



July 5, 2012

ADMINISTRATIVE PROCEDURES MEMORANDUM NO. 12-08

TO: University Administrators and Chancellors

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

SUBJECT: **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, which replace the procurement procedures implemented on an interim basis effective July 1, 2010.

These procedures are being issued in light of the repeal of Act 82, SLH 2010, which had provided the University with an exemption from the requirements of the Hawaii Public Procurement Code (HRS Chapter 103D), with some exceptions, for the period from July 1, 2010 to June 30, 2012. These revised procedures reflect the procedural requirements provided in HRS Chapter 103D and its implementing Hawaii Administrative Rules (HAR) Chapters 3-120 to 3-132.

The major revisions included in these procedures are as follows:

- A8.200 (Overview)

Recognition of the repeal of Act 82, SLH 2010, and the conformance of these University procurement procedures with the requirements of HRS Chapter 103D.

- A8.220 (General Principles)

Revision of 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 the requirements of Chapter 103D, HRS.

The formerly exempt categories now eliminated in these revised procedures include, but are not limited to:

- Subcontracts to organizations directed by the funding agency in an extramural contract or grant;
- Services for the publication of educational books and journals;
- Affiliation agreements with hospitals and health care providers required for clinical education programs;
- Medical services for injured student- athletes; and
- Services to recruit international students.

Provides that the President 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 are subject to the automatic stay, DCCA appeal provisions, and other procedural requirements in HRS Chapter 103D.

- A8.235 (Competitive Sealed Bidding)

Establishes the competitive sealed bidding threshold and procedures for the purchase of goods, services, and construction to conform with the requirements of HRS Chapter 103D.

- A8.245 (Professional Services)

Eliminates the category of information technology from those services that may be acquired under the professional services procurement procedure.

Continues to provide that these procedures 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)

Revises the small purchase thresholds by providing that any procurement of goods and services less than \$100,000, and 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 President shall approve all sole source purchases of \$25,000 or more.

- A8.260 (Emergency Procurement)

Provides that the President shall approve all emergency purchases of \$25,000 or more.

- A8.275 (Contract Administration)

Provides that a Certificate of Vendor Compliance is now required upon award for procurements of \$2,500 or more processed under Section A8.250 (Small Purchases), in addition to other procurement methods previously covered.

- A8.280.1 to A8.280.3 (Construction Procurement)

These sections which established new alternative, qualifications-based procedures for the procurement of construction have been eliminated in their entirety. Construction will again be acquired through other existing source selection methods such as competitive sealed bidding or competitive sealed proposals.

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

Attachments