

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Amendments to Chapter 3-122 (Interim)
Hawaii Administrative Rules

December 4, 2023

SUMMARY

1. §3-122-1 is amended.
2. §3-122-33 is amended.
3. New Subchapter 13.5 is added.
4. New §3-122-115.01 is added.

HAWAII ADMINISTRATIVE RULES

TITLE 3

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

SUBTITLE 11

PROCUREMENT POLICY BOARD

CHAPTER 122

SOURCE SELECTION AND CONTRACT FORMATION

SUBCHAPTER 1

DEFINITIONS

§3-122-1 Definitions. Definitions for terms used in this chapter are in section 103D-104, HRS. The following definitions are also applicable to terms used in this chapter:

"Alternative procurement method" means a procurement method used due to a waiver from the competitive sealed bids or proposals process when one or no responsive, responsible offer is received.

"Award" means the written notification of the State's acceptance of a bid or proposal, or the presentation of a contract to the selected offeror.

"Best value" means the most advantageous offer determined by evaluating and comparing all relevant criteria in addition to price so that the offer meeting the overall combination that best serves the State is selected. These criteria may include, in addition to others, the total cost of ownership, performance history of the vendor, quality of goods, services, or construction, delivery, and proposed technical performance.

"Bid sample" means a sample to be furnished by a

bidder to show the characteristics of the item offered in the bid.

"Brand name or equal specification" means a specification which uses one or more manufacturer's names or catalogue numbers to describe the standard of quality, performance, and other characteristics needed to meet requirements, and which provides for the submission of equivalent products.

"Brand name specification" means a specification limited to one or more items by manufacturers' names or catalogue numbers, commonly referred to as a restrictive specification.

"Capability" means capability at the time of award of contract.

"Chief financial officer" means, depending upon the purchasing agency, either the comptroller, a county's director of finance, or the respective chief financial officers of the University of Hawaii, the department of education, the judiciary, or the legislative branches of the State or county.

"Contract administrator" means the person designated to manage the various facets of contracts to ensure the contractor's total performance is in accordance with the contractual commitments and obligations to the purchasing agency are fulfilled.

"Contract price" means the amount designated on the face of the contract for the performance of the work including allowances for extras, if any.

"Descriptive literature" means information available in the ordinary course of business which shows the characteristics, construction, or operation of an item which enables the State to consider whether the item meets its needs.

"Design specifications" means the dimensional and other physical requirements of the item being purchased, how a product is to be fabricated or constructed.

"Discussion" means an exchange of information to promote understanding of a state agency's requirements and offeror's proposal and to facilitate arriving at a contract that will be the best value to the State. Discussions are not permissible in competitive sealed

bidding, except to the extent permissible in the first phase of multi-step sealed bidding to determine the acceptability of technical offers.

"Opening" means the date set for opening of bids, receipt of unpriced technical offers in multi-step sealed bidding, or receipt of proposals in competitive sealed proposals.

"Performance specifications" means the functional or performance requirements of the item, what a product does and how well it performs.

"Practicable" and "Advantageous" shall be given ordinary dictionary meanings. "Practicable" means what may be accomplished or put into practical application. "Advantageous" means a judgmental assessment of what is in the State's best interest. The use of competitive sealed bidding may be practicable, that is, reasonably possible, but not necessarily advantageous, that is, in the State's best interest.

"Qualified products list" means an approved list of goods, services, or construction items described by model or catalogue numbers, which, prior to competitive solicitation, the State has determined will meet the applicable specification requirement.

"Quotation" means a statement of price, terms of sale, and description of goods, services, or construction offered by a prospective seller to a prospective purchaser, usually for purchases pursuant to section 103D-305, HRS.

"Recent" means performance information in which the performance has occurred within 5 years or as determined by the procurement officer, and specified in the solicitation document, as applicable, that is closely connected and appropriate to consider for the type of requirement being solicited or evaluated.

"Relevant" means performance information that is similar in size, scope, and complexity to the requirement being solicited or evaluated.

"Request for information" means a request soliciting information to obtain recommendations from suppliers for a procurement that cannot be described in sufficient detail to prepare a solicitation.

§3-122-1

"Standard commercial product" means a product or material, in the normal course of business, is customarily maintained in stock or readily available by a manufacturer, distributor, or dealer for the marketing of the product. [Eff 12/15/95; am and comp 11/17/97; am and comp 3/21/08; am JAN -5 2024] (Auth: HRS §103D-202) (Imp: HRS §§103D-104, 103D-202)

§3-122-33 Bid evaluation and award. (a) The award shall be made to the lowest responsive, responsible bidder and shall be based on the criteria set forth in the invitation for bids.

