Hawaii Electronic Procurement System (HePS) Rules and Procedures

Hawaii Electronic Procurement System (HePS) Rules and Procedures
(Note: This section does not include the procedures to use the HePS. The procedures for the actual use of the HePS will be provided in the training sessions.)

HIGHLIGHTS OF THIS SECTION

HePS is an electronic procurement (e-procurement) system for issuing and responding to solicitations via the Internet.

Procurement Circular 2006-07 Amendment 1 (June 29, 2007) requires **executive departments** to utilize HePS for small purchases **$15,000 to less than $50,000** and also requires obtaining the compliance documents (DOTAX Form A-6, DLIR Form LIR#27, and DCCA Certificate) for small purchases **$15,000 to less than $50,000** to verify vendor compliance with statutes. The following types of purchases do not have to be procured via the HePS if they are made in accordance with:

- SPO Price/Vendor Lists
- Exemptions from Section 103D-102, HRS (contains listing of exemptions) or Section 3-120-4, HAR, Exhibit A-Procurements Exempt From Chapter 103D
- Sole Source pursuant to HAR Chapter 3-122, Procurements Approved for Sole Source
- Emergency Procurements for less than $50,000
- Sole Source Procurements for less than $50,000
- Other procurement methods such as Competitive Sealed Bids (HRS §103D-302), Competitive Sealed Proposals (HRS §103D-303), and Professional Services (HRS §103D-304) are used.

In calculating the $15,000 to under $50,000 threshold requirement, same/like/related purchases should be combined over a 12 month period. If the combined purchases fall within the $15,000 to under $50,000 dollar threshold, the HePS must be used to solicit the goods, services, and construction. This applicability is pursuant to Sections 3-122-74 (d) and 3-131-2, HAR below.

> *Less than $50,000 for same, like, or related goods, services, or construction in total during any 12 consecutive month period. Same, like or related items procured as small purchases during a 12 month period that is $50,000 or more may be considered "parceling". A purchasing agency shall, where possible, make appropriate consolidations to obtain competition. The following shall be considered when determining adequate and reasonable competition:*
>
> - *The higher the price of a group of procurements, the more likely they should be consolidated.*
> - *The more similar the good, service, or construction, or the more likely it is to purchase a group of goods, services, or construction from one type of vendor, the more likely it should be consolidated.*
> - *The more foreseeable the procurement of similar goods, services, and construction is, the more likely it should be consolidated.*

Summary of When the HePS Must be Used for the Executive Branch of State Government

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Procurement Amount (Refer to the above situations when the HePS do not have to be used. Also refer to the explanation on combining same, related, and like purchase over a 12 month period)	Required HePS Documentation	Posting to the Procurement Reporting System	Section 103D-310(c), HRS & Section 3-122-112, HAR Compliance Documentation Requirements
Less than $15,000 – optional	If $5,000 to less than $15,000, a copy of the HePS Purchase Order Report form must be submitted with the encumbrance document. The HePS Purchase Order Report replaces the SPO Form 10.	Not Required	Not Required
Section 103D-305, HRS (Small Purchase) $15,000 to under $50,000.	A copy of the HePS Purchase Order Report form must be submitted for the encumbrance and for all payments (first, partial, and final). The HePS Purchase Order Report replaces the SPO Form 10.	Required	Required-Submit compliance documents prior to the award and also required for the first payment. Can either submit the actual documents or obtain the documents through the Hawaii Compliance Express
$50,000 or more – HePS cannot be used. It is still in the development stage.			

