

Attachment 2



UNIVERSITY
of HAWAII
SYSTEM

Howard S. Todo
Office of the Vice President for Budget & Finance
And Chief Financial Officer

December 5, 2012

MEMORANDUM

TO: James Lee
Chairperson, Board of Regents Committee on University Audits
University of Hawai'i

VIA: M.R.C. Greenwood *M.R.C. Greenwood*
President, University of Hawai'i

FROM: Howard Todo *Howard Todo*
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i

SUBJECT: RESPONSE TO REPORT OF ADVISORY TASK GROUP

We appreciate the work performed by the Advisory Task Group on Operational and Financial Controls Improvement (ATG). The purpose of this memorandum is to provide the Board of Regents Committee on University Audits with the University administration's actions and plans to address the recommendations made in the ATG's report on Phase 1 of its work.

While the ATG was in the process of performing its work, the University took a number of actions regarding its policies and procedures. These actions are summarized below, with references to attachments to this memorandum:

Attachment 1 – Suspension of Executive Policy E8.106 which provided the Athletics Department (“Athletics”) the ability to negotiate commitments for dollar amounts exceeding \$25,000 and exempted such commitments from Athletics’ revolving fund account from review and approval by the University’s Office of Procurement and Real Property Management.

Attachment 2 - Communication that the creation and submission of “pro forma” or “dummy” invoices as a form of payment support and evidence for vendor payment has not been and is not allowed. All positions with current fiscal authority have been given notice and Disbursing has been notified to be on the alert for such documents submitted with direct vouchers or purchase orders / contracts. Request for payment, especially in the case of an advance payment or deposit required under a contract or agreement, shall be evidenced and referenced to other supporting legal documentation justifying the remittance request. This communication has been supplemented with more guidance and clarification in connection with Kualii Financial System processing manuals (Attachment 3)

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RESPONSE TO REPORT OF ADVISORY TASK GROUP

December 5, 2012

Page 2

Attachment 4 – Administrative Procedure A8.571 - A policy for ticket sales for non-athletic competitions previously proposed for consideration has been adopted. It restricts payments to non-UH entities from proceeds of ticket sales prior to the event among other restrictions and requirements.

Attachment 5 – Executive Policy E8.110 - A new executive policy delegating authority for executing agreements for ticket sales by UH Manoa Athletics with non-UH entities has been issued which delegates such authority for amounts under \$25,000 to the Chancellor and for amounts \$25,000 or more to the Vice President for Budget and Finance.

Attachment 6 – Amendment to Executive Policy E10.201 restricts outgoing payments under an agreement for use of a UH facility by a non-University affiliated organization. It also requires the flat rate rental fee or the portion of the rental which is flat rate to be paid in advance.

Attachment 7 – Amendment to Executive Policy E10.202 – requires that any proposed use of the Stan Sheriff Center by an organization that is not affiliated with the University of Hawaii requires prior written approval by the Chancellor.

Attachment 8 – Amendment to Administrative Procedure A8.215 – Clarifies that agreements for real property leases and space rentals are not procurements.

Attachment 9 – Amendment to Administrative Procedure A8.265 – Adds a section for performances under Specialized Purchasing which provides guidelines, including requirements for approval and limitations on deposits or prepayments.

Attachment 10 – Amendment to Administrative Procedure A8.275 – Clarifies that this procedure relates to formation as well as administration of contracts and provides additional guidance regarding payments on contracts, restricting advance payments and emphasizing that pro forma invoices are prohibited.

These revised policies and procedures have been issued. We will be reinforcing them and providing clarification to the Fiscal Administrators through meetings and training sessions, the first of which was held on November 8 with Fiscal Administrators from throughout the University system.

However, we recognized at the time the above actions were taken that more would be required as a result of the ATG's work. Having received and reviewed the ATG's report, we have prepared a matrix which is provided as Attachment 11 to this memorandum which presents actions to be taken for each of the recommendations in the ATG's report.

We thank the ATG and are prepared to work with the ATG in future phases of its work.

Attachments

c: Darolyn Lendio, Acting Executive Administrator and Secretary of the Board of Regents



UNIVERSITY
of HAWAII
SYSTEM

Attachment 1

M.R.C. Greenwood, Ph.D.
President

July 12, 2012

MEMORANDUM

TO: Vice Presidents
Chancellors

FROM: M.R.C. Greenwood
President

A handwritten signature in black ink that reads 'M.R.C. Greenwood'.

SUBJECT: E8.106, Authority to Execute Contractual Documents for Procuring Goods and Services and Entering into Cooperative Agreements for the Office of Intercollegiate Athletics, University of Hawai'i at Mānoa

Effectively immediately, authority delegated in accordance with the above cited Executive Policy E8.106 is suspended. Other standing University policies, procedures and signatory authority relating to the procuring of goods and services and entering into cooperative agreements shall apply.

cc: Vice President for Student Affairs and University/Community Relations and
Acting UHM Athletic Director Rockne Freitas

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From: Paul Kobayashi

Date: Thursday, September 6, 2012

Subject: Pro forma Invoices

To: uhfo-1@lists.hawaii.edu, fmo-aof@lists.hawaii.edu

Cc: James Kashiwamura <jkashiwa@hawaii.edu>, Alan Kimura <alankimu@hawaii.edu>, "Paul Y Kobayashi Jr." <pyk@hawaii.edu>, Carolyn Kanemaru <ckanema@hawaii.edu>

To all positions with fiscal authority:

This is notify all fiscal offices that the creation and submission of pro forma or "dummy" invoices as a form of payment support and evidence for vendor payment has not been and will continue to be not allowed. Disbursing has been notified to be on the alert for such documents submitted with KFS direct vouchers (DVs) or KFS purchase orders / contracts (PREQs). Request for payment, especially in the case of an advance payment or deposit required under a contract or agreement, shall be evidenced and referenced to other supporting legal documentation justifying the remittance request. For the purpose of making payments to non-University personnel, Form NE-INV is still acceptable for non-employee reimbursements. Formal written policies and procedures will be developed in the coming weeks to clarify and emphasize that the use of pro forma or "dummy" invoices is not an acceptable accounting or business practice and to provide guidance in handling and requesting payment in situations without a vendor or third-party commercial invoice.

If you should have any questions or comments, please feel free to call me directly at (808)956-7161.

Mahalo,

Paul Kobayashi
Director - Financial Management and Controller

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Paul Kobayashi
University of Hawaii
Director - Financial Management and Controller



B-10. Payment Support and Advance Payments

The creation or submission of pro forma or "dummy" invoices as a form of payment support and evidence for vendor payment is not allowed and will not be accepted as valid documentation to process payments. Request for payment, especially in the case of an advance payment or deposit required under a contract or agreement or for services performed by a non-employee of the University, shall be evidenced and referenced to other recognized supporting payment documentation to justify the remittance request. Vendors should be notified that submission of an original bill, invoice is required for payment. For non-employees of the University, supporting payment documentation is provided by the Non-Employee Invoice form (Form NE-INV).

A. Non-Employee and Honorarium Payments

All non-employee and honorarium payments must be pursuant to a contract or purchase order. Form NE-INV, Non-Employee Invoice, is required when an invoice is not provided by an individual and should be signed by the individual providing the goods or services. If the individual is unable to sign the form, it must be signed by the FA prior to submission for payment. Form NE- INV can be found at:

<http://www.hawaii.edu/kualifinancial/?page=forms&showSubMenu=forms>.

B. Advance Payments/Deposits

Advance payments and deposits are payments made before goods are delivered or services are rendered (e.g. insurance, conferences, etc). All advance payments and deposits must be pursuant to a contract or purchase order. For purposes of making an advance payment or deposit, approval from the Chancellor, Vice President for Budget and Finance, and the Chief Financial Officer is required. See A8.275 4. h. 2. for detailed information and exceptions for certain advance payments.