(b) Only objectively measurable criteria which are set forth in the invitation for bids shall be applied and may include but not be limited to:

- (1) Discounts;
- (2) Transportation costs;
- (3) Total or life cycle costs; and
- (4) Bidder's past performance, if available.

(c) Evaluation factors need not be precise predictors of actual future costs, but to the extent possible the evaluation factors shall:

- (1) Be reasonable estimates based upon information the government jurisdiction has available concerning future use; and
- (2) Treat all bids equitably.

(d) The invitation for bids shall set forth any evaluation criterion to be used in determining product acceptability:

- (1) The solicitation may require the submission of samples, descriptive literature, technical data, or other material to verify product acceptability;
- (2) The solicitation may also provide for accomplishing any of the following prior to award:
 - (A) Inspection or testing of a product for characteristics as quality or workmanship;
 - (B) Examination of elements as appearance, finish, taste, or feel; or
 - (C) Other examinations to determine whether the product conforms to any other purchase description requirements;
- (3) The acceptability evaluation is not conducted for the purpose of determining whether one bidder's item is superior to another but only to determine that a bidder's offer is acceptable as set forth in

the invitation for bids;

- (4) Any bidder's offering which does not meet the acceptability requirements shall be rejected as nonresponsive.

(e) The award shall be issued to the lowest responsive, responsible bidder whose bid meets the requirements and criteria set forth in the invitation for bids and posted pursuant to section 103D-701, HRS, for five working days.

(f) In the event all bids exceed available funds, the provisions of section 103D-302(h), HRS, shall apply. [Eff 12/15/95; am and comp 11/17/97; am and comp 3/21/08; am **JAN -5 2024**] (Auth: HRS §103D-202) (Imp: HRS §103D-302)

SUBCHAPTER 13.5

Contractor Past Performance Database

§ 3-122-115.01 Contractor past performance database.ⁱ (a) For any contract entered into pursuant to sections 103D-302, 103D-303, and 103D-306, HRS or as directed by the chief procurement officer, all state and county procurement officers or agents shall complete a contractor past performance form approved by the procurement policy board that includes available recent and relevant performance of the contractor.

(b) The contractor past performance database process shall include the following:

(1) Procurement officer, or designee, shall complete the form in the electronic past performance database at the end of the contract:

(A) Upon agency completion of the form on the database, the contractor shall receive an electronic notification when a form is ready for review and/or comment;

(B) Contractor shall review the contractor past performance form within 20 working days, from the date of notification of the contractor past performance form and submit comments, rebutting statements, or additional information. If the contractor does not respond, the contractor past performance form shall be considered complete;

(C) The final form together with the contractor comments, rebutting statements or additional information, if any, shall be posted electronically in the past performance database system

ⁱ It is recommended that the IFB, RFP, and Sole Source state the past performance process in the solicitation.

within 20 working days of receipt of
the contractor's response;

- (D) A copy of the form shall be kept in the
agency's contract file. [Eff JAN -5 2024
(Auth: HRS§103D-202) (Imp: HRS
§§103D-104, 103D-202)]

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Amendments to Subsections 3-122-1, 3-122-33, new Subchapter 13.5, and subsection 3-122-115.01, Hawaii Administrative Rules, on the Summary Page dated December 4, 2023 were adopted at the Procurement Policy Board meeting on December 4, 2023, pursuant to interim rulemaking authority authorized in §103D-202, Hawaii Revised Statutes. These rules shall be issued by Procurement Directive and be effective for not more than eighteen months.

These interim rules shall take effect ten days after filing with the Office of the Lieutenant Governor.



LISA MARUYAMA
Chairperson
Procurement Policy Board



KEITH REGAN
State Comptroller

SYLVIA LUKE
Lieutenant Governor
State of Hawaii

Dated: _____

JAN -5 2024

Filed

APPROVED AS TO FORM:



Deputy Attorney General

23 DEC 26 P 1:44

LIEUTENANT GOVERNOR'S
OFFICE










STE 3-122_Past Performance HARs_ 122023


Final Audit Report


2023-12-26


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-  Document created by Ruth Baker (ruth.a.baker@hawaii.gov)
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-  Agreement viewed by Ruth Baker (ruth.a.baker@hawaii.gov)
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-  Document e-signed by lisa T. Maruyama (Imaruyama@hano-hawaii.org)
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-  Document signing delegated to Keith Regan (keith.a.regan@hawaii.gov) by e-comptroller@hawaii.gov
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