Roles and Responsibilities and Contact Information

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Roles	Responsibilities	Person Responsible	Phone Number

DAGS Only – HePS Overall Departmental Administrator	Oversees and implements the HePS project in the Department	DAGS-Administrative Services Office Business Management Officer	586-0696
DAGS Only – HePS Departmental Administrator	Assists in the HePS implementation, sets up new users, approval routes, changes, etc. in the HePS; maintain information in HePS; serve as point of contact for the department, **except contact SPO directly on how to use the HePS**; and register new users for the HePS Basic Buyer Training Class	DAGS-Administrative Services Office Management Analyst	586-0699
State Procurement Office	Responsible for the statewide implementation of HePS		
State System Administrator for the HePS	Coordinate training; provide technical assistance on statutes, rules, procedures, and on using the HePS; and work with Contractor to improve the system	State Procurement Office Mara Smith and Bonnie Kahakui	mara.smith@hawaii.gov 587-4704 bonnie.a.kahakui@hawaii.gov 587-4702
Contractor – SicommNet	Advise on departmental setup; provide training and technical assistance to system administrators, approvers, and buyers; and follow-up with vendors and provide technical assistance	Contact the State Procurement Office Mara Smith and Bonnie Kahakui	mara.smith@hawaii.gov 587-4704 bonnie.a.kahakui@hawaii.gov 587-4702
Division/Office HePS Coordinator	Serve as focal point to receive information from DAGS HePS Departmental Administrator and disseminate to buyers and approvers in the division/office; and inform departmental administrator of any user changes, approval routes, etc. immediately	Identify coordinator on Form No. 1 (HePS Department Users)	

DETAILED EXPLANATION

What is the HePS:

An electronic procurement (e-procurement) system for issuing and responding to solicitations via the Internet. HePS does the following:

- Vendor Registration
- Electronic Solicitation
- Notification of Vendors by e-mail
- Electronic Vendor Response
- Electronic Notice of Award
- Records and reports kept in one place
- Searchable

Why HePS Must Be Used:

We must be open and transparent (everyone has a right to know), fair (everyone has a right to compete), and accountable (everyone must follow established rules consistently) in our procurement of goods, services and construction.

When Do We Have to Use the HePS:

Small purchase request for quotes for goods, services and construction as a result of the following rules:

- Act 283, SLH 2006

  Amended HRS 103D-305(c) by increasing the small purchase threshold from less than $25,000 to less than $50,000 provided all purchases between $25,000 to less than $50,000 are issued via e-procurement.

- Hawaii Administrative Rules 3-122-78

  Effective July 1, 2007, small purchase procurements of $25,000 to less than $50,000 shall be made through an electronic procurement system.

- Procurement Circular 2006-07 Amendment 1 (June 29, 2007)

  Requires **executive departments** to utilize HePS for small purchases $15,000 to less than $50,000 and also requires obtaining the compliance documents (DOTAX Form A-6, DLIR Form LIR#27, and DCCA Certificate) for small purchases $15,000 to less than $50,000 to verify vendor compliance with statutes.

Not used for price and vendor lists; 103D-306 (Sole Source); 103D-307 (Emergency); for purchases $50,000 or more; and if other procurement methods such as Competitive Sealed Bids (HRS §103D-302), Competitive Sealed Proposals (HRS §103D-303), and Professional Services (HRS §103D-304) are used for purchases less than $50,000.

About HePS:

- The contractor for HePS is SicommNet, an application service provider.
- HePS is Internet-based, no software to download. You can access it from anywhere.
- HePS is used by other government entities on the mainland.
- HePS is self-funded (no fees are paid by the State) and instead vendors who are awarded pay SicommNet a fee of .85% of the award.
- There is no fee for vendors to register or bid.
- The HePS Purchase Order Summary is a replacement for the SPO Form 10 (Record of Procurement).

How Vendors Can Register:

Go to www.spo.hawaii.gov, click Hawaii Electronic Procurement (HePS). It is a simple 7 step process and vendors must download the 7 step walk-through first.