Prepared by the Office of the Vice President of
Budget and Finance and Chief Financial Officer
This is a new Procedure
November 2012

A8.571

A8.570 Ticket Sales

November 2012

P 1 of 2

A8.571 University of Hawai'i at Mānoa Athletics Ticket Sales for Events that are not University of Hawai'i Athletic Competitions and that Involve Payments to Non-University of Hawai'i Entities

1. Delegation of Authority

Executive Policy E8.110, Authority to Execute Contractual Documents for Ticket Sales for Non-University of Hawai'i Athletic Events Using the University of Hawai'i at Mānoa Athletics Ticket System, delegates to the Vice President for Budget and Finance/Chief Financial Officer the authority to execute contractual documents relating to the rights to and disposition of proceeds of ticket sales for non-University of Hawai'i (non-UH) athletic events using the University of Hawai'i at Mānoa (UH Mānoa) Athletics ticket system which require or may result in a payment to a non-UH entity of \$25,000 or more. (For purposes of this administrative procedure, non-UH entities include groups and organizations which may be affiliated to the University of Hawai'i for other purposes such as fund raising, and any other entities which are not under the authority and control of the Board of Regents of the University of Hawai'i.)

Executive Policy E8.110 further delegates authority to Chancellor to execute contractual documents relating to such ticket sales which require payments of amounts less than \$25,000.

2. Procedures

Any event conducted by UH Mānoa Athletics or for which tickets are sold using the UH Mānoa Athletics ticket system which (1) is not a University of Hawai'i athletic competition and (2) which requires or may result in a payment to a non-UH entity shall require a written agreement with the non-UH entity regarding the rights to

and disposition of proceeds of ticket sales. Such agreement shall not allow payments from proceeds of the ticket sales to be made to non-UH entities until after the event has been conducted, and then only after all costs incurred by the University of Hawai'i (including ticketing and transactional fees) have been recovered and any facilities use fees, rentals and other fees agreed upon and owing to the University of Hawai'i have been received by the University. In addition, payments shall not be made to an entity who is not a party to the agreement. The agreement must be approved by the Athletics Director and the Chancellor with a copy of such approval being sent to the President. Agreements under this procedure which require or may result in a payment to a non-UH entity of \$25,000 or more may only be executed by the President or designee. Agreements which require payments of lesser amounts shall be executed by the Chancellor. No ticket sales may commence until and unless such an agreement has been executed, and then only in accordance with such agreement and upon approval by the Athletics Director, which approval shall be an indication that all necessary requirements of the agreement have been complied with prior to such sales. Exceptions to this procedure may be made only with approval of the Athletics Director, the Chancellor and the President.

Prepared by the Office of the Vice President for
Budget and Finance and Chief Financial Officer
This is a new Policy.

UNIVERSITY OF HAWAI'I

EXECUTIVE POLICY - DELEGATION OF AUTHORITY

November 2012

P 1 of 1

E8.110 Authority to Execute Contractual Documents for Ticket
Sales for Non-University of Hawai'i Athletic Events Using
the University of Hawai'i at Mānoa Athletics Ticket
System

Source of Delegation:

Board of Regents Bylaws and Policies, Section 8-1(a);
2-2(b) (4)

Authority Delegated to:

Vice President for Budget and Finance/Chief Financial
Officer to execute contractual documents relating to the
rights to and disposition of proceeds of ticket sales for
non-University of Hawai'i athletic events using the
University of Hawai'i at Mānoa Athletics ticket system
which require or may result in a payment to a non-
University of Hawai'i entity of \$25,000 or more.

Chancellor to execute contractual documents relating to
such ticket sales which require payments of amounts less
than \$25,000.

Effective Date of Delegation:

November 7, 2012.

Prepared by the Office of the Vice President for
Budget and Finance and Chief Financial Officer
This replaces Executive Policy No. E10.201 dated
July 1983

UNIVERSITY OF HAWAI'I

EXECUTIVE POLICY -BUDGET AND FINANCE

November 2012

P 1 of 4

E10.201 Use of University-Owned Facilities

I. INTRODUCTION

This Executive Policy implements, Section 10-3 of the Board of Regents Policy on the Use of University-Owned Facilities. Provisions included in the policy designate the authority to promulgate practice and procedure to the President. This University Administrative Policy provides the guidelines to carry out this policy.

II. RESPONSIBILITIES AND PRIORITIES

A. Chancellors are responsible for developing and implementing procedures governing the application and reservation for use of designated facilities under their respective jurisdictions (see Delegation of Authority E10.101).

B. In order to implement the Regents Policy in the spirit with which it was adopted, the Chancellors shall seek the inputs from campus organizations. Chancellors responsible for multiple campuses need to coordinate procedure and have them applied uniformly.

C. User Categories

The Chancellor of the institution must define University affiliated organization and non-university affiliated organization. Written procedures must be developed to allow non-affiliated organization to apply for affiliation.

D. Rental Agreement

The Chancellor of the institution is responsible for developing a rental agreement form, rental rates, and the procedure. Rental rates must cover the cost to operate and maintain the facilities during its use.

E. Use Priorities

Use priorities must be consistent with the BOR policy. First priority is given to regular educational functions followed by registered student, faculty & staff organizations and other University-affiliated organizations. Lower priority would be provided organizations without University affiliation. Priorities must be developed as part of each campuses' Facilities Use Procedure.

- F. A University program should not make outgoing payments under an agreement for the use of a University-owned facility by a non-University affiliated organization. If a situation exists involving such use of a University-owned facility whereby a University program is also required to remit payment for goods and/or services to the non-University affiliated organization, the Administrative Procedures for Procurement shall apply and such payment shall be processed under a separate agreement. Exceptions to this procedure must be approved by the respective campus chancellor and the President.

III. PROCEDURES

- A. Organizations without University affiliation which have obtained approval shall be required to:
1. Observe established University and campus rules and policies.
 2. Indemnify, defend, and hold harmless the University and the State of Hawai'i from any liability arising out of the actions of the organization or its agents incidental to the use of the facilities by the organization.
 3. Reimburse the University for any damage (beyond normal wear and tear) to the facilities resulting from their use.
 4. Compensate the University according to the terms provided in the agreement for use of University owned facilities.
 5. Provide evidence of appropriate and adequate insurance protection covering property damage, personal injury, or death arising out of the use of University owned facilities. The Chancellor may waive this requirement upon an adequate showing of responsibility by the organization.
 6. Remit to the University the full amount of the flat rate rental fee prior to the event. If the rental agreement includes a flat rate rental amount plus a percentage of sales for the event, the full amount of the flat rate rental fee

shall be paid to the University prior to the event. The percentage of sales shall be paid to the University within THIRTY (30) consecutive calendar days following the event.

These rules should be included in each campuses' Facilities Use Procedure.

B. Public Forum Area

1. The Chancellor of the institutions shall designate one or more appropriate public forum areas on their respective campuses where individuals may assemble and engage in public speech activities.
2. Individuals utilizing a designated public forum area on campus must comply with University and campus rules and policies.

C. Practices and Procedures Covering Time, Place, and Manner of Public Speech Activities

Procedures governing time, place, and manner should include rules governing conduct and manner of public speech activities, sound amplification equipment, distribution of newspapers, notices, pamphlets and other printed or written material and posting of notices, posters, and other printed or written material.

D. Solicitation

Procedures must be developed governing solicitation activities as well as excepted activities as provided in the Board of Regents Policy Section 20-13-7.

E. Violation

Rules governing violation of the procedure must also be developed.

F. Sponsorship

University affiliated organizations can sponsor other organizations and thereby qualify for use of University facilities. The Chancellor of the institution must stipulate these rules for sponsorship.

G. Denial of Use

Organizations seeking use of University facilities should have an appeal process to follow if denied use.

If organizations seeking approval are denied use, an appeal process must be available to hear the plea of the organization. The appeal process must identify the individual position within the University of Hawai'i who has the final say.

H. Enforcement

Chancellors shall designate an individual to enforce the policies and procedures.

