SPO’s Top Successes

The Hawaii State Procurement Office (SPO) has been working on a number of initiatives to move towards better, easier, and faster procurement for State Departments/Agencies and all Counties. Here is a list of SPO’s Top Successes achieved since January 2014:

⇒ Procurement Lifecycle
⇒ Procurement Wizard
⇒ Disaster Preparedness Capability List
⇒ On-Demand Training
⇒ New Training Modules
⇒ Procurement Reviews
⇒ HRS and HAR Changes
⇒ NAICS Code Transition
⇒ HiEPRO Newsletter
⇒ Surplus Online Auction Site
⇒ Statewide Contracts
⇒ Inaugural SPOCon Procurement Conference, 2016
⇒ First Procurement Professional Excellence Award
⇒ SPO Awards

Read more about these successes on Page 2.

SPO’s Future Initiatives

More procurement initiatives are in the works to better assist procurement/purchasing staff and vendors, as well as the State of Hawaii as a whole. The SPO is always looking out for innovative ways and new technology that will result in more efficiency and cost-savings.

⇒ HANDS (Hawaii Awards & Notices Data System)
⇒ eProcurement System
⇒ Future Statewide Contracts
⇒ Audit Team Partnerships
⇒ Hawaii Certified Procurement Professional
⇒ Training & Certification Program
⇒ Learning Management System
⇒ Disaster Preparedness Contingency Contracting
⇒ Small Business Set-Aside
⇒ Procurement Analytics

Read more about these initiatives on Page 4.

NEW State-Wide Contracts and Participating Agreements

New contracts and participating agreements include:
- Accounting Professional Services
- Armored Car Services
- Body Armor Products
- Drug and Breath Alcohol Testing
- Coarse Paper Products
- Computer Equipment
- Copiers, Printers & Related Devices
- Data Communications Products & Services
- Bulk Gasoline and Diesel Fuel
- Disposable Food Service Products
- Ground Maintenance Equipment
- Laboratory Equipment & Supplies
- MMCAP-Pharmaceutical Wholesale Distribution
- Newspaper Publication
- Open Data Portal Platform-Optional Services
- Paint and Coating Products
- Pest Management Products
- Public Safety Communication Equipment
- Publication of Public Notices
- Security & Protection Services
- Software Value-Added Reseller
- State of Hawaii Inventory Decals
- Telephone-Based interpreter Services
- State Forms and Non-Printed Carbonless Paper

Intent to Participate:
- Box Truck Rental
- Public Safety Communication Support Equipment
- Cloud Solutions
- Credit Monitoring Services
- Digital Print
- Firefighting Equipment
- LED Light Bars
- Office Supplies
- Playground Equipment
- Public Safety Video Systems
- Self-Contained Breathing Apparatus
- Temporary Staffing Service
- Training for Procurement Professions
- Transcription Services
- Vehicle Lifts
SPO’s Top Successes achieved since January 2014:

1. PROCUREMENT LIFECYCLE
SPO introduced the term “Procurement Lifecycle” into the day-to-day business of State Procurement. We recognize that procurement specialists need to be involved in procurement from the beginning and that planning, along with market research, is essential to award and manage the contract smoothly and successfully. A holistic outlook of procurement is key!

2. PROCUREMENT WIZARD
Launched August 2016, the Procurement Wizard is a powerful, intuitive, knowledge-based system that offers transparency and true guidance into the Hawaii State Procurement Code for all in the State of Hawaii. The Wizard, which is based on the Procurement Lifecycle, provides State procurement personnel, vendors and the community an easily accessible resource, offering best practices and lessons learned from Hawaii’s stakeholders. Visit the Wizard at http://spo.hawaii.gov/procurement-wizard/

3. DISASTER PREPAREDNESS CAPABILITY LIST
Damages from a disaster could be minimal and easily handled by first responders or they could be so severe that assistance would be required. Information for public procurement agencies in assisting disaster first responders is available online at http://spo.hawaii.gov/for-state-county-personnel/disaster-preparedness-procurement/. Information includes a state contingency category list, and links to FEMA forms, the Hawaii Emergency Management Agency, and GSA programs for disaster preparedness and recovery.

4. ON-DEMAND TRAINING
SPO developed on-demand access to a library of training videos. Since 2014, the SPO recorded 36 online videos consisting of various topics/classes, inclusive of multiple parts for some classes, with a total of more than 24,000 self-certified views by procurement staff across the State.

5. NEW TRAINING MODULES
- **Contract Law Fundamentals**
  Understanding basic contract law is a fundamental requirement for anyone working with Purchase Orders and Contracts.

- **Procurement Pricing**
  Two modules have been developed this year: a Case Study on price, fair and reasonableness analysis and a fundamentals class on pricing analysis for the Procurement Lifecycle. A key question to ask in every procurement: Is the price fair and reasonable?

