/or initiate the debarment process pursuant to Chapter 3-126, HAR, Legal and Contractual Remedies.
- The resolving of complaints pursuant to product and vendor evaluation notifications shall be done at no additional charge to the State.

### STATE PROCUREMENT OFFICE Contact Information

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**THANK YOU!**

