



July 1, 2010

ADMINISTRATIVE PROCEDURES MEMORANDUM NO. 10-08

TO: University Administrators and Chancellors

FROM: Howard Todo *Howard Todo*
Vice President for Budget and Finance
Chief Financial Officer

SUBJECT: **INTERIM ADMINISTRATIVE PROCUREMENT PROCEDURES A8.200 – A8.295**

Transmitted herewith are revised Administrative Procedures A8.200 – A8.295 for the Procurement of Goods, Services, and Construction, to be implemented on an interim basis effective July 1, 2010.

These procedures are being issued in light of Act 82, SLH 2010, which provides the University with an exemption from the requirements of the Hawaii Public Procurement Code (HRS Chapter 103D), with some exceptions, and which becomes effective as of July 1, 2010. The Board of Regents approved the implementation of these revised procedures on an interim basis at its meeting of June 28, 2010. The President is presently in the process of appointing a "Blue Ribbon Panel" to review and make recommendations to the University regarding its procurement procedures.

The major revisions included in these interim procedures are as follows:

- A8.200 (Overview)

Recognition of Act 82, SLH 2010, which amends section 304A-105(b) to exempt University procurement procedures from the requirements of Chapter 103D, HRS, with limited exceptions such as the procurement of design professional services by architects, engineers, landscape architects, and surveyors.

- A8.220 (General Principles)

Expands the categories of designated goods, services, and construction for which procurement through standard methods of source selection is impractical or disadvantageous, and are therefore exempt from such source selection requirements.

These new categories include, among others:

- Subcontracts to organizations directed by the funding agency in an extramural contract or grant;
- Purchases made under cooperative purchasing agreements in which the University participates with other educational institutions;
- Procurement of goods and services from a University commercial enterprise under HRS 304A-2251; and
- Services to recruit international students.

Provides that the Vice President for Budget and Finance may approve other exemptions on a case-by-case basis, as appropriate.

Provides that University decisions regarding complaints filed with respect to University procurement actions shall be final and conclusive (not subject to the automatic stay and DCCA appeal provisions in HRS 103D).

- A8.235 (Competitive Sealed Bidding)

Establishes the competitive sealed bidding threshold at \$250,000 for the purchase of goods, services, and construction.

Requires the University to hold pre-bid conferences for construction or design-build projects with a total estimated contract value of \$500,000 or more.

Requires bidders to submit listings of subcontractors who are to perform work with a value exceeding five percent of the total bid amount for construction contracts where the estimated contract value is \$1,000,000 or higher

- A8.245 (Professional Services)

Provides that the professional services procurement procedure must be used when acquiring design professional services (architecture, engineering, land surveying, and landscape architecture). Other types of professional services (e.g. legal, audit, etc.) may be acquired by this procedure or other source selection methods (e.g. competitive sealed proposals).

- A8.250 (Small Purchases)

Provides that any procurement of goods, services, or construction less than \$250,000 shall be made through the small purchase process utilizing the University's electronic request for quotations system, except as otherwise provided therein.

- A8.255 (Sole Source Procurement)

Provides that the Vice President for Budget and Finance shall approve all sole source purchases of \$50,000 or more.

- A8.260 (Emergency Procurement)

Provides that the Vice President for Budget and Finance shall approve all emergency purchases of \$50,000 or more.

- A8.280 (Construction Procurement)

Establishes a new alternative procedure for the procurement of construction which is patterned after the process presently in place for the acquisition of professional services (e.g. architects, engineers, etc.) utilizing the solicitation of statements of qualifications from interested contractors and selection based on qualification and performance based criteria. Construction may still be acquired through other source selection methods such as competitive sealed bidding or competitive sealed proposals as well.

Any questions concerning these procedures should be directed to the Office of Procurement and Real Property Management at (808) 956-8687.

Attachments