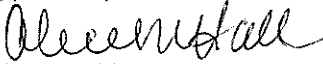
 HAWAII HEALTH SYSTEMS CORPORATION <i>"Touching Lives Everyday"</i>	Department: Corporate Finance	Policy No.: PUR 0005
	Issued by: Edward Chu Interim CFO	Revision No.: 2
Policies and Procedures	Approved by:  Alice M. Hall Interim President & CEO	Effective Date: July 21, 2010
Subject: CORPORATE OFFICE Competitive Sealed Proposals	Supersedes Policy: October 1, 2007	Page: 1 of 7

- I. **PURPOSE:** A competitive sealed proposal (RFP) may be a more appropriate method of acquisition than a sealed bid procurement. Construction projects are the most viable candidates. An RFP is also an acceptable method for procuring professional services, as an alternative to the Professional Services List method (See PUR 0023, "Authority to Procure Professional Services" for details). The purpose of this policy is to set forth the basis for a determination of use of a RFP instead of an IFB and the procedure to follow in conducting a RFP.
- II. **POLICY:** The HHSC Chief Procurement Officer has determined that the use of an RFP is generally the preferred procurement method over the use of an Invitation for Bids (IFB) for purchases over \$100,000 due to the nature of the majority of procurement actions conducted for hospitals based upon the criteria set forth in the Hawaii Administrative Rules Chapter 3-122 and HRS Chapter 103D. The Hawaii Health Systems Corporation (HHSC) is authorized to enter into agreements through sealed proposals following the guidelines enumerated in this policy and procedure. Requestors will prepare a procurement request (PR) and submit it to the designated procurement employee in the HHSC facility or the Corporate Contract Management Office.
- III. **PROCEDURE:** The following steps and procedures will be followed by HHSC and Regional staff in preparing an RFP
- A. **Form.** It is the intent of this policy to promote the use of "Offer and Acceptance" RFP's. A sample form is provided on the shared drive and the Sharepoint contract management site in the "Offer and Acceptance" format. The purpose of this format is to create a new contract as the product of the evaluation and award process. The responding vendor will make their "Offer" in the presentation of their proposal and upon the "Acceptance" (selection and award) by HHSC, the contract is complete. Other forms may be acceptable based on the judgment of the contract manager.
- B. **Content.**
1. The RFP should include procurement specifications, contractual terms and conditions, due date and time, location, and manner of submittal. It should also include renewal and extension terms, and specific instructions.
 2. Evaluation criteria shall be spelled out in the RFP with the weight of each factor detailed. The criteria should include qualifications and experience, specific plans or methodology to be used to perform the services, references and resumes,

time frame for completion of the work, and a list of equipment/goods and its quality, warranty, as applicable. How preferences will be handled, if applicable, should be addressed in the evaluation criteria section. Cost shall be an evaluation factor but not necessarily the prime factor.

3. Proposal security and performance/payment bonds are required for construction projects over \$50,000 and may be required for certain federally funded projects. (See HHSC PUR Policy 0008 for further information relating to construction contracts). The decision to require bonds in all other cases is at the discretion of the CPO.
 4. The RFP should contain a notification to all vendors that questions must be submitted in writing to the Contract Manager issuing the solicitation no later than a named "Closing date for receipt of Questions" that will be provided in the RFP in order to ensure an official answer. Vendors may request changes and/or propose alternate language to the specifications and attached "General Conditions" during this phase only. All requests for changes to the general conditions will be presented to the HHSC Legal Department for review. No requests to change the General Conditions will be entertained after the proposals have been submitted. All written questions and/or approved changes will receive an official written response from HHSC and shall be recorded as addenda to the RFP. The only official position of HHSC is that which is stated in writing and issued in the RFP as addenda thereto. No other means of communication, whether oral or written, shall be construed as a formal or official response/statement and may not be relied upon.
- C.** The Director of Contract Management may review all RFP's prior to being issued. Mistakes in proposals and technical irregularities will be addressed. Clarifications and amendments to the RFP will be made by written addendum, only.
- D.** RFP forms will clearly indicate the procurement process may be stopped at any time before execution of a contract, and termination of the procurement process may take place if at any time the procuring entity deems it to be in the best interest of the state to do so.
- E. Public Notice.** The Contract Manager will issue a public notice of the RFP and will include the following information:
1. A brief description of the goods, services, or construction desired;
 2. Where and when the RFP will be available;
 3. Date and time proposals are due. The vendors/offerors should be allowed, under normal circumstances, a minimum of thirty (30) days to respond; and
 4. Any other requirements the issuing facility deems necessary.