The State Procurement Office's HePS Website Link:

http://www.spo.hawaii.gov/eprocurement/heps

Contact Information for Help

State Procurement Office (SPO):

Mara Smith, phone: 587-4704 mara.smith@hawaii.gov

Bonnie Kahakui, phone: 587-4702 bonnie.a.kahakui@hawaii.gov

DAGS-Administrative Services Office

Management Analyst, (DAGS HePS Departmental Coordinator), phone: 586-0699
(Contact SPO if you have questions related to the use of the HePS)

The Department of Accounting and General Services – Administrative Services Office's HePS Procedures and Forms

I. DAGS' Divisions, Staff Offices, and Attached Agencies Not Currently Participating in the HePS

A. Contact the Business Management Officer to schedule a meeting so that the DAGS-Administrative Services Office (ASO) can provide an overview of the HePS and explain the roles and responsibilities, etc., similar to the topics that were covered in the attached HePS Implementation Kickoff Meeting on March 16, 2007.
B. Complete the following forms (electronic forms available at the end of this section):
   - Form No. 1 – HePS Department Users (Buyers and Approvers)
   - Form No. 2 – Delivery Points for HePS (Where Goods Will Be Delivered)
   - Form No. 3 – Billing Points for HePS (Where Invoices To Be Sent)
C. Identify the Division/Office Coordinator on the Form No. 1

D. After the forms are submitted to the ASO, attention: HePS Departmental Coordinator, the Departmental Coordinator will input the information into the HePS.

II. New HePS Users

A. New users including approvers, must first attend the State Procurement Office's (SPO) Small Purchases/HePS class which is a prerequisite to the "HePS 100 & 100A – HePS Basic User Training (Buyer/Approver)" class. New users may register at the following SPO Training Website:

http://www4.hawaii.gov/spoh/tng/wkshpRegistration01.asp

B. After the new HePS user attends the Small Purchases/HePS class, the Division/Office Coordinator will inform the Departmental Coordinator that the new user has attended the training and the Departmental Coordinator will then register the new user into the next available HePS Basic User Training (Buyer/Approver) class.

III. Changes in Personnel Affecting the HePS

A. A new Form No. 1 must be submitted whenever there are changes in personnel affecting the HePS. If an existing HePS user terminates their employment, the Departmental Coordinator will deactivate the HePS logon/password after notification by the Division/Office Coordinator.

Note: Because of the financial importance and sensitive nature of the HePS, it is very important that a revised Form No. 1 is submitted immediately for any staff changes that affects the HePS. The approver of the solicitation and/or award has to be current since it is just as important as your signature list of persons authorized to sign purchase orders.

B. If an office wants to add new users, prepare and submit an amended Form No. 1 to the Departmental Coordinator who will input the new user into the HePS and above steps IIA. and IIB. will be repeated. The Form No. 1 should include all of the current users and must be approved by the Program Administrator.

IV. Advance Training for Existing HePS Users

A. Existing HePS users may register directly with the SPO for any HePS advance classes offered by the SPO. Currently they are offering three advance classes, "HePS 101 – HePS Refresher Training (for users who have already attended the Basics class)", "HePS 102 – HePS Help Clinic" and "HePS 200 – Beyond the Basics for Buyers" at the following website:

http://www4.hawaii.gov/spoh/tng/wkshpRegistration20.asp

V. Contact Information

A. DAGS HePS Departmental Coordinator – Point of contact for all issues (departmental implementation; sets up new users and approval routes; training, etc.) <u>except</u> how to use the HePS
B. State Procurement Office – Contact them directly on any questions/problems on how to use the HePS including vendor registration

Attachments: Download Now

- DAGS HePS Implementation Kick-Off Meeting, March 16, 2007
- HePS User Responsibilities and General Information (rev. 6/30/08)
- Filled-in Sample Forms:
  - Form No. 1 – HePS Department Users (Buyers and Approvers)
  - Form No. 2 – Delivery Points for HePS (Where Goods Will Be Delivered)
  - Form No. 3 – Billing Points for HePS (Where Invoices To Be Sent)
- Blank Forms No. 1, 2, 3
  - Form No. 1 – HePS Department Users (Buyers and Approvers)
  - Form No. 2 – Delivery Points for HePS (Where Goods Will Be Delivered)
  - Form No. 3 – Billing Points for HePS (Where Invoices To Be Sent)