- **Contract Management**
  Contract Management is the process of ensuring the contractor delivery and/or performance is in accordance with contractual commitments. The contract management module includes definitions, roles and responsibilities, inherently governmental functions, the basics of contract management, determination of what needs to be managed, methods of making sure deliverables and milestones are met, types of allowable modifications, and closeout.

6. PROCUREMENT REVIEWS
In these past few years, the SPO has been very active in the area of reviews. From January 2014 to present, the SPO conducted approximately 1,738 reviews of Executive and other CPO jurisdictions. These reviews consisted of:
- 7 Investigations
- 16 Procurement Reviews (SPO-018 and 018A)
- 227 Department Procurement Violations
- 145 Protest Reports (SPO-043)
- 1343 CPO procurement requests (Sole Sources, Exemptions, Emergency, Restrictive Specifications, Contract Extension, Vendor Evaluation, OIP, and unblocking of pCard purchase)

In addition, the SPO published its findings on research it conducted:
- “Study of Past Performance in Hawaii Contracting”
- “Building Procurement Capacity for the State of Hawaii”

These reports can be found on the SPO website at http://spo.hawaii.gov/references/reports/

7. HRS AND HAR CHANGES
Hawaii Administrative Rules chapters 3-120, 3-122, and 3-130 have been amended.

The amendments clarify the procurement rules for purchasing agencies (HAR §3-120-4), add a reminder that State employees that are still bound by ethical and contractual responsibilities (Exhibit A, HAR Chapter 3-120), and delete the word “etc.” to remove the perception that this exemption can be expanded beyond its intended use.

Language was added to HAR §3-122-14 to remind employees to exercise due diligence, be responsible, and act ethically when preparing specifications for procurements exempted from HRS Chapter 103D.
HAR §3-122-66 was repealed due to the ruling by the Hawaii Supreme Court in Asato v. Procurement Policy Board Hawaii in 2014.

The amendments to HAR §3-130 — Inventory Management — aligns inventory accountability designations with HRS §103D-1204.

8. NAICS CODE TRANSITION
In August 2015, the commodity code classification system used in HiPro transitioned from the NIGP (National Institute of Governmental Purchasing) code to the NAICS (North American Industry Code System). The transition was made to accommodate and enable a small business program that will allow businesses to easily transform from state to federal requirements.

9. HIEPRO (HAWAII EPROCUREMENT SYSTEM) NEWSLETTER
The HiPro team continually strives to improve our eProcurement System and keep HiPro users up to date about developments through the HiPro Newsletter. The inaugural issue, which was issued in March, highlighted the systems new design and increased functionalities. The next issue is slated for early 2017 to announce the new and improved vendor dashboard.

10. SURPLUS ONLINE AUCTION
The SPO’s Surplus Property Office is selling state surplus personal property as well as large volumes of small items recovered from local airports in a partnership with the Transportation Security Administration through an online auction. The public can visit http://spo.hawaii.gov/surplus-property-office-public-auctions/. The proceeds from sales will go toward sustaining the self-funded Surplus Property Office, which in turn saves taxpayer dollars annually by selling surplus State and Federal property for a fraction of its value to public entities and eligible nonprofit organizations.

11. CONTRACTS
The SPO provides statewide valuable contracts for government agencies through cooperative purchasing, when a group of government procurement units cooperatively procures goods or services to leverage purchasing power and save time, money and resources. The SPO provides convenient, reliable and competitively sourced contracts through statewide contracts. In the last three years, the State of Hawaii has contracts with over 150 Contractors, whose sales have averaged $201,492,243.

The SPO Team has processed contracts and participating agreements for almost 40 new procurement categories, as shown on page 1 of this newsletter. These include partnerships as a state with multiple state agencies, as well as with cooperative organizations to include the National Association of State Procurement Officials (NASPO ValuePoint), Public Procurement Authority and the National Purchasing Partners Government Division.

The SPO continues to follow industry trends, reach out to the vendor community, respond to the agencies’ needs, and pursue opportunities and available resources through co-ops.

12. INAUGURAL SPOCON PROCUREMENT CONFERENCE, 2016
One hundred procurement and purchasing employees from across the state came together for SPOCon, a one-day training event. SPOCon 2016 included an overview of NASPO ValuePoint contracts, a presentation by vendors; face-to-face interaction with vendors; and training in Contract Law Fundamentals, Procurement Pricing, and Contract Management.

13. PROCUREMENT PROFESSIONAL EXCELLENCE AWARD, 2016
The first ever statewide procurement award was presented at SPOCon 2016. Executive Branch Departments and CPO Jurisdictions in the State were invited to nominate and recognize employees for their noteworthy contributions to procurement that furthers an Agency or Department’s mission.