Prepared by the Office of the Vice President for
Budget and Finance and Chief Financial Officer
This replaces Executive Policy No. E10.202 dated
July 1994

UNIVERSITY OF HAWAI'I

EXECUTIVE POLICY - BUDGET AND FINANCE

November 2012

P 1 of 3

E10.202 UHM Stan Sheriff Center Use Policy

I. PREFACE

This policy governs the use of the Stan Sheriff Center on the University of Hawai'i at Mānoa campus by University and University affiliated organizations. Organizations without University affiliation may use the Center in accordance with the University's Policy on the Use of University-Owned Facilities as described in Attachment A and Executive Policy E10.201. Any proposed use of the Stan Sheriff Center by an organization without University affiliation shall require the prior written approval of the Chancellor. This policy pertains only to the arena itself and the hospitality suite. The use of office space, weight rooms, locker facilities and classrooms shall be governed by existing University policies.

II. PRIORITY OF USE

- A. Priority for assignment and use of the arena and/or hospitality suite shall be as follows:
1. University of Hawai'i Commencement ceremonies. In the event of scheduling conflicts between such ceremonies, priority shall be given to the ceremony with the larger graduating class.
 2. University of Hawai'i at Mānoa men's and women's intercollegiate volleyball and basketball games, practices and related activities.
 3. University of Hawai'i functions and activities approved by the President of the University of Hawai'i.
 4. Functions and activities of Board of Regents' Chartered Organizations, e.g., Associated Students of the University of Hawai'i (ASUH), Faculty Senate, which are appropriate for the Center.

5. Fund raising activities of University affiliated organizations which solely benefit the University, e.g., University of Hawai'i Foundation, University of Hawai'i Alumni Association, Koa Anuenue.
 6. Functions and activities of University affiliated organizations which are appropriate for the Center.
- B. Functions and activities not having sufficient attendance to warrant use of the arena shall not be accommodated.

III. CONDITIONS OF USE

- A. Use of the arena shall be confined to the concourse, rest rooms, seating area, arena floor, hospitality suite and other areas as may be required and approved by the Center Manager.
- B. To the extent possible, users shall not be charged for use of the arena and/or hospitality suite. However, unbudgeted and direct costs incurred by the Center Management, e.g., cost of outside security, may be charged to the using program.
- C. The Center Manager may deny any request for use of the arena which poses undue risk of damage to the facilities or furnishings, or injury to the audience. The Center Manager may also require University affiliated organizations using the arena to maintain appropriate levels of liability insurance naming the University and State as additional insureds.
- D. Events at the arena shall be scheduled between the hours of 8:00 a.m. to 10:30 p.m., Sunday through Thursday, and from 8:00 a.m. to 11:30 p.m., Friday through Saturday. No major event shall be held between the hours of 4:00 p.m. and 6:00 p.m., Monday through Friday, excluding holidays. Exceptions to this schedule may be approved by the Center Manager upon a minimum of four weeks prior notice.
- E. Users shall remit to the University the full amount of the flat rate rental fee prior to the event. If the rental agreement includes a flat rate rental amount plus a percentage of sales for the event, the full amount of the flat rate rental fee shall be paid to the University prior to the event. The percentage of sales shall be paid to the University within THIRTY (30) consecutive calendar days following the event.

IV. RESERVATIONS

- A. Reservations shall be made upon application to the Center Manager.
- B. Reservations for approved uses will be accepted on a first come, first served basis following the scheduling of functions and activities under items II.A.1, II.A.2 and II.A.3 above.
- C. Reservations for functions and events in priority categories II.A.1, II.A.2 and II.A.3 may be made up to a year in advance and must be made by the first day of classes of each semester and the summer session in order to exercise their priority. Requests received after the first day of classes of the respective semesters and summer session will be accepted on a first come, first served basis.
- D. Requests for all other uses will be confirmed after the first day of classes of the respective semesters and summer session.
- E. The President of the University of Hawai'i shall have the authority to preempt a previously scheduled function when it is determined to be in the best interest of the University.

V. INTERPRETATION

The President of the University of Hawai'i shall have final authority over all matters of interpretation or application arising under this policy.

Prepared by Office of Procurement and Real Property Management.
This replaces Administrative Procedure No. A8.215 dated
July 2012

A8.215

A8.200 Procurement

November 2012

P 1 of 7

A8.215 Definitions

The words defined in this section shall have the meanings set forth below whenever they appear in this procedure unless:

- a. the context in which they are used clearly requires a different meaning; or
- b. a different definition is prescribed for a particular section.

Amendment of Solicitation: A written document issued by the Procurement Officer after the issuance of an Invitation for Bids or a Request for Proposals, but before bid opening or prior to submission of proposals, to modify or correct the solicitation.

Bid: The executed document submitted by a bidder in response to an Invitation for Bids or a multi-step bidding procedure.

Bid or Proposal Security: The legally sufficient form of security furnished by an offeror as a warranty of good faith that the offeror will enter into a contract with the University and supply the necessary performance and payment bonds should its offer be accepted and which amount will be forfeited in the event of failure or refusal of the offeror to enter into a contract.

Bid Opening: The process of opening and reading bids at the time and place specified in the Invitation for Bids and/or the advertisement and in the view of anyone who wishes to attend.

Bidder: Any individual, partnership, firm, corporation, joint venture, or other entity submitting directly, or through a duly authorized representative or agent, a bid for the goods, services, or construction contemplated.

Brand Name Specification: A specification limited to one or more items by manufacturers' names or catalog numbers.

Brand Name or Acceptable Alternate Specification: A specification which uses one or more manufacturer's names or catalog numbers to describe the standard of quality, performance, and other characteristics needed to meet requirements and which provides for the submission of equivalent products.

Change Order: A written order signed by the Procurement Officer directing the Contractor to make changes which the Changes clause of the contract authorizes the Procurement Officer to order without the consent of the Contractor.

Chief Procurement Officer: The President of the University of Hawaii as provided in Section 103D-203, HRS, or the officer's designee

Competitive Sealed Bidding: A procurement method by which vendors submit sealed bids (offers) in response to an advertised solicitation.

Construction: The process of building, altering, repairing, improving or demolishing any University structure, building or improvement to real property, including painting and decorating. The term includes the routine operation, repair or maintenance of existing University structures, buildings, or real property.

Contract: A legally enforceable agreement between the University and a Contractor.

Contract Modification: Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual agreement of the parties to the contract.

Contract Time: The time stated in the invitation and the contract, giving the definite number of consecutive calendar days or work days in which to perform and complete all work covered by the contract. The contract time shall start on the specified date in the "Notice to Proceed."

Contractor: Any individual, partnership, firm, corporation, joint venture, or other legal entity undertaking the execution of the work under the terms of the contract with the University, and acting directly or through its agents or employees.

Cooperative Agreement: A contract wherein the University and Contractor mutually agree to a joint endeavor requiring the performance of specified duties by both parties.

Days: Calendar days unless otherwise specified.

Default: Failure by a party to a contract without legal justification to comply with contractual requirements.

Designee: A duly authorized representative of a person holding a superior position to act on its behalf with delegated authority.

Emergency Purchase: A purchase made without following the normal purchasing procedures in order to obtain goods, services, or construction immediately to meet an emergency. Emergencies for this purpose are defined as situations that threaten the health and safety of any person or the preservation or protection of buildings or property of the University and other situations that would cause serious adverse effects to University programs or operations if not remedied immediately.

F.O.B. Point: The F.O.B. (free on board) point (origin or destination) of an order determines the point at which title to goods passes from the vendor to the University.

Goods: All property, including but not limited to equipment, equipment leases, materials, supplies, printing, insurance and processes, including computer systems and software, excluding land or a permanent interest in land, leases of real property, and office and other space rentals.

Invitation for Bids (IFB): A written solicitation, including all documents, whether attached or incorporated by reference, to prospective bidders requesting bids on University requirements.

Lease-purchase Agreement: A rental contract in which the University's periodic payments or parts thereof are applied both to fulfill the rental obligation and as installments for

eventual University-ownership of the commodity upon completion of the agreement.

