

	<b>DEPARTMENT OF CORRECTIONS AND REHABILITATION</b> <b>DEPARTMENT ADMINISTRATION</b> <b>POLICY AND PROCEDURES</b>	<b>EFFECTIVE DATE:</b> January 01, 2024	<b>POLICY NO.:</b> ADM.02.04
		<b>SUPERSEDES (Policy No. &amp; Date):</b> ADM.02.04 of November 07, 2016	
	<b>SUBJECT:</b> <b>PURCHASING OF GOODS AND SERVICES</b>		Page 1 of 6

## 1.0 PURPOSE

To establish departmental policies and procedures for the purchase of materials, supplies, equipment, or services prescribed by law, applicable regulations, directives, principles, and accepted practices.

## 2.0 SCOPE

This policy applies to all employees of the Department.

## 3.0 REFERENCES, DEFINITIONS & FORMS

### .1 References

- a. Comptroller's Memorandum(s), as issued by the Department of Accounting and General Services, URL: <http://ags.hawaii.gov/comptrollers-memoranda/>.
- b. Department of Labor and Industrial Relations (DLIR), Prevailing Wage Guidance, published bi-annually (with addendums as needed) on the DLIR website, URL: <http://labor.hawaii.gov/wsd/prevailing-wages-on-public-works/>
- c. Department of Corrections and Rehabilitation (DCR), Policy and Procedures (P & P), ADM.03.01, Ethics Code, Gifts and Unwarranted Privileges.
- d. Governor's Executive Memorandum, Subject: Budget Execution Policy and Instructions, published annually, URL: <http://budget.hawaii.gov/statewide-policies/executivememorandums/>.
- e. Hawaii Administrative Rules (HAR), Title 3, Department of Accounting and General Services, Subtitle 11, Procurement Policy Board, Chapters 120-132, Goods, Services & Construction.
- f. HAR, Title 3, Department of Accounting and General Services, Subtitle 11, Procurement Policy Board, Chapters 140-149, Health & Human Services.
- g. Hawaii Revised Statutes (HRS), Chapter 76, Civil Service Law.
- h. HRS, Chapter 103, Expenditure of Public Money, and Public Contracts.
- i. HRS, Chapter 1030, Hawaii Public Procurement Code.

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- j. HRS Chapter 103F, Purchases of Health & Human Services.
- k. HRS, Chapter 354, Correctional Industries.
- l. Procurement Circulars as issued by the State Procurement Office, URL: <http://spo.hawaii.gov/references/procurement-circulars/>.
- m. Procurement Directives as issued by the State Procurement Office, URL: <http://spo.hawaii.gov/references/procurement-directives/>.

## .2 Definitions

- a. ASO: Administrative Services Office.
- b. CPO: Chief Procurement Officer.
- c. MOA: Memorandum of Agreement.
- d. MOU: Memorandum of Understanding.
- e. SPO: State Procurement Office.
- f. SPO Procurement Wizard: State Manual for the Procurement Process.

## 4.0 POLICY

It shall be the policy of this Department to:

- .1 Adhere to the statutes, policies, rules, guidelines, procedures, and practices contained on the State Procurement Office (SPO) website and this P&P, for all procurement activities performed within the Department.
  - a. The Procurement Wizard (Procurement Manual) located on the SPO website, is the State's official guide to the procurement process for goods, services, and construction and shall be utilized for this purpose.
  - b. The SPO Procurement Wizard may be accessed from the SPO website at [spo.hawaii.gov](http://spo.hawaii.gov).
  - c. Employees involved with procurement shall review the SPO Procurement Wizard prior to participating in any procurement.

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- .2 Achieve maximum competition on the basis of fair and equal opportunity to all qualified and responsible vendors interested in selling to the Department/State.
- .3 Enable user agencies to purchase goods and services not solely on the basis of low prices, but also with full regard for such factors as quality, availability, durability, and maintenance.
- .4 Encourage the purchase and use of locally grown or manufactured commodities for enhancement of the local economy, provided such products are competitive within parameters set by law or by Departmental Policy.
- .5 Restrict the purchase of goods and services to those items that will directly enhance and contribute to the organizational efforts.

