

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

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Program ID/Title: AGS 240/State Procurement

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I. Goals

To best serve the taxpayers of Hawaii and stakeholders in State and County agencies by providing effective and efficient procurement and inventory management practices, with quality, timeliness, maximizing competition, and maintaining integrity. To achieve the greatest value from procurement resources while creating a procurement environment and framework which nurtures a strong vendor community and peak vendor performance; to coalesce public-private partnerships enhancing the services and products provided to the citizens of the State of Hawaii.

II. Objectives and Policies

A. Procurement Training.

Continue to develop, coordinate, implement, and manage a mandatory training program for all purchasing entities to gain a comprehensive understanding of the procurement code, its rules and policies. Similarly, develop and implement a training program for vendors seeking to do business with the State and counties.

B. SPO Price and Vendor List Contracts.

Expand and administer the numerous contracts used by Executive Departments and other CPO jurisdictions; manage the cooperative purchasing program for commodities and services used by multiple agencies on a daily basis; includes items such as office supplies and paper, computer equipment and copiers, forms, etc.

C. Hawaii Electronic Procurement System (HePS).

Continue with the implementation of the Hawaii Electronic Procurement System (HePS) that will automate the existing procurement system, collect comprehensive data on expenditures, reduce the procurement cycle time, and reduce the cost of goods and services with increased competition.

D. Purchasing Card (pCard).

Continue to provide training and support for departments to maintain and increase levels of efficiency for small purchase procedures with the use of pCards. Establish annual meeting of fiscal officers to network, open discussion of issues or concerns, and provide management reports to assist in the analysis of purchasing activities. Integrate the pCard as the preferred method of payment into price list contracts and

HePS purchases. Develop a program to conduct periodic audits of compliance with program procedures.

### III. Action Plan with Timetable

#### A. Procurement Training.

Continue to develop, coordinate, implement, and manage a mandatory training program for all purchasing entities to gain a comprehensive understanding of the procurement code, its rules and policies. Develop and implement a training program for vendors seeking to do business with the State and counties.

##### 1. Past Year Accomplishments

- a. Coordinated and conducted training for all purchasing agencies and jurisdictions.
- b. Conducted training for vendors/businesses.
- c. Created training attendance database to record and manage attendance data of personnel participating in SPO sponsored training sessions.
- d. Implemented an Internet on-line registration process for SPO training sessions while also providing on-line Internet training information and workshop materials for download for each session.

##### 2. One Year

- a. Continue to develop and amend training materials and forms due to changes in statutes or rules.
- b. Develop training materials for new training classes such as Contract Administration, Procurement Overview, Personal Services, Providers of Health and Human Services, etc.
- c. Coordinate with agencies such as State Ethics Commission, Risk Management, and Department of Business, Economic Development and Tourism on related training for procurement personnel.
- d. Continue training program for new employees and vendors.
- e. Provide refresher training for previously trained employees and vendors.
- f. Refine SPO's training attendance database.
- g. Define training requirements for employees by the type of procurement duties they are performing.
- h. Develop and maintain a comprehensive database of delegated authority for procurement training.
- i. Provide on the Internet new and repeated health and human service purchases as new services are planned and repetitive services are contracted.

3. Two Years

- a. Perpetuate training programs for employees and vendors.
- b. Review and update training class descriptions/synopsis.
- c. Review and update training materials and forms.
- d. Determine new staff trainers.
- e. Develop training reports and feedback mechanisms for jurisdictions and departments to determine the procurement training status for their employees.
- f. Present Webinar training.
- g. Review and amend HRS Chapters 103D and 103F and applicable administrative rules.

4. Five Years

- a. Scan business, training and other environments for new training platforms, models and processes.

B. SPO Price and Vendor List Contracts.

Expand and administer the numerous contracts used by Executive Departments and other CPO jurisdictions; manage the cooperative purchasing program for commodities and services used by multiple agencies on a daily basis; includes items such as office supplies and paper, computer equipment and copiers, forms, etc.

1. Past Year Accomplishments

- a. Continued to provide price and vendor list contracts.
- b. Worked with the Western States Contracting Alliance to increase the number of vendor list contracts available for use by State and County agencies.