The notice will be published on the Hawaii State Procurement Office website along with the solicitation itself. If a bidder's mailing list exists, RFP packets may be mailed to all vendors upon the packets being available to all vendors. Note that the costs for this mailing should be borne by the requesting entity/department.

- F. Pre-proposal Conference.** When deemed appropriate, a pre-proposal conference should be held. The pre-proposal conference should be specified in the RFP if it is determined that it is necessary; at a later date, the announcement should be made in

the form of an addendum. Nothing stated at the pre-proposal conference may vary from the RFP unless a written addendum is provided. No verbal information given at the pre-proposal conference or at any other time shall be binding on HHSC. Additional information must be issued as an addendum.

- G. Receipt and Registration of Proposals.** Proposals and modifications will be time-stamped and stored by HHSC Contract Management/facility upon receipt. (Proposals are not opened publicly.) Two HHSC/facility personnel shall be present at the time and location specified by the RFP for opening. Only the names of the offerors are announced. At this time, the contents will be shown only to HHSC procurement or appropriate facility persons serving as evaluators. Only timely proposals will be opened; late proposals will be rejected or returned unopened except as allowed for in HAR 3-122-16.08 (a). Modifications and withdrawals can be made prior to the time and date to submit the "best and final" offer. Late proposals will not be accepted and will be returned unopened.
- H. Proposal Evaluation.** The Contract Manager shall appoint a procurement evaluation committee prior to the preparation of the solicitation. The committee may assist in the preparation of the RFP, participate in Best and Final Offer discussions, and shall rank the proposals. The selection committee's ranking is used by the final decision maker in awarding the contract. The committee should be made up of HHSC/facility staff knowledgeable in the goods, services or construction being procured. Non-HHSC/State employees may serve on the committee after completing the attached PUR Form 024, "Affidavit of Nongovernmental Employee". No member of the Executive Management Team may serve on an evaluation committee. The technical representative (contract administrator) shall serve as the chairperson of the committee. The committee will evaluate each proposal. If a numerical rating system is used, the weight value can be only applied to the factors specified in the RFP. If no numerical system is used, the committee must explain the ranking determination in writing. Comments shall be included to explain the reasons for the rankings.
- I. Discussions.** If a number of acceptable proposals are presented, the committee may create a "priority list" of the highest ranked offerors. Discussion may be held with the priority-listed offerors to promote understanding, to assist in obtaining the best price for HHSC, or to facilitate a contract. Records of time, date, place, and purpose will be kept and all offerors will be treated equally. Clarifications and discussion topics and requests shall be reduced to writing with responses required from the Offerors.
- J. Best and Final Offers.** Once discussions are concluded, the Contract Manager may establish a time and date for the priority-listed offerors to submit a "best and final" offer. This "Best and Final Offer" is the Offeror's only opportunity for formally change or modify their proposal. In the event the Offeror does not submit a Best and Final Offer upon request, the original offer is considered the Best and Final Offer. Evaluation of the Best and Final Offer will utilize the same parameters as stated in the RFP or addendum. If more than one Best and Final Offer is going to be accepted, the CPO or designee must determine in writing that it is in the State's best interest to conduct additional discussions or change the State's requirements by an addendum distributed only to priority-listed offerors and require another submission.