Life-cycle Costing: A procurement technique which considers operating, maintenance, acquisition price, and other costs of ownership in the award of contracts to ensure that the item acquired will result in the lowest total ownership cost.

Liquidated Damages: A specified sum of money in the contract to be paid by the Contractor to the University in the event the Contractor fails to perform as agreed.

May: Means permissive.

Offer: Bid, proposal, or quotation to provide goods, services or construction.

Offeror: Any individual, partnership, firm, corporation, joint venture, or other entity submitting, directly or through a duly authorized representative or agent, an offer to provide the goods, services, or construction contemplated.

Payment Bond: The legally sufficient form of security which guarantees payment and protection for those furnishing labor and materials to the contractor or its subcontractors for the work bonded.

Performance Bond: The legally sufficient form of security which indemnifies the University against loss resulting from the failure of the contractor to perform a contract, in particular a construction contract, in accordance with the plans and specifications.

Procurement: The buying, purchasing, renting, leasing, or otherwise acquiring of goods, services, or construction including all functions that pertain to the obtaining of goods, services, or construction such as description of requirements, selection and solicitation of sources, preparation and award of contracts and all phases of contract administration, with the exception of agreements for the acquisition of land or a permanent interest in land, leases of real property, and office and other space rentals.

Procurement Officer: The Director, Office of Procurement and Real Property Management (OPRPM), or any person who has been

delegated authority to enter into and administer contracts and make written determinations with respect to the contract. The delegated authority is received from the President or designee. Professional Services: Those services within the scope of the practice of architecture, landscape architecture, professional engineering, land surveying, real property appraisal, law, medicine, accounting, dentistry, public finance bond underwriting, public finance bond investment banking, , or any other practice defined as professional by the laws of this State or the professional and scientific occupation series contained in the United States Office of Personnel Management's Qualification Standards Handbook.

Proposal: The executed document submitted by an offeror in response to a Request for Proposals or a multi-step proposal procedure.

Protest: A complaint brought by an aggrieved bidder, offeror, or contractor in connection with the solicitation or award of a procurement contract.

Purchase Order: A purchasing document used to formalize a transaction with a vendor containing statements as to the quantity, description, and price of the goods, services, or construction ordered; agreed terms as to payment, discounts, date of performance, transportation terms, and all other information pertinent to the purchase and its execution by the vendor.

Request for Information: A formal written request, or an informal written, oral, or electronic media request, or a combination of formal and informal requests, for soliciting information to obtain recommendations from suppliers for a procurement that cannot be described in sufficient detail to prepare a solicitation.

Request for Proposals: A written solicitation, including all documents, whether attached or incorporated by reference, to prospective offerors requesting proposals on University requirements.

Requirements Contract: A contract in which the vendor agrees to supply all the University requirements that arise for an item or items within a specified period.

Requisition: An internal University document by which a using agency requests either the Fiscal Administrator or the OPRPM to initiate a procurement.

Responsible Bidder or Offeror: A bidder or offeror who meets minimum or special standards as may be prescribed. A bidder or offeror must have adequate financial resources, or the ability to obtain such resources as required for contract performance; be able to comply with required delivery or performance schedule, taking into consideration all existing business commitments; have a satisfactory record of performance; have a satisfactory record of integrity and business ethics; have the necessary organization, experience, licensing, accounting and operational controls, and technical skills or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, and quality assurance measures applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors); have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and be otherwise qualified and eligible to receive an award under applicable laws. When the situation warrants, special standards of responsibility applicable to a particular procurement may be developed to insure the existence of unusual expertise or other factors necessary for adequate contract performance.

Responsive Bidder or Offeror: A bidder or offeror whose bid or offer conforms in all material respects to the invitation for bids, request for proposals, or request for quotations.

Restrictive Specifications: Specifications that limit competition by requiring unnecessary features or capabilities.

Services: The furnishing of labor, time, or effort by a contractor, not including the delivery of a specific end product other than reports which are merely incidental to the required performance.

Shall: Means mandatory.

Solicitation: An invitation for bids, a request for proposals, a request for quotations, or any other document issued by the University for the purpose of soliciting bids or proposals to perform a University contract.

Specifications: The directions, provisions, and requirements contained in the General Provisions, Amendments, Special Provisions, Plans, and Technical Specifications pertaining to the method and manner of performance and to quantities and qualities of materials to be furnished under the contract. Special Provisions and Technical Specifications are intended to cover work pertaining to a particular project, but not satisfactorily covered by the General Provisions.

Subcontractor: An individual, partnership, firm, corporation, joint venture or other legal entity which enters into an agreement with the contractor to perform a portion of the work for the contractor.

Technical Representative of the Procurement Officer (TRPO): The person identified and designated by the Procurement Officer to address technical matters within the Specifications.

University: University of Hawaii.

Prepared by Office of Procurement and Real Property Management.
This replaces Administrative Procedures No. A8.265 dated
July 2012

A8.265

A8.200 Procurement

November 2012

P 1 of 23

A8.265 Specialized Purchasing

1. Air Travel

- a. Fiscal Administrators are authorized to process purchase orders for air travel within their purchasing authority from any authorized travel agency, travel bureau or carrier doing business in the State of Hawaii. Air travel exceeding Fiscal Administrators' authority shall be submitted together with the approved travel request or a list of the travelers' names, destinations, and dates of travel to a designated departmental Fiscal Administrator with greater purchasing authority or to the Office of Procurement and Real Property Management (OPRPM), as applicable, for procurement action.
- b. Air travel will be at the lowest available airfare unless an overriding condition exists that dictates otherwise. Various airlines capable of meeting travellers' requirements must be considered for determining the lowest available fare.
 - 1) For purchases exceeding \$2,500 and falling within their purchasing authority, Fiscal Administrators shall obtain at least three (3) verbal quotations for air travel either from three (3) different vendors, e.g., travel agencies, or from one (1) vendor for three (3) different airlines. In addition, for such purchases, Fiscal Administrators shall obtain a written quotation from the low bidder.

- c. University travellers are required to make travel reservations sufficiently in advance to qualify for available discounts. Failure to book early shall be justified in the Travel Completion Report.
- d. Airfare travel refund statement should be indicated on all University purchase orders in the description section in bold print as follows:

"Refunds on tickets shall be made payable only to the University of Hawaii."

2. Automobile Rentals

Rental of automobiles for use by University personnel shall be allowed only in instances where government owned vehicles or privately-owned vehicles on a mileage basis are unavailable or impractical. Rental will be confined to compact and subcompact vehicles unless reasons exist that justify the need for larger vehicles. Such reasons may include:

- a. Distance/type of terrain to be traveled; and
- b. Amount/type/size of persons, materials, and equipment to be transported

The State of Hawaii self insures its automobile no-fault coverage. All leased, hired, rented, and non-owned cars are covered when authorized by the University and operated under the name of the University.

3. Business Cards

The University recognizes that business cards are required by certain University employees in the performance of their duties.

Business cards may be purchased for members of the Board of Regents, Secretary of the Board of Regents, the President, Vice Presidents, Chancellors, Deans and Directors. All other University employees who are required to have business cards in the performance of their duties may obtain them with the prior approval of their Vice President, Chancellor, Provost, Dean or Director.

The Office of External Affairs and University Relations will review the design and content of business cards for appropriateness and shall assist in their acquisition.

4. Construction

For purposes of this section, "construction" shall mean the alteration, repair, painting, or decorating of existing structures or the building of new structures (includes scaffolding and temporary structures). Decorating includes furnishing and installing items such as carpets, draperies, window blinds, light fixtures, audio visual equipment, window and split air conditioning systems, and other fixtures as part of an overall alteration or renovation project to an existing building.

Significant alterations or structural changes that increase the usefulness, efficiency or asset life of existing buildings, including all permanently attached fixtures, machinery and other appurtenances that cannot be removed without cutting into walls, ceilings or floors, or otherwise damaging the building or the items so removed shall be capitalized to increase the cost of the building. Components which can be removed without the need for costly or extensive repairs or alterations to the building shall be capitalized as equipment.