2. One Year

- a. Expand the scope of categories of goods and services that can be purchased using price and vendor list contracts.
- b. Revise the process and documentation used to coordinate participation in SPO's price and vendor list contracts by other procurement jurisdictions.
- c. Provide training for personnel who utilize price and vendor list contracts.

3. Two Years

- a. Continue to expand the scope of categories of goods and services that can be purchased using price and vendor list contracts.

- b. Continue to provide training for personnel who utilize price and vendor list contracts.
- c. Begin implementation of electronic catalogs for price and vendor list contracts.

4. Five Years

- a. Utilize electronic catalogs for price and vendor list contracts.
- b. Scan business and other environments for new platforms, models and processes for price and vendor list contracts.

C. Hawaii Electronic Procurement System (HePS).

Continue to integrate electronic purchasing to automate the procurement process, reduce procurement cycle times and increase the competition for goods and services.

1. Past Year Accomplishments

- a. Completed implementation of HePS RFQ function for executive departments and the Judiciary, and continued implementation with jurisdictions.
- b. Provided continual training and assistance (Help Desk feature), more advanced training for experienced users and refresher workshops on a regular basis;
- c. Provided test review of solicitations to assist departments in ensuring compliance with the procurement code and system requirements.
- d. Implemented the invitation for bids (IFB) and request for proposals (RFP) functions in the State Procurement Office.
- e. Continued marketing the HePS to the vendor community.

2. One Year

- a. Continue expanding the HePS to other departments and jurisdictions.
- b. Complete implementation of the RFQ for departments and participating jurisdictions.
- c. Work with vendor for HePS to further develop RFP module for electronic submission in HePS database of vendor proposal content (as opposed to attachment) and agency evaluation.
- d. Begin training and implementation of the IFB and RFP functions.
- e. Expand implementation of RFQ function to procurements of health and human services.
- f. Continue providing test review of solicitations to assist departments in ensuring compliance with the procurement code and system requirements.

- g. Continue marketing the HePS to the vendor community.

3. Two Years

- a. Continue expanding the HePS to other jurisdictions.
- b. Continue marketing the HePS to the vendor community.
- c. Complete implementation of the IFB function.
- d. Continue with the implementation of the RFP function, and also the expansion of HePS to procurements of health and human services.
- e. Begin training and implementation of the catalog functions.

4. Five Years

- a. Implement the reverse auction function of the HePS.
- b. Complete implementation of catalog and certified vendor list functions for price and vendor lists.
- c. Begin implementing inventory function to interface with inventory database for new purchases
- d. Review HePS platforms and processes for improved delivery of support and services to agencies and vendors.

D. Purchasing Card (pCard).

Continue to provide improved procurement processes to enable our customers to expeditiously secure the necessary goods and services to perform their duties and service their customers. The purchasing card (pCard) program provides an alternative to purchase orders and facilitates the small purchase of goods and services.

1. Past Year Accomplishments

- a. Institutionalized the use of the emergency pCards.
- b. Held the first annual financial officers' seminar to discuss pCard issues and problems.

2. One Year

- a. Refine management reports to assist departments in analyzing purchasing activities and to detect unauthorized purchases, fraud and abuse.

3. Two Years

- a. Establish the pCard as the primary form of payment for small purchases.

4. Five Years

- a. Devise an audit program to assist departments in verifying purchases and corroborate cash rebates.
- b. Encourage and promote enhanced online systems, which would enable managers to have more administrative controls.
- c. Integrate the pCard as the primary form of payment for purchases made on HePS.

IV. Performance Measures

A. Customer Satisfaction measures

1. Customer satisfaction surveys will be developed for and distributed to targeted groups. Areas exceeding customer expectations will be recognized and opportunities for change and improvement will be acted upon.

B. Program Standard measures

1. Annual reviews will be performed of the State Procurement Office's program metrics.
2. Conduct analysis of expenditure and pCard usage reports obtained from the pCard system, to review the number of purchasing cards being used by the agencies and the dollar value of pCard purchases annually.

C. Cost Effectiveness measures

1. Annual reviews will be done to measure monetary savings resulting from the completion of contracts for agencies for commodities and services; and the awarding of price and vendor lists contracts.