

VENDOR'S PERFORMANCE RECORD

An offeror whose performance is unsatisfactory on any City contract or order may be suspended and debarred from consideration from award of all public contracts. No bid or proposal shall be considered and no award shall be made to any vendor/contractor who has been suspended or debarred from bidding by the State or City.

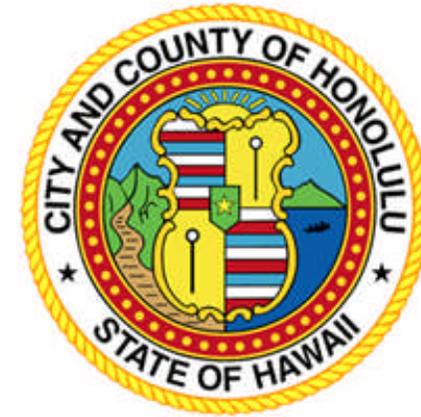
QUESTIONS REGARDING THIS HANDBOOK

Any questions regarding policy and purchasing procedure should be directed to the Purchasing Administrator at telephone (808) 768-5535



City & County of Honolulu
Dept. Of Budget & Fiscal Services
Division of Purchasing
530 S. King St. Room 115
Honolulu, Hawaii 96813
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How the City Buys



Prepared by:
Department of Budget & Fiscal Services
Division of Purchasing

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PURPOSE

The purpose of this handbook is to help vendors/contractors understand the procurement/contracting policies and procedures of the City and County of Honolulu. The following website links and other procurement information can be accessed through the City & County website at: <http://www.honolulu.gov/pur/>

PROCUREMENT BY THE PURCHASING DIVISION

The Purchasing Division of the Department of Budget and Fiscal Services solicits and makes awards for goods, services, and construction needed by departments and agencies of the executive branch of the City and County of Honolulu. An exception is that City departments and agencies may authorize making small purchases and emergency awards of goods, services, and construction. City agencies may also make purchases from master agreements established by the Purchasing Division. The purchase of goods, services, and construction is based on the needs and requests of departments and agencies of the executive branch of the City, excluding the Board of Water Supply.

PURCHASING METHOD

The Purchasing Division makes procurement and awards for goods, services, and construction through methods required by State law and rules. These methods include competitive sealed bidding, competitive sealed proposals, professional services procurement, small purchases, sole source procurement, and emergency procurement allowed by State law and rules.

A. Advertised Competitive Sealed Bidding

Contracts may be awarded by competitive sealed bidding as provided in Hawaii Revised Statutes Section 103D-301. Awards of contracts by competitive sealed bidding may be made after single or multi-step bidding. Competitive sealed bidding doesn't include negotiations with bidders after the receipt and opening of bids. Award is based on the criteria set forth in the invitation for bids.

Purchase awards for goods, services of one hundred- thousand dollars (\$100,000), and construction of Two hundred fifty thousand dollars (\$250,000) or more are made through competitive sealed bidding after advertising on the City's Purchasing Division website. The website address is www.honolulu.gov/pur/. However, when the use of competitive sealed bidding is determined to be either not practicable or not advantageous, awards for the purchase of goods, services and construction may be made through solicitation of requests for proposals. Bid documents for the purchase of goods, services, and construction are issued through the Purchasing Division or can be downloaded from the Purchasing Division's website. The bid document specifies the requirements or scope of work, specifications and terms and conditions for the furnishing of goods, services, or construction to meet the needs of City departments and agencies. Bid specifications are prepared to be adequate and suitable to meet the City's

LOCAL PRODUCT PREFERENCE

State laws provide for preference to local bidders' products qualified and registered on the Hawaii products list. The responsibility for qualification rests upon the person desiring the preference. To apply for preference for products manufactured or produced in Hawaii, a person shall comply with the specific requirements provided for in the solicitation or complete an application form issued by the administrator of the State of Hawaii procurement office or designee.

State law also provides for preference for printing, binding, and stationery work performed with the State of Hawaii.

INSPECTION, TESTING, SAMPLING, DEMONSTRATION

Inspection, testing, sampling, or demonstration of goods and services offered by vendors/contractors may be required prior to award.

BROCHURES OR DOCUMENTATION

When solicitations require the submittal of brochures or documentation, failure to submit such brochures or documentation may be sufficient cause for rejection of offer.

NOTICE OF AWARD

Unless otherwise specified, notice of award is generally served within thirty (30) days from the due date of offer submittal. Should the City not make any award, offerors are so notified in writing. Offerors are required or expected to hold their quoted prices firm for a period of sixty (60) days or as specified in the bid document.

