

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Amendment and Compilation of Chapter 3-146  
Hawaii Administrative Rules

2017

1. Chapter 3-146, Hawaii Administrative Rules, entitled "Small Purchase of Service" is amended and compiled to read as follows:

"HAWAII ADMINISTRATIVE RULES

TITLE 3

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

SUBTITLE 11

PROCUREMENT POLICY BOARD

CHAPTER 146

SMALL PURCHASE OF SERVICE

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Subchapter 2 Core Procedures

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§3-146-101

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Subchapter 4 Allowable Communications

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§3-146-601 Repealed

§3-146-602 Small purchase of service record of  
procurement actions

SUBCHAPTER 1

PURPOSE AND SCOPE

§3-146-101 Purpose. The purpose of this chapter is to implement section 103F-405, HRS, which establishes the small purchase of service method of procurement, by providing rules and procedures for the use of this method of procurement. [Eff 6/19/99; comp 1/23/06; comp ] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

§3-146-102 Scope. The small purchase of service method of procurement may be used to procure health and human services when the proposed contract for services is for consideration of less than \$25,000. [Eff 6/19/99; comp 1/23/06; comp ] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

## SUBCHAPTER 2

## CORE PROCEDURES

§3-146-201 Adoption of HRS 103D rules for small purchases. In accordance with section 103F-405, HRS, the rules for small purchases under section 103D-305, HRS, are hereby adopted as modified herein for the procurement of health and human services. [Eff 6/19/99; comp 1/23/06; comp ] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

§3-146-202 Definitions. As used in this chapter, "adequate and reasonable competition" considers the numbers of providers solicited based upon the number of providers available and the value or price of the service. [~~Because of variations in circumstances, it is not possible to define what is adequate and reasonable competition for every small procurement. However, in~~] In general, the more providers there are that can meet the needs of the purchasing agency, or the higher the price of the services, then a greater number of providers should be solicited. [Eff 6/19/99; am and comp 1/23/06; am and comp ] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

§3-146-203 Conditions for use. (a) Expenditures less than \$25,000 for services shall be made in accordance with this chapter. Small purchase of service expenditures made pursuant to this chapter does not require public notice.

(b) Parceling forbidden. Purchases shall not be parceled by dividing the purchase of same, like, or related items of services into several purchases of smaller quantities, so as to evade the statutory competitive purchase of service requirements. [Eff 6/19/99; am and comp 1/23/06; comp ] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

§3-146-204 Services. (a) Expenditure with an estimated total cost that is at least \$15,000 but less than \$25,000:

- (1) Insofar as it is practicable and based on the purchasing agency's specifications, no less than three written quotations shall be solicited; and
- (2) Considering all factors, including but not limited to quality and delivery, award shall be made to the provider with the most advantageous quotation.

(b) ~~[Expenditures of \$5,000 to \$15,000.]~~  
Expenditures with an estimated total cost that is at least \$5,000 but less than \$15,000:

- (1) Insofar as it is practicable and based on the purchasing agency's specifications, no less than three quotations shall be solicited; and
- (2) Considering all factors, including but not limited to quality and delivery, award shall be made to the provider with the most advantageous quotation.

(c) ~~[Expenditure under \$5,000.]~~ Expenditure with an estimated total cost that is less than \$5,000 shall be by procedures established by each chief procurement officer. [Eff 6/19/99; comp 1/23/06; am and comp ] (Auth: HRS §103F-106) (Imp: §103F-405)

§3-146-205 Quotations received. A record of all quotations received shall be made part of the procurement file, including written justification when fewer than the required number of quotations are obtained and when award is made to other than the provider submitting the lowest quotation. [Eff and comp ] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

Historical note: §3-146-205 is based substantially upon §3-146-601. [Eff 6/19/99; R ]

SUBCHAPTER 3

CONTENT REQUIREMENTS

§§3-146-301 to 3-146-400 (Reserved).

SUBCHAPTER 4

ALLOWABLE COMMUNICATIONS

§§3-146-401 to 3-146-500 (Reserved).

SUBCHAPTER 5

EXPEDITING PROCEDURES

§§3-146-501 to 3-146-600 (Reserved).

SUBCHAPTER 6

MISCELLANEOUS PROCEDURES

~~[§3-146-601 Procurement file. All quotations received shall be recorded and placed in a procurement file, including a justification for the use of fewer quotations than are required, such as insufficient sources, emergency or urgent circumstances. The reason shall be recorded and placed in the procurement file. The file shall also include a written justification when award is made to other than the provider submitting the lowest quotation. [Eff 6/19/99] (Auth: HRS §103F 106) (Imp: HRS §103F 405)] Repealed. (R )~~

§3-146-602 Small purchase of service record of procurement actions. (a) The heads of purchasing agencies or procurement officers shall maintain records by fiscal year of all small purchase of service procurements made by their respective agencies for a minimum of the past five fiscal years. Such records shall be kept available for public inspection.

(b) Reports of small purchase procurements. As prescribed by the administrator, the heads of purchasing agencies or procurement officers shall ~~[make reports to the administrator of]~~ report all small purchase of service procurements made by their respective agencies.

~~(c) Annual consolidated report. The administrator shall make a consolidated report of all small purchase of service procurements made during the immediately preceding fiscal year. A copy of this report shall also be sent to the procurement policy board." [Eff 6/19/99; am and comp 1/23/06; am and comp ] (Auth: HRS §103F-106) (Imp: HRS §§103F-301, 103F-405)~~

1. Material, except source notes, to be repealed is bracketed. New material is underscored.

2. Additions to update source notes to reflect these amendments and compilation are not underscored.

3. These amendments to and compilation of chapter 3-146, Hawaii Administrative Rules, shall take effect ten days after filing with the Office of the Lieutenant Governor.

I certify that the foregoing are copies of the rules, drafted in the Ramseyer format pursuant to the requirements of section 91-4.1, Hawaii Revised Statutes, which are adopted on \_\_\_\_\_ and filed with the Office of the Lieutenant Governor.

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Chairperson  
Procurement Policy Board

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Roderick Becker  
State Comptroller

APPROVED AS TO FORM

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Deputy Attorney General