## **5.0 PROCEDURES**

### Responsibilities

- .1 Director/Deputy Directors
  - a. Maintain awareness of the Standards of Ethical Conduct and Conflict of Interest guidelines for all purchases of goods or services for the Department, in accordance with DCR P & P ADM.03.01.
  - b. Review and approve/disapprove all requests for a waiver from the competitive bidding requirement submitted to the CPO of the State Procurement Office.
  - c. Delegate responsibility to authorize and sign purchase orders to administrators and other designated personnel.
  - d. Sign all contracts (to include all MOAs and MOUs) for the Department.
- .2 Administrative Services Office (ASO)
  - a. Establish and administer the Department's purchasing program.
  - b. Provide guidance and assistance on contractual matters.

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- c. Review and approve/disapprove all purchases involving special type items (e.g., vehicles, real property acquisition, and/or office leasing, etc.) and as delineated by the SPO website and Procurement Wizard.
- d. Review and process all contracts for completeness and conformance to statutory and regulatory requirements; maintain the Department's official file on all formal contracts.
- e. Administer and/or execute contracts as authorized by the Director..
- f. Ensure departmental procurement policies are kept current on the Department intranet.
- g. Monitor the purchasing program by utilizing a metrics-based system to assess problem trends and implement corrective actions for continuous program improvement.

.3 Fiscal Officer

- a. Develop departmental-wide policies and procedures covering the areas of purchasing and payment processing.
- b. Develop forms and practices as required.
- c. Process purchasing documents and prepare payment coding inputs for payments to vendors.
- d. Ensure that purchases are in conformance with laws, regulations, and administrative policies.
- e. Coordinate all purchasing and disbursement-related activities with other State agencies as required.

.4 Administrators and Staff Officers

- a. Authorize and sign purchase orders except for those purchases that require review and approval by the ASO or other designees.
- b. Review purchase orders initiated within their purview for conformance with laws, regulations, and administrative policies, and proper completion (i.e., approval and processing of invoices, verifying delivery of goods and services, ensuring compliance with contract requirements, etc).

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- c. Ensure there is a bona fide need for purchases of equipment, supplies, or services and that purchase orders are issued prior to the ordering of goods or services.
- d. Ensure that sufficient funds are available and that there are no expenditures in excess of the current applicable allotment.
- e. Ensure that funds, goods, and services are managed and used in the most effective and economical manner.
- f. Ensure purchasing policy and procedural guidelines are available to all applicable employees and supervisors and ensure that the responsible individual understands the purchasing policy and procedures.
- g. Ensure the prompt processing of vendors' invoices to the Fiscal Office is in accordance with contract requirements.
- h. Ensure that staff assigned to do purchasing review the proper training as required by SPO (website), and departmental policies located on the DCR intranet, under Administration Division, Procurement section.
- i. May delegate selected and specific purchasing/purchase order responsibilities to a limited number of key individuals. This must be done in a written directive to the individual(s) concerned, with the original to the Fiscal Officer and an informational copy to the ASO. Also, provide the Fiscal Officer with a complete current list of individuals so designated, and promptly notify the Fiscal Officer of any changes to the list.

.5 Departmental Employees

- a. All Administrators, Staff Officers, employees, and representatives in the Department shall utilize the SPO website and the Procurement Wizard (State Procurement Manual) therein, along with DCR P & P ADM.03.01.
- b. Refer to and comply with additional Department procurement policy and requirements located in the DCR intranet, under the Administration Division, Procurement section.
- c. Training requirements for specific types of procurement activity shall be completed based on the requirements specified in the SPO Procurement Wizard and additional Department procurement training requirements

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located in the DCR intranet, under the Administration Division, Procurement section.

- d. Tests for contractor compliance with contract requirements to ensure that the State is receiving the programs and services contracted for (including documentation and retention of monitoring records), shall be in accordance with the SPO Wizard, applicable State laws, State Department instructions, and memoranda.
- e. Any conflict of policy or requirements between the DCR intranet guidance and SPO website shall be immediately brought to the attention of the Procurement and Contracts Unit Supervisor of the DCR Administrative Services Office, who is the subject matter expert of this instruction, for resolution.

APPROVAL RECOMMENDED:

  
 \_\_\_\_\_ JAN 01 2024  
 Deputy Director for Administration      Date

APPROVED:

  
 \_\_\_\_\_ JAN 01 2024  
 DIRECTOR      Date

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