- K. Award of Contract.** The award will be presented to the “responsive and responsible” offeror whose proposal is determined in writing to be the most advantageous to HHSC, taking into consideration price and evaluation factors set forth in the RFP. NO OTHER FACTORS MAY BE CONSIDERED. The award shall be posted on the State Procurement Reporting System, which will start the time running for protests.
- L. RFP File.** A file shall be prepared which should include the name of each offeror and number of modifications received. The contract file shall also include the register of proposals, a list of all vendors to whom copies of the RFP were distributed, the name of the successful offeror and dollar amount, the basis on which the award was made, a copy of the RFP, a copy of all proposals, and a copy of the executed contract. This file is open to the public after contract award, except information determined to be confidential, proprietary or trade secret. Proprietary data should be identified by the offeror in writing along with the proposal and a nondisclosure request given to the Contract Manager. Proprietary data should be separable since proposals will be open to public inspection after contract award. (See Release of Contract/Procurement Information Policy 0021 for further details).
- M. Sole Offeror.** Where there is only one responsive, responsible offer, the proposal may be accepted and award given to that offeror, provided that the head of the purchasing agency determines in writing that the price submitted is fair and reasonable and that either other prospective offerors had reasonable opportunity to respond or there is not adequate time for resolicitation. If these conditions are not met, the proposal may be rejected and a new solicitation issued, or the procurement may be cancelled. Completion of the attached PUR Form 015, Alternative Procurement, is required if there is a need to negotiate with the sole offeror or, if those negotiations prove futile, to allow negotiation with a different vendor.
- N. Debriefing of Offerors.** Pursuant to *HRS 103D-303 (h)*, offerors who were not selected for award may submit a written request for debriefing to the chief procurement officer or designee within three (3) working days after the posting of the award of the contract. The debriefing is to be held within seven (7) working days of the request. The purpose is to inform the non-selected offerors of the basis for the source selection decision and contract award. The discussion is about that offeror’s proposal and not a comparison or discussion of the other offers. Thereafter, the head of the purchasing agency or designee shall provide the requester a prompt debriefing in accordance with rules adopted by the policy board. Any protest by the requester pursuant to section 103D-701 shall follow the process set forth in the statute and rules and shall be filed within five (5) working days after the debriefing. See PUR Policy 0018 “Protests”.
- IV. APPLICABILITY:** All HHSC facilities and HHSC Corporate staff. When a regional system board has put into effect procurement policies and procedures, the facilities in that region shall follow the applicable regional policies instead of this policy
- V. REFERENCES:** HRS 103D-303; HAR 3-122; Act 175, SLH 2009: Part I, Section 2; Procurement Circular No’s . 2009-14, October 14, 2009 and Procurement Circular No. 2009-15, October 15, 2009;HRS 323F; resolutions of the HHSC board. Reference to Chapter 103D and HAR 3 does not intend to waive any applicable exemption to those laws and rules.

**HAWAII HEALTH SYSTEMS CORPORATION
AFFIDAVIT OF NONGOVERNMENTAL EMPLOYEE
SERVING ON AN EVALUATION, REVIEW, OR SELECTION COMMITTEE**

Purpose of committee: (check \surd one)

- Evaluation Committee to evaluate Request for Proposals [RFP]No.
(Reference HAR §3-122-45.01)
- Review Committee to review statements of qualifications and expression of
interest from professional services providers to establish a list of qualified
persons. (Reference HAR §3-122-69).
- Selection Committee to evaluate the submissions of the persons on the list of qualified persons
against the selection criteria. (Reference HAR §3-122-69).

I, (print name) _____, attest to the following:

1. I have no personal, business, or any other relationship that will influence my decision in the applicable evaluation, review, or selection process.
2. I agree to not disclose any information on the applicable evaluation, review, or selection process;
and
3. I agree that my name will become public information upon award of the contract.

Signature

Date

**HAWAII HEALTH SYSTEMS CORPORATION
USE OF ALTERNATIVE PROCUREMENT METHOD**

1. TO: Chief Procurement Officer

2. FROM: _____
Department/Facility and Name of Requester

3. SUBJECT: Request for approval to Use an Alternative Method Pursuant to: Contract Manager Name:
 § 3-122-35 ©, HAR [IFB] or § 3-122-59©, HAR [RFP] or
 § 3-122-66 ©, HAR [Professional Services]

4. Direct Negotiations For: IFB No. or RFP No. or Other:		
5. Title or Description		
6. Contract Period: from _____ to _____	7. Formally Advertised Date:	8. Deadline for Receipt of Offers:
There was (select and complete either item #9 or Item #11):		
9. <input type="checkbox"/> ONE RESPONSIVE AND RESPONSIBLE OFFEROR and the option to do an alternative procurement method has been selected because the need for the subject procurement continues, but the price proposed was not fair and reasonable, and (select one and explain) <input type="checkbox"/> There is no time for re-solicitation because: OR <input type="checkbox"/> Re-solicitation would likely be futile because:		
Based on the above, an alternative procurement method, specifically direct negotiations will be conducted with the sole offeror first, if applicable, and then with any contractor or vendor should negotiations with the sole offeror fail.		

11. **NO OFFERS WERE RECEIVED OR THERE WERE NO RESPONSIVE AND RESPONSIBLE OFFERS**, and it has been determined that it is neither practicable, nor advantageous to the State/HHSC to issue a new solicitation. The following have been considered (provide an explanation for each):

- Time constraints (not applicable to Section 103D-304, HRS, professional services)

- Competition in the marketplace

- It is anticipated that additional potential cost of re-solicitation will exceed benefits associated with the solicitation process.

Based on the above, an alternative procurement method, specifically direct negotiations, will be conducted for this procurement.

12. Direct questions to:

Phone:

13. *I certify that the information provided above is to the best of my knowledge, true and correct.*

Department Head Signature

Date

Print Name

This document shall be made a part of the contract file.

14. Chief Procurement Officer's Comments:

APPROVED

DISAPPROVED

NO ACTION REQUIRED

Chief Procurement Officer

Date