

STATE PROCUREMENT OFFICE

SUMMARY OF COMPLIANCE REVIEW HAWAII STATE PUBLIC LIBRARY SYSTEM RESPONSE TO QUESTIONS RAISED BY THE PROCUREMENT POLICY BOARD (PPB) ON THEIR EXEMPT PURCHASES POSTED ON THE PRS

PPB Concern No. 1 - There is a mistaken belief that there is no need to make the threshold determination that competitive procurement is not practical or advantageous and every item purchased qualifies as a research or reference material.

As per the Hawaii State Public Library System (HSPLS), the exemption which is also included in the HRS, was written broadly to cover the thousands of different types of books and materials stocked at the Hawaii State Public Libraries, DOE and UH. The intent for the exemption was to allow these jurisdictions to obtain the most current, updated, and sought after books and materials available to the public, in a timely manner at the best value.

PPB Concern No. 2 - There is a failure of the identification of items purchases beyond the simple description of "Library Materials" which deprives the public and any other entity of any meaningful oversight of these procurements.

The HSPLS agrees that many line item postings on the Procurement Reporting System (PRS) only have the general description of "Library Materials", the reason being that the purchase order for that line item may include a long list of library materials up to sixty-pages long.

PPB Concern No. 3 - The misclassification of item purchases as "research and reference material" allows HSPLS to use the exemption to procure fictional reading material. It is difficult to say the competitive procurement of fictional reading material would not be practical or advantageous to the State. The large number of purchases from Amazon, Borders and Barnes and Noble indicates that competition exists. The agency needs to demonstrate how using the IFB, RFP, or small purchase process would not be practical or advantageous when the HSPLS knows the title and number of books it wants to purchase.

According to the HSPLS, the purchase of books, research, reference materials, including fictional reading material will be a problem if they are required to use the IFB, RFP, or small purchase process. HRS section 312-3.9 provides that only the public service librarians can select, procure, process, etc. these books and materials to meet the demands and interests of their local patrons and community (there are currently fifty-one branches). Each branch librarian is educated, trained and best qualified to understand which books and materials are needed to meet the requirements, demands, and interests of their library users. Example: What is needed at the Main Library, Hawaii Kai Library, or Waianae Library is different. Because of the flexibility and discretion each librarian has in the selection of their library material, the exact titles and numbers of materials required are never the same and difficult to be determined at any one time. Vendors are selected based on many factors determining the best value for the State including factors such as price, availability, discounts, delivery, reliability, customer support, ease of ordering, and return policy.

PPB Concern No. 4 - There were numerous examples of multiple purchases being made to the same contractor on the same day. The reason for these multiple purchases needs to be explained to determine if they represent parceling or a failure to consolidate procurements.

The Technical Services Section (TSS) of the HSPLS receives the library orders from the branches and conducts the procurement for the books and other library materials. Operationally, it is easier for each library to allocate and track orders (i.e. status, back orders, substitutions, cancellations, etc.) by issuing their own master orders by library. Therefore, while the PRS may indicate individual procurements to the same contractor, the TSS actually consolidates these master orders with the contractors. This system allows for better accounting, tracking and inventorying of the library materials being delivered to each separate library branch. Contrary to what was stated by a PPB member, these purchases are not examples of parceling because they were conducted under the procurement exemption.

PPB Concern No. 5 - Contract number 1569 through 1588 total 19 separate awards to EBSCO Publishing and were all awarded on 7/28/06 by the same individual.

As a result of a solicitation that involved five major publishers, EBSCO was awarded a contract to provide various subscriptions and serials to all 51 branches, statewide. The 19 separate awards cited on the PRS were for individual branch orders issued under this contract. The same individual signing for these awards was the authorized Fiscal Officer for the HSPLS.

PPB Concern No. 6 - Ingram Library Services was awarded six contracts on 1/24/06, three contracts on 1/30/06, two contracts on 1/31/06, and two contracts on 2/1/06 all by the same individual.

Response is the same as for item numbers 4 and 5.

PPB Concern No. 7 - Amazon.com Credit was awarded four contracts on 1/24/06 by the same individual.

Response is the same as for item numbers 4 and 5.

DETERMINATION:

The State Procurement Office has reviewed the above responses and finds the HSPLS to be compliant with the exemption.