Fiscal Administrators shall be responsible for making the determination to capitalize building improvements as part of the building or as equipment and shall utilize the proper object code to reflect this determination.

a. Construction Requirements

- 1) Requests for construction requirements must be made through one of the following: University of Hawaii at Manoa Facilities Planning and Management Office, Community Colleges Facilities Planning Office, or University of Hawaii at Hilo Facilities Planning Office, whichever is applicable. Each Facilities Planning Office will assist the requesting program in developing design specifications.
- 2) Upon receipt of approved plans, specifications and quotations from the appropriate Facilities Planning Office, Fiscal Administrators are

authorized to issue purchase orders for construction requirements within their purchasing authority. Purchases of construction exceeding a Fiscal Administrator's purchasing authority should be directed to the appropriate Facilities Planning Office for processing. The following shall be used as guidelines for soliciting quotations:

- a) Award shall be made to the vendor submitting the lowest quotation that meets or exceeds the minimum specifications and terms and conditions set forth in the Request for Quotation.
 - b) In the event that the vendor submitting the lowest quotation does not meet the specifications and/or terms and conditions set forth in the Request for Quotation, the program may reject the low quote. Award shall be made to the next vendor submitting the lowest quotation that meets or exceeds all specifications, terms and conditions.
- b. Construction projects exceeding \$2,000 shall:
- 1) State the scope of work to be performed in the Request for Quotation and the purchase order.
 - 2) Incorporate the following clause in the Request for Quotation and the purchase order:

"All work shall be performed by skilled tradespersons using the best standard practices for each trade. Contractor shall protect the existing facilities and correct and/or repair any defects/damages caused by its operation at no cost to the University."
 - 3) Incorporate the following clause pertaining to the minimum wage requirements in the Request for Quotation and the purchase order:

"All work shall be performed in accordance with the Minimum Wage Rate Schedule and Chapter 104, HRS."

A copy of the wage rate schedule may be obtained from the OPRPM.

- 4) The minimum wage requirements (**Attachment 265.1**) shall be made a part of the Request for Quotation and the purchase order.
 - c. Construction projects of \$4,000 and more shall incorporate the liability insurance requirements (**Attachment 265.2**) and the following clause in the Request for Quotation and the purchase order:

"Contractor shall deposit with the University, on or before the issuance of a contract or purchase order for this project, certificates of insurance necessary to satisfy the University that the insurance provisions of the University have been complied with (See Attachment A)."
 - d. It shall be the responsibility of individuals awarding purchase orders and contracts for construction requirements to ensure that contractors possess the proper contractor's license(s) pursuant to Chapter 444, HRS, and the rules and regulations of the Contractor's License Board.
 - e. Performance and payment bonds in an amount equal to one hundred percent of the amount of the contract price shall be required for all construction contracts exceeding \$50,000 as provided in Section 103D-324, HRS.
5. Duty Free Applications
- a. The Education, Scientific, and Cultural Materials Importation Act of 1966 and Tariff Schedules of the United States provide that any nonprofit institution (whether public or private) established for educational or scientific purposes may obtain duty free treatment of certain instruments and apparatus entered for its use, if the Secretary of Commerce determines that no instrument or apparatus of equivalent scientific value to such article, for the purposes for which the instrument or apparatus is intended to be used, is being manufactured in the United States.

- b. The application for duty free entry should be made concurrently with the acquisition process. This is to ensure that at the time of entry of the equipment or apparatus, the University has obtained the necessary approvals and entry can be made without any unnecessary financial assessment.
 - c. Copies of regulations and application forms may be obtained from the local office of the U.S. Department of Commerce International Trade Administration.
6. Environmental Health and Safety Office

a. Biological Commodities

Transport of Biological Commodities may be regulated by international, federal, and/or state regulations. A permit, license or approval may be required for the transport and or collection. All requests for the procurement or transport of biological commodities must be authorized by the Research Compliance Office after completion of the Biological Commodities Transport Training. Items that may require authorization may include: 1) microorganisms or microbial products (products containing microorganisms including bakers yeast); 2) serum and like products (bovine, calf, sheep, etc.); 3) quality control kits; 4) reference strains; 5) proficiency testing kits (positive controls); 6) biotechnology kits (competent cells, cloning vectors); 7) recombinant DNA, RNA or other recombinant material; 8) tissue cells (animal, insects, plants, etc.); 9) bacteriophages, plasmids and other DNA/RNA particles; 10) nanoparticles; 11) native plant used for propagation and plants and plant parts (cutting, grafts, scion, bud, seed, leaf, root, etc.); 12) soil; 13) animals (invertebrates, amphibians, reptiles, fish, birds, and mammals); and 14) human products.

The Authorization for Procurement Form, BSP-2, may be obtained from the Research Compliance Office at http://manoa.hawaii.edu/ovcrge/research/biosafety_program/resources/forms.html

Additional Information can be found here: http://manoa.hawaii.edu/ovcrge/research/biosafety_program/procurement/index.html

b. Hazardous Materials

The University Hazardous Material Management Program manual requires Hazardous Materials Management Officer approval for the purchase of hazardous chemicals. Since the following chemicals are highly toxic, explosive, water reactive or very difficult and expensive to dispose, their use shall be minimized and monitored:

Arsine	Methyl Bromide
Boron Trichloride	Methyl Chloride
Boron Trifluoride	Methyl Lithium
Bromine Chloride	Nitric Acid
Butyl Lithium	Nitric Oxide
Carbon Monoxide	Nitrogen Dioxide
Carbonyl Sulfide	Nitrogen Trifluoride
Cesium	Phosgene
Calcium Hydride	Phosphine
Chlorine	Phosphorus
Chlorine Trifluoride	Picfume
Chloropicrin	Picric Acid
Cyanogen	Picryl Sulfonic Acid
Cyanogen Chloride	Picramide
Diborane	Potassium
3,5-Dinitrophenol	Rubidium
2,4-Dinitrophenylhydrazine	Silane
3,5-Dinitrosalicylic Acid	Silane Dichloride
Ethylene Oxide	Sodium
Fluorine	Sulfur Dioxide
Hydrogen Bromide	Trinitroaniline
Hydrogen Chloride	Trinitrobenzene
Hydrogen Cyanide	Trinitrocresol
Hydrogen Fluoride	Trinitronaphthalene
Hydrogen Sulfide	Trinitrophenol
Lithium	Trinitrotoluene
Lithium Aluminum Hydride	Urea Nitrate
Lithium Hydride	Vinyl Chloride
Methyl Amine	

Purchase orders for these chemicals must be accompanied by a signed Procurement Authorization for Hazardous Materials form which may be obtained from the Environmental Health and Safety Office (EHSO) or on-line at www.hawaii.edu/ehso/hazmat/attachment/oct2002.pdf

c. Radioactive Materials

Under federal regulations, only licensed institutions may possess and use radioactive materials. In the University system, the Radiation Safety Program (RSP) is responsible for ensuring compliance with these rules and regulations.

Approval for possession and use of radioactive materials is granted by the Radiation Safety Program (RSP) which conditionally allows named individuals to possess and utilize specific types and amounts of radioactive materials at a designated location(s) for specific operations. The procurement of all radioactive materials (purchase or transfer) must be approved by the RSP.

A completed Form RSP-4, Procurement Authorization for Radioactive Materials must be submitted to RSP for purchase approval. A copy of Form RSP-4 shall be attached to encumbrance/payment documents or p-card statements.

All deliveries of radioisotopes must be directed to RSP for registration and monitoring. RSP will then deliver the package(s) to the authorized user. All purchase orders for radioactive material must be accompanied by a signed form RSP-4. Unauthorized purchases will be forwarded to RSP for investigation and clearance.

Form RSP-4 can be obtained from the Radiation Safety Program or on-line at www.hawaii.edu/ehso/radiation/rsp-4.pdf

7. Ethyl Alcohol

Use of ethyl alcohol is restricted to certain University programs.

