LINDA LINGLE

AARON S. FUJIOKA ADMINISTRATOR



PROCUREMENT POLICY BOARD
DARRYL W. BARDUSCH
LESLIE S. CHINEN
DARYLE ANN HO
KEITH T. MATSUMOTO
RUSS K. SAITO
PAMELA A. TORRES

## STATE OF HAWAII STATE PROCUREMENT OFFICE

P.O. Box 119 Honolulu, Hawaii 96810-0119 Tel: (808) 587-4700 Fax: (808) 587-4703 www.spo.hawaii.gov

September 15, 2008

## PROCUREMENT CIRCULAR NO. 2008-09

TO: Executive Department Heads

Chief Procurement Officers

FROM: Aaron S. Fujioka, Administrator

SUBJECT: SPECIFICATIONS Pursuant to Hawaii Revised Statutes (HRS) Chapter 103D,

Part IV, and Hawaii Administrative Rules (HAR), Chapter 3-122, Subchapter 3

This Circular is issued as a reminder that HRS \$103D-405, Maximum practicable competition, and HAR \$3-122-10, Purpose, requires, in part, specifications shall seek to promote overall competition, shall not be unduly restrictive, and provide a fair and equal opportunity for contractors/vendors that are able to meet the State/county's needs. Therefore, careful consideration must be given when using specifications and requirements in solicitations that may serve to impose unnecessary prerequisites or preferred conditions that may limit overall competition and are not a cost effective practice.

A specification is the description of the physical or functional characteristics, or describes the nature of a good, service, or construction item. The term includes description of any requirement for inspecting, testing, or preparing a good, service, or construction item for delivery. Specifications serve several vital purposes in the procurement process, such as:

- Defining a clear understanding of agency needs or what is to be accomplished;
- Identifies offeror obligations;
- Basis for evaluation of offers;
- Binds the offeror to specific performance; and
- Enhances open and fair competition.

A specification may be determined unduly restrictive due to unnecessary design requirements in performance, or additional requirements not related to the State/county's needs. For example language favorable to companies who utilize unionized workers, such as "qualifications must be in accordance with local union requirements", "workers should have successfully passed an industry recognized training program such as the HVAC Apprenticeship Training Program", and "offeror must provide verification from Plumber and Fitter UA Local 675 to verify qualification of certification"; or a specification written around a specific product.

Procurement Circular No. 2008-09 September 15, 2008 Page 2

All offerors who fulfill the requirements of applicable law shall be provided the same opportunity to compete for State and county contracts.

Thank you for your cooperation in this matter. Your staff may call Kevin Takaesu at 586-0568 or Donn Tsuruda-Kashiwabara at 586-0565 if they have any questions, or you may call me at 587-4700.