14. SPO AWARDS
❖ State Team of the Year, 2014
SPO’s HiPro Team (pictured below) was named the 2014 State Team of the Year. The team was recognized for developing the State of Hawaii eProcurement system for issuing solicitations, receiving responses and issuing notices of award. As of June 2016, 2523 procurements have been awarded on HiPro, totaling more than $295,105,229, with an estimated cost savings of more than $54 million.

❖ DAGS Special Service Award, 2015
In 2015, SPO’s Procurement Training Team was recognized with a Special Service Award for implementing On-Demand Training.

❖ DAGS Team of the Year, 2016
SPO’s Procurement Wizard Team, consisting of Bonnie Kahakui, Corinne Higa, Donn Tsuruda-Kashiwabara, and Shawn Richey (pictured below), was named the State Department of Accounting and General Services (DAGS) “Team of the Year” in September. The team created the Procurement Wizard, an online procurement manual. The team will represent DAGS and compete for the 2016 State “Team of Year.”

❖ DAGS Team of the Year, 2016
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SPO’s Future Initiatives

1. HAWAII AWARDS AND NOTICES DATA SYSTEM (HANDS)
HANDS is a one-stop shop platform that presents all notices and awards in an easy-to-use interface. Awards and notices will be displayed from all 21 Chief Procurement Officer jurisdictions and will directly link to all identified websites and eProcurement modules including HiePRO, the Hawaii eProcurement System (HEPS), Public Purchase, C2HERPS, SuperQuotes, and any other publicly displayed solicitations and awards on any State or County Agency website. HANDS will incorporate Hawaii Compliance Express (HCE) and replace Procurement Awards Notices & Solicitation (PANS).

2. ePROCUREMENT SYSTEM
Alongside HANDS, SPO will be partnering with the Office of Enterprise Technology Services (ETS and DAGS) in soliciting for an eProcurement module as part and parcel of the State’s Accounting system. This will allow for Executive Branch procurements to be processed from requisition to payment to vendors. We expect this will not only allow for added transparency into procurement spend analytics but also allow for faster payments to vendors.

3. FUTURE STATEWIDE CONTRACTS
- Acquisition Support Services
- IT Advisory Services
- GSA IT Services
The SPO is partnered with ETS to develop policies and procedures to buy IT Services through GSA IT Schedule 70. IT services include telecommunications products, services, and solutions. This is another tool to procure efficiently and effectively, leveraging already discounted prices with seasoned IT advisors.

4. AUDIT TEAM PARTNERSHIPS
SPO is partnering with the Procurement Policy Board, DAGS Audit Division and the Legislative Office of the Auditor to advise on future procurement audits.

5. WORKFORCE STRUCTURE: THE HAWAII CERTIFIED PROCUREMENT PROFESSIONAL (HCPP)
SPO will be offering a partnership program with the Executive Branch to assist in evaluating the Departments’ organization of their procurement personnel. The Procurement Specialist and Procurement Officer’s skills, expertise and abilities must be increased to a level of professionalism due the career field. These professionals must have expertise in business, accounting, finance, legal issues, negotiation, marketing, customer service and cross-functional team management, and serve as the State’s Body of Business Advisors on strategic and tactical levels of procurement.

6. TRAINING & CERTIFICATION PROGRAM
The Hawaii State Procurement Certification process will guide the procurement career field within the State and will be an investment in the State’s workforce, helping them meet qualifications and have an established level of knowledge.

7. LEARNING MANAGEMENT SYSTEM
A statewide procurement training and certification learning management system (LMS) is a vital tool to ensure that the State develops a proficient workforce of procurement professionals who expend public funds in a manner that is compliant with applicable statutes, rules, and policies.

8. DISASTER PREPAREDNESS CONTINGENCY CONTRACTING
SPO is partnering with the Hawaii Emergency Management Agency to develop a foundation of policies and procedures to procure and conduct contingency contracting in the event of a declared emergency. SPO will be partnering with the State Department of Defense on the FirstNet, a telecommunications program for first responders.

9. SMALL BUSINESS SET-ASIDE
The SPO is reviewing ways to improve the ease of doing business through the promotion of a State Small Business Program, which will nurture emerging Hawaii industries, increase competition by broadening the local contractor base, enhance the ability of local small businesses, and increase local worker employment opportunities. The SPO is partnering with various organizations such as the Small Business Administration to achieve a successful overall program and assist small businesses in bidding on government contracts.

10. PROCUREMENT ANALYTICS
In an effort to provide better metrics and procurement transparency, the SPO will implement a public procurement dashboard. This will allow the public and agencies to see how money is being spent and identify trends that will lead to price list contracts that leverage the economies of scale from all 21 jurisdictions. Metrics from awards posting and notices databases, HiePRO and pCard Program are compiled. In the last two fiscal years there have been 9000 awards and $3.5 billion dollars reported through these systems.

Mahalo for Being Part of Hawaii’s Procurement Workforce!