In addition, Federal Regulations restrict the use of tax-free (free of alcohol tax) alcohol to scientific purposes.

On the Manoa Campus, the Chemistry Department is responsible for administering the supply of tax-free alcohol. Tasks involved include:

- a. Maintenance of an adequate supply for campus users;
- b. Dispensing alcohol to campus users; and
- c. Compliance with federal regulations on the control of tax-free alcohol. (This includes keeping detailed records of alcohol used, preparation of the annual report on amount used, and applying for the annual permit to procure alcohol free of tax.)

On the Manoa Campus, alcohol may be obtained by submitting a completed copy of the requisition form directly to the Chemistry Department.

8. Information Technology Services

Information Technology Services (ITS) provides a wide range of information technology support to the University community. These services include: voice, data and video telecommunications; distance learning technology and support; general purpose information and computing infrastructure (email, web servers, Internet access); general purpose technology support services; and institutional administrative systems development and support. A specific set of requirements is associated with procurement of telecommunications services which impact the University and State infrastructure or for which compatibility may be essential to operations.

The Hawaii Revised Statutes (HRS) assigns responsibility for reviewing and approving the purchase of telecommunication equipment and services to the State Department of Accounting and General Services (DAGS). For certain items, DAGS has delegated this authority to the Telecommunications group within UH Information Technology Services (ITS). All proposed procurement actions for telecommunications equipment and service should be forwarded to ITS for approval and details on the applicable procedures for obtaining such approval.

For all other information technology hardware, software and services, it is recommended that programs contact ITS in advance to determine whether the requirement can be fulfilled internally, whether there are internal guidelines for compatibility or support, or whether any advice or guidance is available in the particular area of interest.

This is particularly important in procuring any information technology which is intended to connect with or interface to any University systems or services, or for which there is any expectation of institutional support in the future.

9. Insurance

All requests for the purchase of insurance shall be submitted for review and processing by the Office of Risk Management.

10. Leis

Public funds may be expended for the purchase of leis for the following purposes:

- a. To recognize distinguished guests, visiting dignitaries, and guest speakers, at University events and functions; and
- b. To honor retirees attending recognition ceremonies sponsored and presented by the President, Vice Presidents, or Chancellors.

Such expenditures shall be made only in amounts determined to be reasonable by the Fiscal Administrator taking into consideration the nature of the University event or function.

11. Equipment Maintenance and Rental Purchases

a. Maintenance

- 1) To ensure that the equipment purchased by the University performs effectively, it is advisable to purchase a maintenance contract especially in cases where equipment is subject to heavy use and/or precision is required. Fiscal Administrators are authorized to execute maintenance agreements within their purchasing authority.
- 2) Whenever feasible, the OPRPM will enter into a University-wide maintenance contract. Details of these contracts are made available through the issuance of OPRPM Circulars.

- 3) Maintenance contracts may be purchased by the following methods:
 - a) Sole Source. To be considered as a sole source purchase, the purchase must meet the criteria set forth in APM, Section A8.255, Sole Source Procurement, and documentation to that effect should be placed in the file.
 - b) Competitive. If maintenance service is available from more than one source, the procedures in APM, Section A8.250, Competitive Purchases, shall apply.
- 4) Most terms and conditions in vendor maintenance contracts are acceptable to the University and their forms can be used to effect a contract. However, Fiscal Administrators are not legally authorized to agree to contract provisions which require the University to indemnify, defend, or hold harmless contractors or third parties. Fiscal Administrators shall review the terms and conditions of vendor maintenance contracts and may refer those clauses pertaining to indemnification, liability, damages and other questionable areas to the OPRPM for review. Questions on contract provisions pertaining to insurance should be referred to the Office of Risk Management for review. Upon completion of review by the OPRPM, the contracts will be returned to the Fiscal Administrator for execution. Fiscal Administrators should consider the following points when reviewing vendor maintenance contracts:
 - a) Total price should include all taxes and discounts for prepayments;
 - b) Term of Service should be not more than one (1) year with option to renew by the University; and
 - c) Cancellation of the contract should be permitted for the University upon 30 days written notice or non-availability of funds. If prepayment is made and the contract is canceled prior to the end of the contract

period, a pro rata amount shall be returned to the University.

- 5) Purchase orders may be used in lieu of a maintenance contract when:
 - a) Scope of work is simple and not complicated; and
 - b) The contract provides for one time servicing and/or one time payment.
- 6) Whenever possible, the maintenance requirements for similar equipment should be consolidated into one service contract. Maintenance requirements for similar equipment may be added to existing contracts provided that the cost of the addition is pro-rated for the remaining term of the contract.

b. Rental

- 1) Fiscal Administrators are authorized to execute equipment rental agreements within their purchasing authority.
- 2) Equipment rental agreements may be purchased by the following methods:
 - a) Sole Source. To be considered as a sole source purchase, the purchase must meet the criteria set forth in Section A8.255, and documentation to that effect should be placed in the file.
 - b) Competitive. If equipment rental is available from more than one source, the procedures in Section A8.250, shall apply.
- 3) Most terms and conditions in vendor equipment rental agreements are acceptable to the University and their forms can be used to effect a contract. However, Fiscal Administrators are not legally authorized to agree to contract provisions which require the University to indemnify, defend, or hold harmless contractors or third parties. Fiscal Administrators shall

review the terms and conditions of vendor rental agreements and may refer those clauses pertaining to indemnification, liability, damages and other questionable areas to the OPRPM for review. Questions on contract provisions pertaining to insurance should be referred to the Office of Risk Management for review. Upon completion of review by the OPRPM, agreements will be returned to the Fiscal Administrator for execution. Fiscal Administrators should consider the following points when reviewing vendor equipment rental agreements:

- a) Total price should include all taxes and discounts for prepayments;
 - b) Term of rental should be not more than one (1) year with option to renew by the University; and
 - c) Cancellation of the agreement should be permitted for the University upon 30 days written notice or non-availability of funds. If prepayment is made and the contract is canceled prior to the end of the contract period, a pro rata amount shall be returned to the University.
- 4) Purchase orders may be used in lieu of an equipment rental agreement when:
- a) Scope of work is simple and not complicated; and
 - b) The agreement provides for one-time payment.
- 5) Whenever possible, rental requirements for similar equipment should be consolidated into one rental agreement. Rental requirements for similar equipment may be added to existing agreements provided that the cost of the addition is pro-rated for the remaining term of the agreement.

12. Meals and Refreshments

a. General

Occasionally, departments will have programs, seminars, conferences, workshops or similar functions where refreshments or meals will be served. Public funds shall not be expended for purchase of meals or refreshments except as provided in paragraph b, Guidelines, below. Alcoholic beverages shall not be authorized as refreshments unless approval is granted pursuant to Executive Policies E11.102 and E11.202.

b. Guidelines

Meals and/or refreshments may be paid for with University controlled funds in the following situations:

- 1) Where tuition or fees collected specifically include the cost of meals and/or refreshments;
- 2) Where legislative appropriations specifically allow expenditures for meals and/or refreshments or where it is evident that the cost thereof has been approved through legislative recognition when appropriations were made or through legislative resolution or expression, including committee report;
- 3) Where the terms and conditions of the grant or contract specifically provide for payment of meals and/or refreshments;
- 4) Where the President, Vice Presidents, or Chancellors sponsor and present an employee retirement recognition ceremony, for which such cost shall be no less than \$6.00 and no more than \$15.00 per person; or
- 5) Where the purchase of meals and/or refreshments utilize special, revolving and/or endowment funds (unless expressly precluded by the terms and conditions of the fund) and are for University events and activities excluding internal University staff meetings, training sessions, and

similar activities; provided that the purchase is:

- a) necessary, reasonable in cost, and appropriate to the particular University event or function; and
- b) approved by the President, a Vice President, Chancellor, or their designees.

c. Procedure

Programs serving meals and/or refreshments in accordance with the exceptions (1) through (4) must complete OPRPM Form 56 (**Attachment 265.3**) and OPRPM Form 136 (**Attachment 265.4**) for exception (5). These forms should be retained in the procurement file.

d. Others

This section does not cover meals provided under:

- 1) Collective bargaining agreements; and
- 2) Out-service training programs

Any circumstances not covered in this section should be submitted to the OPRPM via the Fiscal Administrator for evaluation. The department's requests should include sufficient documentation upon which a determination may be made regarding whether the expenditure is justified and the conditions upon which approval should be given. The request should be submitted in ample time for evaluation and processing prior to the event.

