



Small Purchases Method of Procurement

SPO 120

Audience

Executive Branch Departments and Agencies who wish to conduct solicitations using the Small Purchases method of procurement

Topics

- Procurement Methods
- Solicitation and Award Compliance
- References

Regulations

- Hawaii Revised Statutes (HRS) §103D-305
- Hawaii Administrative Rules (HAR) §3-122-73 to 78 (Subchapter 8)



Procurement Methods

The Small Purchases method of procurement is used to purchase goods, services, and construction within the dollar threshold. The award is generally based on the lowest-priced, responsive, responsible offer or, when applicable, on the offer that provides the best value to the state.

There are several procurement methods, each with specific procedures and conditions.

Statute	Procurement Method
HRS §103D-302	Competitive Sealed Bidding (Invitation for Bids)
HRS §103D-303	Competitive Sealed Proposals (Request for Proposals)
HRS §103D-304	Procurement of Professional Services
HRS §103D-305	Small Purchases Method of Procurement
HRS §103D-306	Sole Source Procurement
HRS §103D-307	Emergency Procurement

When a procurement falls under more than one method, use the one that allows for maximum competition.

IMPORTANT: In public procurement, you need to be open and transparent. Taxpayers have a right to know how their money is being spent. Public sector procurements must be fair and competitive. Therefore, you, as a public servant, are accountable for the purchases you make.

NOTE: Before developing a solicitation, consider utilizing an SPO Price/Vendor List contract. These contracts are pre-approved, cooperative purchase agreements procured by the SPO and listed on the SPO website. Using one of these contracts can save time and may provide the best prices for the purchase. To obtain a list of vendors and their prices, contact the SPO.



Solicitation and Award Compliance

When using the Small Purchases method, there are some general guidelines to follow:

- Allow for adequate and reasonable competition.
- Small purchases shall not be parceled.
- Procurements must be within the set dollar threshold.

The state's procurements are governed by the statutes (foundation) and its administrative rules (procedures). Any procurement you conduct shall be in accordance with the statutes (<http://spo.hawaii.gov/references/hrs/>) and rules (<http://spo.hawaii.gov/references/har/>).

- HRS §103D-305
- HRS §103D-324
- HRS §103D-310(c)
- HAR §3-122-10
- HAR §3-122-13
- HAR §3-122, Subchapter 8
- HAR §3-122, Subchapter 24
- HAR §3-126-4(b)

Before awarding the procurement, verify that offerors are compliant with all laws governing entities doing business in the state.

IMPORTANT: You must provide the award determination in writing and place all relevant documentation in the procurement file. Documentation is extremely important because it verifies what took place and why decisions were made. Also, vendors may want to know why they were not awarded.

NOTE: For transparency purposes, all documents relating to the solicitation that are not marked "confidential" are considered public information and, therefore, may be released to anyone requesting it through the Office of Information Practices process.



REMEMBER: If you have any questions related to the solicitation, award, or protest process, reach out to the SPO for assistance. They are there to help.

Purchase Type	Requirements (Effective June 30, 2012) <i>HRS §103D-305 and HAR Chapter 3-122, Subchapter 8</i>
<p>Goods, Services, or Construction: <i>Under \$5,000</i></p>	<ol style="list-style-type: none"> 1. Adequate and reasonable competition 2. Award to the lowest responsive, responsible offeror NOTE: When not practicable, award to the offeror whose quote provides best value to the state. 3. Optional use of form SPO-010 and form SPO-010A 4. Obtain compliance verification prior to award for purchases \$2,500 and greater 5. Post awards of \$2,500 and greater on Awards Data System
<p>Goods, Services, or Construction: <i>\$5,000 to less than \$15,000</i></p>	<ol style="list-style-type: none"> 1. Obtain a minimum of three quotations (i.e. phone, fax, e-mail, etc.) <ol style="list-style-type: none"> a. Furnish the same description and/or specifications to each vendor/contractor/service provider b. Document the offers received on form SPO-010, Part B NOTE: If unable to obtain three quotes due to insufficient sources, document justification for the inability to obtain three quotes on form SPO-010, Part C. 2. Optional use of form SPO-010A 3. Award to the lowest responsive, responsible offeror NOTE: When not practicable, award to the offeror whose quote provides best value to the state and document it on form SPO-010, Part D. 4. Obtain compliance verification prior to award 5. Post awards on Awards Data System
<p>Goods or Services: <i>\$15,000 to less than \$100,000</i></p> <p style="text-align: center;">or</p> <p>Construction: <i>\$15,000 to less than \$250,000</i></p>	<ol style="list-style-type: none"> 1. Procurement conducted on the electronic procurement system 2. Performance and payment bonds required for construction contracts over \$25,000 3. Solicitations use the electronic procurement system <i>Award Summary Report</i> as the procurement record NOTE: Forms SPO-010 and SPO-010A should not be used. 4. Award to the lowest responsive, responsible offeror NOTE: When not practicable, award to the offeror whose quote provides best value to the state and the electronic procurement system <i>Award Summary Report</i> shall serve as written documentation. 5. Obtain compliance verification prior to award 6. Post awards on Awards Data System



References

Small Purchase Quick Reference for State & County Personnel

<http://spo.hawaii.gov/for-state-county-personnel/programs/procurement/solicitation/goods-services-construction/methods-of-procurement/small-purchases/>

Procurement Statutes and Rules

<http://spo.hawaii.gov/references/hrs/>

- HRS §103D-305 (*Small Purchases*)

<http://spo.hawaii.gov/references/hrs/acts-amending-procurement-statutes/>

- Act 175, SLH 2009 (*Small Purchases*)

<http://spo.hawaii.gov/references/har/>

- HAR §3-122, Subchapter 8 (*Small Purchases*)
- HAR §3-126 (*Protests*)
- HAR §3-131 (*Compliance*)

Procurement Circulars

<http://spo.hawaii.gov/references/procurement-circulars/>

- 2005-04 (as amended) (*Hawaii Compliance Express*)
- 2012-04, Act 173, SLH 2012: Section 2 (*Small Purchases Procurements and Performance Bonds for Construction*)
- 2019-05 (*Posting Procurement Awards, Notices, Solicitation and CPO Requests on the Hawaii Awards and Notice Data System (HANDS)*)

On-Demand Training

<http://spo.hawaii.gov/for-state-county-personnel/training/on-demand-training/>

Vendor Compliance Verification

<https://vendors.ehawaii.gov/hce/splash/welcome.html;jsessionid=EAAD E24699A45A09467742A5B8283F1A.prodapp1>

- Service Tool: Hawaii Compliance Express

Procurement Forms

<http://spo.hawaii.gov/all-forms/>

SPO Contact Information	
Website	http://spo.hawaii.gov
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