

RELATING TO PROCUREMENT

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII

SECTION 1. The treatment purchase of services, §103F-404, Hawaii Revised Statutes, was established to provide purchasing agencies an alternative to competitively procuring for services that are periodically used, and cannot be anticipated accurately on an annual basis. This health and human services method of procurement is intended to be used on a one-time, short term basis. Due to its restrictive nature, this method of procurement is not utilized or maximized. In its current form, usage is limited. In the past, the State Procurement Office established the qualified list of providers by polling agencies, requesting for provider statements of qualifications, and setting up evaluation committees to review each provider's application. . Since each department and jurisdictions have specific requirements and qualifications for the services needed, it would be in the best interest of the state to allow each department to establish their own lists. Therefore, the treatment purchase of services is amended to allow departments themselves to issue the request for statements of qualifications and to establish their own lists of qualified providers.

SECTION 2. Section 103F-404, Hawaii Revised Statutes, is amended to read as follows:

§103F-404 Treatment purchase of services. (a) Treatment services may be purchased in accordance with this section if [~~either or both of~~] the following circumstances are applicable:

(1) Such services [~~may become necessary from time to time, but cannot be anticipated accurately on an annual or biennia basis; and~~] are unanticipated and arise from time to time;

~~[(2) When deferring treatment until solicitation, provider selection, and contract formation can be completed, the problem needing treatment would be rendered worse than at the time of diagnosis or assessment.]~~

(2) The required service is for a one-time purchase for not more than \$100,000 or one year, whichever occurs first;

(3) The services are industry standard services; and

(4) The award of a contract is based on demonstrated competence and qualification for the type of service required and at fair and reasonable prices.

(b) [~~At a minimum,~~] As applicable, [~~before the beginning of each fiscal year, the administrator~~] the head of the purchasing agency shall, at a minimum, publish a notice describing the types of treatment services that may be needed throughout the year on [~~a periodic~~] an occasional basis and [~~inviting~~] invite providers engaged in providing these treatment services to submit current statements of qualification and expressions of interest to the [~~office~~] purchasing agency. [~~The chief procurement officer may specify a uniform format for statements of qualifications.~~] Providers may amend these statements by filing an amended or new statement prior to the date designated for submission.

(c) The [~~administrator~~] head of the purchasing agency shall form an initial review [~~committee~~] committee for each profession, consisting of a minimum of three employees from a state agency or agencies with sufficient education, training, and licenses or credentials to evaluate the statements of qualifications which the [~~administrator~~] head of the purchasing agency receives in response to the notice published pursuant to subsection (b). The committee shall

review and evaluate the submissions and other pertinent information, including references and reports, and prepare a list of qualified providers to provide treatment services during the fiscal year. Providers included on the list of qualified treatment providers may amend their statements of qualifications as necessary or appropriate. Providers shall immediately inform the ~~[administrator]~~ head of the purchasing agency of any changes in information furnished which would disqualify the provider from being considered for a contract award.

(d) When the need to purchase treatment arises, the head of a purchasing agency or procurement officer shall select the provider most qualified to provide the needed treatment from the list of qualified providers.

(e) The head of the purchasing agency~~[-or a designee,]~~ or procurement officer shall negotiate a contract, including a rate of compensation which is fair and reasonable, established in writing, and based upon the estimated value, scope, nature, and complexity of the treatment services to be rendered, or use the rate established by the ~~[administrator,]~~ head of the purchasing agency, if any. If negotiations fail, upon written notice of an impasse to the provider selected under subsection (d), the head of the purchasing agency or procurement officer shall choose another provider from the list of qualified providers, and conduct further negotiations. Negotiations shall be conducted confidentially.

(f) Contracts for treatment in excess of \$100,000 or one year shall ~~[be procured using section 103F 402, competitive purchase of services, unless a waiver of this subsection is approved by the chief procurement officer.]~~ utilize another method of procurement. [L 1997, c 190, pt of §2]

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: _____