13. Motor Vehicles

- a. For all vehicle purchases and vehicle leases, University programs shall complete and submit the Vehicle Acquisition Request Form, prepared by UH Auxiliary Enterprises-Transportation Services, together with the requested vehicle specifications to the appropriate departmental approving authority and Fiscal Administrator for approval, and shall forward the form to the Superintendent of Transportation for review and approval.

- b. The Superintendent will coordinate any exceptions to University fleet standards with the requesting program, review technical specifications, and transmit motor vehicle requirements for procurement action to:
 - 1) The department for purchases or leases within the departmental Fiscal Administrator's purchasing authority; or
 - 2) The OPRPM for purchases or leases exceeding the departmental Fiscal Administrator's purchasing authority.

14. Narcotics

Use of narcotics is restricted to certain University programs which must have a permit from the Federal and/or State government in order to purchase narcotics. Requisitions submitted to OPRPM or processed by the Fiscal Administrator shall be accompanied by completed forms required by the Federal and/or State government and by a memorandum containing the following information:

- a. How the item will be used;
- b. How and where the item will be stored to ensure its safekeeping; and
- c. Name of the person who will be responsible for the security and dispensing of the item. This person must be the one to whom the permit was issued.

15. Organizational Membership

The University will pay for an institutional membership, with a designated representative(s) named, in professional, academic, and business organizations and associations if it:

- a. Benefits the University;
- b. Is directly supportive of the departmental function; and
- c. Has a reasonable and acceptable cost/benefit ratio.

Pursuant to Section A8.220, payment of institutional membership dues or fees of professional organizations for the University or its officers and employees is exempt from the requirements of the standard methods of source selection. Therefore, a request for sole source is not required.

16. State Price and Vendor Lists and University Master Purchase Agreements

a. State Price and Vendor Lists

The State Procurement Office (SPO) establishes price lists with commercial firms to provide certain commonly used supplies and equipment at stated prices for given periods of time. SPO issues instructions for placing purchase orders with the contractor designated on each price list. The prices listed represent the best prices obtainable by SPO for the items listed. In addition, the SPO also establishes vendor lists where multiple vendors are authorized to provide designated categories of goods or services. The vendor lists include instructions to be followed by departments in obtaining quotes from vendors included on the vendor list. The University may participate in certain SPO Price or Vendor Lists on a non-mandatory (permissive) basis. The OPRPM will notify Fiscal Administrators of the Price and Vendor lists in the University will participate. Fiscal Administrators issue purchases under these price and vendor lists within their delegated purchasing authority only. All purchases exceeding their authority shall be submitted to a designated departmental Fiscal Administrator with greater purchasing authority or to OPRPM, as applicable, for review and processing. A purchase may be made under these price and vendor lists using a purchase order or purchasing card.

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b. University Master Purchase Agreements

The OPRPM may establish master purchase agreements with commercial firms to provide commonly used goods and services for given periods of time. These master purchase agreements are generally awarded on a voluntary-use basis. This means that University programs which identify a need for the goods or services included in these master purchase agreements have a choice of either purchasing or not

purchasing from the master purchase agreements. The OPRPM will advise Fiscal Administrators of these voluntary- use master purchase agreements.

17. Printing, Binding, and Stationery

a. Definition

Printing, binding, and stationery work includes all preparatory work, presswork, bindery work, and any other production-related work.

b. University Printing Facilities

Programs requiring printing, binding, and stationery work shall utilize campus facilities whenever possible. Contracting for such service is only permitted when campus facilities are unable to perform such services. Each campus shall check its own printing service capability prior to contracting for such services.

c. Soliciting Quotations for Printing Requirements

If it has been determined that University printing facilities are not equipped to handle a particular printing requirement, programs may solicit quotations or a competitive sealed bids whichever is applicable.

18. Purchasing from Governmental Agencies

Administrative Procedure A8.220 permits the purchase of goods, services, and construction from a governmental body, including the federal government, a state or its political subdivisions, other than the University of Hawaii Bookstores, without the solicitation of quotations. Instances where governmental agency status is unclear should be referred to the OPRPM for resolution.

19. Software License Agreements

Fiscal Administrators are authorized to execute software license agreements within their purchasing authority.

Most terms and conditions in vendor software license agreements are acceptable to the University and their forms can be used to effect a contract. However, Fiscal

Administrators are not legally authorized to agree to contract provisions which require the University to indemnify, defend, or hold harmless contractors or third parties. Fiscal Administrators shall review the terms and conditions of these agreements and may refer those clauses pertaining to indemnification, liability, damages and other questionable areas to the OPRPM for review. Questions on contract provisions pertaining to insurance should be referred to the Office of Risk Management for review. Upon completion of such review, agreements will be returned to the Fiscal Administrator for execution.

20. University of Hawaii Foundation

The University of Hawaii Foundation is a private, non-profit corporation which solicits, accepts, and receives donations to support the University. University programs shall not transfer funds to the Foundation to utilize the Foundation to acquire goods, services and construction. The expenditure of public funds shall be made in accordance with University procedures and applicable laws.

21. University Services

a. Bookstores

University departments and programs may procure goods and services from the University of Hawaii Bookstores.

However, as required under Section A8.250, Small Purchases, competitive quotations need to be solicited for purchases from the Bookstores.

Authority for procurement of books for resale purposes is limited to the Bookstores. When the nature of a program requires issuance of books to students, such books are to be procured through the University of Hawaii Bookstores.

Occasionally, the Bookstores will have promotional sales on certain equipment which are restricted to University faculty, staff and students. Programs shall not purchase such equipment from the Bookstores.

b. Facilities Planning and Management Office (Manoa Campus)

The Facilities Planning and Management Office provides the following services to programs on the Manoa Campus:

- 1) Keys and lock service;
- 2) Repairs and alterations to buildings and grounds;
- 3) Wiring for installation of air conditioning window units;
- 4) Maintenance and janitorial supplies;
- 5) Moving and hauling services on campus; and
- 6) Maintenance of buildings and grounds.

Requests for any of the above goods or services shall be directed to the Facilities Planning and Management Office on FPMO's Online Work Request System.

Purchase orders for these goods and services shall not be issued to commercial vendors unless authorized by the Facilities Planning and Management Office.

The Facilities Planning and Management Office will review purchases, both new and replacement, for carpet and drapery and power requirements for various electrical equipment, including but not limited to computers, research equipment, air conditioning, refrigerators, freezers, stoves, microwave ovens, etc.

c. Auxiliary Services (Manoa Campus)

Auxiliary Services provides and/or manages the following services for programs on the Manoa Campus:

- 1) Parking;
- 2) Transportation Services;
- 3) Duplicating Services;

- 4) Food Services;
- 5) Faculty Housing; and
- 6) Campus Mail.

Requests for the above services shall be directed to Auxiliary Services. Purchase orders for these services shall not be issued to commercial vendors unless authorized by Auxiliary Services.

22. Legal Services

All requests to retain attorneys to provide legal services to the University shall be submitted for review and processing by the Office of the University General Counsel.

