

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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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.

I. Objectives and Policies

A. Procurement Training.

Provide training for all purchasing entities to gain an understanding of procurement and inventory statutes, rules, policies, and processes. Integrate and coordinate training on related subjects such as risk management, audits, and green purchasing. Similarly, provide training for vendors seeking to do business with the State and counties.

B. State of Hawaii Electronic Procurement System (HiePRO).

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

C. Purchasing Card (pCard) Program.

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 HiePRO purchases.

II. Action Plan with Timetable

## A. Procurement Training.

Provide training for all purchasing entities to gain an understanding of procurement and inventory statutes, rules, policies, and processes. Integrate and coordinate training on related subjects such as risk management, anti-trust, audits, and green purchasing. Similarly, provide training for vendors seeking to do business with the State and counties.

### 1. Past Year Accomplishments

- a. Perpetuated training programs for employees and vendors.
- b. Reviewed and updated training class descriptions/synopsis.
- c. Reviewed and updated training materials, forms and website.
- d. Added training workshops to support user requirements and procurement processes
- e. Commenced trainings via webinar accommodating up to 1,000 attendees per session.
- f. Developed new staff trainers.
- g. Expanded webinar training.
- h. Reviewed amended chapters 103D and 103F, Hawaii Revised Statutes (HRS), other related HRS such as chapters 103, 92F, 84, and applicable administrative rules for updates to training materials.

### 2. One Year

- a. Perpetuate training programs for employees and vendors.
- b. Continue to expand webinar training.
- c. Review and update training class descriptions/synopsis.
- d. Review and update training materials, forms and website.
- e. Develop on-demand recorded webinar training for employees and vendors statewide.
- f. Develop new staff trainers.

### 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, forms and website.
- d. Refine recorded webinar presentations.
- e. Scan business, training and other environments for new training platforms, models and processes.

### 4. Five Years

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

## B. State of Hawaii Electronic Procurement System.

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

### 1. Past Year Accomplishments

- a. Began development of new State of Hawaii eProcurement System (HiePRO).
- b. Continued HePS training in webinar format.

### 2. One Year

- a. Continue development and launch new State of Hawaii eProcurement System (HiePRO) to include automated public site for procurement notices of solicitation and award.
- b. Market and provide training on HiePRO to State and county personnel and the vendor community.
- c. Begin expansion of HiePRO to procurements of health and human services.

### 3. Two Years

- a. Continue expansion of HiePRO to procurements of health and human services.
- b. Continue to provide training on HiePRO to State and county procurement personnel and the vendor community.

### 4. Five Years

- a. Complete expansion of HiePRO to procurements of health and human services.
- b. Complete review of additional eProcurement functionality needed and also new technologies in eProcurement.

## C. Purchasing Card (pCard) Program.

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 purchase of goods and services.

## 1. Past Year Accomplishments

- a. Continued to review, develop and amend pCard training material.
- b. Continued training for department pCard administrators, alternates and cardholders.
- c. Periodically audited departments for compliance with pCard usage.
- d. Continued marketing and use of reporting capabilities.
- e. Continued marketing and use of pCard program features.

## 2. One Year

- a. Update State of Hawaii Purchasing Card Program Procedures Manual.
- b. Review and update training material.
- c. Periodically audit departments for compliance with pCard usage.
- d. Continue training for cardholders and administrators.
- e. Continue marketing and use of reporting capabilities.
- f. Continue marketing and use of pCard program features.
- g. Integrate and implement new program features (i.e. Enhanced Merchant Reporting).
- h. Assist OIMT in the transparency project for pCard transactions.
- i. Create new database for tracking Requests to Use pCard for Blocked Purchases.

## 3. Two Years

- a. Continue training for cardholders and administrators.
- b. Continue marketing and use of reporting capabilities.
- c. Continue marketing and use of pCard program features.

## 4. Five Years

- a. Perpetual updating contact information for all pCard administrators/alternates.
- b. Expand use of reporting capabilities
- c. Audit departments for compliance with pCard usage

## IV. Performance Measures

### A. Customer Satisfaction measures

- 1. Customer satisfaction surveys are being done with attendees of procurement training presentations.

### B. Program Standard measures

1. Program reviews are being done on SPO's training program and HiePRO as well as on other procurement and inventory functions. For example, other reviews cover compliance of inventory reporting in the State's financial statements and number of purchasing jurisdictions serviced by cooperative purchasing price and vendor list contracts.
2. pCard usage and expenditures are analyzed using reports from the pCard system to review the number of purchasing cards being used by the agencies and the dollar value of pCard purchases annually. Also reviewed is the ratio of pCard transactions over purchase order transactions.

C. Cost Effectiveness measures

1. Reviews are being done on monetary savings resulting from the awarding of contracts using the HiePRO. Similarly, trend analyses are being accomplished for monetary savings stemming from the awarding of price and vendor lists contracts.
2. Monetary savings from the transfer of State property between custodians are being measured.
3. Rebates received for purchasing card transactions provides an actual total of funds returned to the State.