SUBMITTAL AND PAYMENT OF INVOICE

Payment for goods, services, and small purchase construction is made following receipt of invoice and written verification by an authorized City official that the goods, services, or construction have been received in accordance with terms of a contract or purchase order. Payment for construction is made in accordance with the provisions of the construction solicitation document. Payment is made within thirty (30) days following receipt of goods, services, or construction and receipt of proper invoices.

For construction projects, payroll affidavits, monthly payment estimates, and other payment documents should be submitted to the using City agency. For all other contracts and purchase order awards, invoices should be submitted to the fiscal office of the using agency.

SALES DEMONSTRATIONS

Suppliers of goods, services, and construction may conduct sales demonstration, provide sales brochures, and offer trial goods, without any obligation to the City. Any unauthorized action on the part of the supplier shall be at the supplier's own risk, time, and expense.

GOVERNMENT REGULATIONS

All purchasing for the City must comply with State of Hawaii procurement laws, rules and City ordinances. The City ordinances are available at the Office of the City Clerk, Honolulu Hale, 530 S. King Street. State procurement laws and rules are available for viewing at the Division of Purchasing or may be accessed at the Hawaii State Procurement Office web site at: <http://spo.hawaii.gov>. Copies of State procurement rules may be obtained at cost by inquiring at the State Office of Accounting and General Services, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii. All contracts must also comply with the City's General Terms and Conditions. The General Terms and Conditions are available for viewing at the Division of Purchasing or may be accessed at the Division of Purchasing web site at: <http://www.honolulu.gov/pur>. Offerors for construction projects shall be properly licensed by the State Contractors Licensing Board for the work for which they are offering to perform. For contracts that are federally funded or partially federally funded, federal regulations may apply.

STANDARD OF CONDUCT

No official or employee of the Division of Purchasing is permitted to accept any personal gift in excess of \$200, favor, or service from any vendor under circumstances which can reasonably be inferred that the gift, favor, or service is intended to influence the officer or employee in the performance of such person's official duties. Your cooperation in observing this standard of conduct is appreciated.

TAXES

Federal Excise Taxes are not to be included in any offer to the City. An exemption certificate will be furnished upon request. All other applicable taxes should be included in the offer unless specified otherwise.

For procurement awards of \$2,500 or more, tax clearances are required from both the state and the Internal Revenue Service (IRS) in accordance with 103-53, HRS. Two types of tax clearances are required from both the State Department of Taxation and the IRS. One type of tax clearance is required prior to entering into a contract. Another tax clearance is required following completion of contract to permit final payment. The Hawaii Compliance Express may be used to provide these tax clearances.

needs. Bidders must comply with the bid requirements specified by the bid document. The requirement of the bid document becomes the requirements of the contract for the purchase of goods, services, or construction. Award is made to the lowest responsible and responsive bidder whose bid meets or exceeds the requirements set forth in the bid document.

B. Small Purchase Procurement

Small purchases are purchases of under \$100,000 for goods, services, and under \$250,000 for construction. In general, small purchases of under \$5,000 for goods, services, and construction are made by City departments and agencies; purchases of \$5,000 or more for goods, services, and construction are made by the Purchasing Division. Small purchases of under \$5,000 may be made by City departments and agencies if the purchase prices are fair and reasonable. For small purchases to under \$100,000 for goods, services, and \$250,000 construction, the Purchasing Division solicits quotes via the [Honolulu Vendor Self Service System \(VSS\)](#). The website address is <https://www5.honolulu.gov/webapp/vss/Advantage>. Award is usually made to the lowest quotation or to the quotation that provides the best value to the City.

C. Emergency Procurement

Emergency purchases of goods, services, or construction are made whenever situations or conditions arise which create a threat to public health, welfare, or safety. Emergency purchases are made whenever a serious need for goods, service, or construction cannot be met through normal procurement methods and the lack of the goods, service, or construction will seriously threaten the continued function of government, the preservation of property, or the health or safety of any person.

Emergency procurement is made with such competition as is practicable under the circumstances. City departments and agencies are authorized to make emergency awards.

D. Sole Source Procurement

Sole source purchases are made if the goods, services, or construction needed has a unique feature, characteristic, or capability essential for the City department or agency to accomplish its work and when there is only one source available from which a particular good, service, or construction may be obtained. Sole source purchases are exempt from the normal competitive bid or proposal procedure of acquiring goods, services, or construction needed and requested by city departments and agencies. Sole source awards are made through the Purchasing Division after a written request for sole source award is approved.

