

Procurement Policy Board Review of Exemptions under §3-120-4 (e) of Hawaii
Administrative Rules

Pursuant to the annual review of Exemptions from the State Procurement Code contained in Exhibit A by the Procurement Policy Board as required by 3-120-4 (e) of Hawaii Administrative Rules.

I propose the elimination of many of the existing Exemptions. Exemptions permit the agencies to purchase items outside the procurement code. The public is not served by agencies making procurements outside the rules of the procurement code. The procurement code provides safe guards for the expenditure of public funds. At the same time the procurement code permits purchases using sole source or small procurement procedures that would address the concerns and needs of agencies in procuring the items they now procure using Exemptions.

I propose the elimination of the following exemptions from Exhibit A.

1. Research, reference, and educational materials including books, maps, periodicals, and pamphlets, which are published or available in print, video, audio, magnetic, or electronic form, including web-based databases;

3. Services of lecturers, speakers, trainers, and scriptwriters;

5. Fresh meats and produce;

7. Animals and plants;

9. Food and fodder for animals;

10. Facility costs for conferences, meetings, and training sessions;

14. Procurement of repair services when dismantling is required to assess the extent of repairs;

15. Burial services consisting of mortuary, crematory, cemetery, and other essential services for deceased indigent persons or unclaimed corpses;

The only reason to justify these exemptions is that they make procurement easier for various agencies. We should not be in the business of making procurement officers' jobs easier when it means purchases are made outside the rules of the State Procurement Code. Compliance with the State Procurement Code is how the general Public determines that their tax money is being spent wisely. Compliance with the Code means greater competition. Greater competition means agencies cost savings. These cost savings will mean that agencies can buy more items with their funds. Agencies can utilize sole source procurement procedures to buy those truly sole source needs.

The items covered by these 8 exemptions are all those for which competition exists. Even the limited competition provided by small purchase procedures is a step in the right direction for full and open state contracting.

Additionally, eliminating these exemptions will reduce the administrative burden placed on the State Procurement Office in reviewing these exemption actions. The SPO staff can be better utilized in providing procurement training or guidance instead of reviewing whether actions should be permitted to be procured outside the State Procurement Code.

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