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PROCUREMENT CIRCULAR NO. 2017-03

TO: Chief of Staff, Office of the Governor
Chief of Staff, Office of the Lieutenant Governor
Executive Department Heads
State Librarian, Hawaii State Public Library System

FROM: Sarah Allen, Administrator 

SUBJECT: Hawaii Administrative Rules (HAR) for
Chapter 3-120, *General Provisions*
Chapter 3-122, *Source Selection and Contract Formation*
Chapter 3-130, *Inventory Management*

HAR chapters 3-120, 3-122, and 3-130 have been amended, have completed the public hearing process, and are effective immediately. This Procurement Circular replaces Procurement Circular No. 2014-18 dated November 10, 2014, Procurement Circular No. 2014-17(A) dated November 14, 2014, and Procurement Circular No. 2014-17(A) Amendment 1 dated November 19, 2014.

The following is a summary of the amendments:

- The amendments to HAR §3-120-4, Procurement exempt from chapter 103D, Hawaii Revised Statutes (HRS) clarifies the procurement rules for purchasing agencies and reflects the Procurement Policy Board (PPB) date of approval for paragraphs (b)(e) and (g).
- The amendments to Exhibit A, HAR Chapter 3-120, first paragraph reflects additional language added by the PPB to remind State employees that they are still bound by ethical and contractual responsibilities, regardless if their procurement is exempt from the HRS Chapter 103D process, and number six (6) was amended to take out "etc" to remove the perception that this exemption can be expanded beyond its intended use.
- The amendments to HAR §3-122-14, Exempted items, adds language to exercise due diligence, be responsible, and act ethically when preparing specifications for procurements exempted from HRS Chapter 103D.

- The amendments to HAR §3-122-66, Waiver to requirement for procurement of professional services, shows this section has been repealed and has been invalidated by the Hawaii Supreme Court in *Asato v. Procurement Policy Board Hawaii, 2014*.
- The amendments to HAR §3-130, Inventory Management, aligns inventory accountability designations with HRS §103D-1204, Others' responsibilities, providing clarity, consistency, and style.

Procurement Circular No. 2014-16(A) provides guidance for conducting professional services method of procurement.

The HAR ramseyer and standard versions may be viewed at <http://spo.hawaii.gov>, under the *Reference* menu, click on *Hawaii Administrative Rules*; and click on *Goods, Services & Construction*.

A complete listing of all current Procurement Circulars is available at <http://spo.hawaii.gov>, under the *Reference* menu, click on *Procurement Circulars*.

Your staff may contact Kevin Takaesu at 586-0568 or kevin.s.takaesu@hawaii.gov, if there are any questions, or you may call me at 587-4700.