E. Competitive Seal Proposals

When the use of competitive sealed bidding is determined to be either not practicable or not advantageous, awards for the purchase of goods, services, and construction may be made through solicitation of requests for proposals. Award under the request for proposal procedure is made to the responsive and

responsible offer or whose proposal is determined to be the most advantageous taking into consideration price and the evaluation factors set forth in the request for proposals.

F. Professional Services

Professional services are services performed by persons licensed as professionals by the State, or whose professions are listed in the U.S. Office of Personnel Management's Qualification Standards Handbook. Procurement of professional services is generally made through request for qualifications on an annual basis and as needed, in accordance with Hawaii Revised Statutes 103D-304.

G. Procurement Exempt from Competition

There are situations where procurement of goods and services by competitive means is neither practicable nor advantageous to the City. In such event, Hawaii Revised Statutes 103D-102 permits exemption from competitive means. Examples of procurement exempt from competition are purchases of works of art for public display, published books, maps, periodicals, performances, including cultural and artistic presentations.

INFORMATION ON BIDS

Notices of solicitations for goods, services, and construction are advertised on the City website. Solicitation documents for purchases for goods, services, and construction are available for download from the City website or may be picked up by vendors in the Purchasing Division without charge or at nominal charge, unless otherwise specified in the solicitation. Plans and specifications for construction projects mailed outside the island of Oahu are mailed via air freight collect. Solicitations, including requests for quotations for small purchases, may be conducted electronically on-line. Vendors may visit the Purchasing Division or the Purchasing Division web site, at <http://www.honolulu.gov>, for information on solicitation documents and requests for quotations available.

If after having received a solicitation document, you decide not to submit an offer on any of the items, submission of a "NO BID" with reasons noted would be appreciated. Offerors must submit their offers to the Purchasing Division on or before the date and time specified by the solicitation document. Any offer received after the date and time will be disqualified. Offers may be mailed in, but offers received after the date and time specified for solicitation offer opening will be disqualified. Offers may be faxed directly to the Purchasing Division, but only if the bid solicitation document specifically permits the faxing of Offers. Offers may be electronically submitted if provided by the Honolulu Vendor Self Service System or as provided by the terms of the solicitation. Any vendor who has the financial ability, experience, competence, and capability to satisfactorily perform the contract may offer. For "out-of-state" vendor/contractors, we recommend you designate a local representative to represent you in the bid process including picking up and returning the bid document. Construction plans and bid documents mailed outside the island of Oahu will be mailed air freight collect. All

competitive sealed bids are publicly opened and read aloud in the Bid Room of the Purchasing Division on the date and time specified by the bid document. Bid results are available for public inspection in the Purchasing Division. **BID RESULTS ARE NOT GIVEN OVER THE PHONE.** Any questions relating to bids should be directed to the Purchasing Administrator.

The City solicits offers and makes awards to meet one-time purchases of goods, services, and construction needed by City agencies. The City also solicits offers and makes awards based on estimated requirements for goods and services needed by City agencies over typically a one-year period. Such awards based on estimated requirements result in the City establishing a master agreement listing the goods and services needed over the typical one year period. As the items of goods and services are needed during the typical one year period, the City departments and agencies call the contracted vendor and place purchase orders for the items.

BID REQUESTS ARE NOT NORMALLY MAILED.

ADDRESS OF PURCHASING DIVISION

530 S. King Street, Room 115
Honolulu, Hawaii 96813

The Division of Purchasing is located on the ocean and Waikiki side of City Hall (Honolulu Hale), Room 115. Business hours are 7:45 a.m. to 4:30 p.m., Monday to Friday, except State Holidays.

PROCUREMENT POLICY REGARDING VENDORS/CONTRACTORS

The policy of the City is to allow vendors/contractors a fair and equal opportunity to meet the City's needs for goods, services, and construction. It is also the policy of the City to prepare solicitation specifications that will meet the needs of the City in procuring goods, services, or construction. The Director of Budget and Fiscal Services may require any vendor/contractor to submit answers to questions to determine the offeror's ability or qualifications to meet the City's needs for goods, services, or construction called for by the procurement solicitation.

Hawaii Compliance Express

Under Hawaii law, vendors are required to furnish proof of compliance with the requirements of 103D-310(c), HRS, to receive certain contracts. The Hawaii Compliance Express (HCE) saves you time and effort by providing an online "Certificate of Vendor Compliance" for your business entity rather than seeking individual clearances through the Department of Taxation, Internal Revenue Service, Department of Labor and Industrial Relations, and Department of Commerce and Consumer Affairs. To view additional information about the HCE and to sign up go to: <http://vendors.ehawaii.gov/hce/splash/welcome.html>