23. Performances

a. Occasionally, departments may wish to secure the services of performers, promoters, or performer's agents for the presentation of plays, concerts, recitals, or other performances to be held as part of their program operations. Pursuant to Section A8.220, performances, including entertainment, speeches, and cultural and artistic presentations, are exempt from the requirements of Chapter 103D, HRS, and the standard methods of source selection. Nevertheless, when securing services relating to such performances, departments shall adhere to the guidelines set forth below.

b. Guidelines

- 1) When securing such services where a deposit or prepayment is required, the following procedures shall apply:
 - a) Departments shall obtain prior written approval of their respective Chancellor and the Vice President for Budget and Finance and Chief Financial Officer for approval of the advance deposit or prepayment.
 - b) Total deposits or prepayments under a contract shall not exceed TEN PERCENT (10%)

of the total contract amount or \$25,000 whichever is less. In addition, the contract shall require that in the event of cancellation of the performance, all deposits or prepayments shall be refunded in full to the University upon cancellation.

- 2) When a performer is represented by a promoter or agent and the University contracts with the promoter or agent on behalf of the performer, the contract shall state that payments by the University shall be made only to the party with whom the University enters into the contract.
- 3) The party with whom the University enters into the contract shall also be required to indemnify the University and maintain liability and event cancellation insurance with appropriate coverage limits as determined by the University Office of Risk Management.

The respective Chancellor and the Vice President for Budget and Finance and Chief Financial Officer may waive all or part of this insurance requirement, if necessary, when the activity services the best interest of the University and there is an adequate showing of responsibility by the University department and the contractor.

24. Unusual Purchases

Certain "unusual purchases" could be construed as appropriate purchases, depending on the function of the program and on the circumstances. In any case, the expenditure must conform to standards of propriety and legality. In carrying out this responsibility, the Fiscal Administrator must determine if a particular expenditure is a bona fide business expense of a department's program and whether the expenditure is allowable under existing University policies and procedures. A particular expenditure may be an appropriate charge for one program but an inappropriate charge for another program. Determinations by the Fiscal Administrators should be based largely on the function of the program, as well as on the circumstances surrounding a particular expenditure which would not otherwise be considered a bona fide business

expense. These "unusual purchases" may include but shall not be limited to: recognition awards, certificates, plaques or trophies to students or non-University individuals or groups; printed t-shirts for various programs; nominal incentives to research subjects; perpetual awards to University employees which will be displayed in University facilities; frames for certificates, documents, or pictures for presentation to students or non-University individuals or groups or displays in University facilities; promotional banners; engraved plates for displays in University facilities; promotional items to enhance the image of the various campuses, e.g., imprinted binders, calendars, mugs, pens, pencils, visors, caps, bumper stickers, decals, squeeze bottles, memo holders, letter openers, printed stickers; uniforms for athletic team members and coaches; signs.

The above itemization is not intended to be exhaustive. Purchases and payments for the above described items as well as any other expenditures deemed appropriate by the Fiscal Administrator may be approved by the Fiscal Administrator if the amount is within the Fiscal Administrator's purchasing authority.

For the purchase of protocol items utilizing special, revolving and/or endowment funds, OPRPM Form 136, Purchase of Meals, Refreshments, and Protocol Items with Special, Revolving and/or Endowment Funds (**Attachment 265.4**), should be completed and retained in the procurement file.

Prepared by Office of Procurement and Real Property Management.
This replaces Administrative Procedure No. A8.275 dated
July 2012

A8.275

A8.200 Procurement

November 2012

P 1 of 17

A8.275 Contract Formation and Administration

1. General

Contract formation and administration consists of the preparation of the contractual document and the management of all facets of contracts and purchase orders to assure that the Contractor's total performance is in accordance with its contractual commitments and that the obligations of the University are fulfilled. It includes the monitoring and supervision of contract actions from award of the contract to completion of the work required. It also includes, but is not limited to, the following:

- a. Insuring timely delivery;
- b. Inspection and acceptance of goods and services;
- c. Reconciling of invoices with orders;
- d. Making payment (progress payments for services or construction);
- e. Obtaining Certificates of Compliance, including State and Federal tax clearance before entering into and/or making final payment on contracts for goods, services and construction, when required;
- f. Clarifying contract plans and drawings;
- g. Issuing amendments or contract modifications, if necessary;
- h. Resolving disputes;
- i. Processing claims;

- j. Issuing stop work orders;
- k. Interpreting contract provisions;
- l. Assessing liquidated damages;
- m. Terminating contracts; and
- n. Closing the contract file.

Contract administration requires awareness of the current status of contractual actions throughout the performance period of the contract. The Fiscal Administrator shall remain current on contract progress to insure that necessary remedial action is taken in a timely manner.

Contract formation begins at the time specifications are developed because the clarity and completeness of specifications have significant bearing on the extent of administration required. Inclusion of the proper terms in the contract is perhaps equally important since performance by and relations with the Contractor are largely influenced by them. Therefore, programs are encouraged to begin the procurement process as early as possible by discussing their plans with the Fiscal Administrator and the OPRPM. Early planning of contract requirements will do much to prevent inappropriate awards and inadequate contract provisions.

2. Role of Office of Procurement and Real Property Management

When required, only the OPRPM will take remedial action in accordance with the terms of the contract and information supplied by the program. Actions that may be taken by the OPRPM include:

- a. Issuance of cure letters, contract modifications, stop work orders or suspensions, and show cause letters;
- b. Contract interpretations;
- c. Imposition of liquidated damages;
- d. Termination for default;

- e. Recommendation for legal action;
- f. Suspension and/or debarment of bidders; and
- g. Novation/assignment agreements.

3. Technical Representative of the Procurement Officer (TRPO)

A TRPO may be designated for University of Hawaii procurements for the following purposes:

- a. To address matters within the technical specifications of the procurement solicitation;
- b. To perform a technical evaluation of all quotations, bids, and proposals and to make a recommendation for award;
- c. To evaluate the Contractor's total performance throughout the contract period, and to notify the Director, OPRPM, when such performance is less than satisfactory; and
- d. To certify that goods have been delivered or services have been performed satisfactorily by the Contractor.

It should be noted that a TRPO does not have contracting authority, and therefore care should be exercised by a TRPO in dealing with Contractors in order to avoid a misunderstanding or contractual dispute.

4. Contract

a. Encumbrance of Contracts Beyond the Fiscal Administrator's Purchasing Authority

The requisition and purchase order shall be used:

- 1) to record contract encumbrance transactions; and
- 2) to initiate contract payment processing. Contract renewals also require use of these forms.

The purchase order amend shall be used:

- 1) to liquidate a remaining balance on a completed contract; and
- 2) to record changes in encumbrance data, e.g. account code/object code/ amount; or
- 3) to record applicable changes to contract period and payment terms.

Refer to Kualifinancial System User Guides, which are available at the following website:
<http://www.hawaii.edu/kualifinancial/>

b. Contract Numbering

The OPRPM is responsible for assigning identifying numbers to all contracts beyond the Fiscal Administrator's purchasing authority and other instruments related thereto.

The procurement instrument identification number should be retained unchanged for the life of the particular instrument and shall consist of numeric or alpha-numeric characters, as applicable, with major elements separated by dashes.

An illustration of the numbering system is as follows:

1) Contracts

Number Configuration: C000123

Position 1: = Identification of Alpha prefix
(C) for contracts

Position 2-3: = Identification of FY (00 for FY
2000)

Position 4-7: = Four position Serial Number
(0123)

2) Modification of Contracts

Number Configuration: Modification No. 1, 2, 3,
etc.

c. Distribution

The basic contract and modifications shall be distributed only by the OPRPM as specified below:

- 1) Original copy to the OPRPM
- 2) One copy to each of the following:
 - a) Contractor/Lessor;
 - b) Fiscal Administrator; and
 - c) requiring organization.

(Refer to Attachment 275.1a) Requests for copies of contractual documents, in addition to the above, shall be referred to the OPRPM.

d. Modifications

Contract modifications include administrative changes, supplemental agreements, notices of exercising an option, renewals and notices of termination. Contract modifications beyond the Fiscal Administrator's purchasing authority shall only be issued by the OPRPM. No additional work shall be authorized or additional equipment ordered without the issuance of a contract modification by the OPRPM.

e. Timely Submittal of Contractual Documents

It is University policy not to accept goods or services without a fully executed contract being in place. In furtherance of this policy, requests for payment for goods and services acquired prior to the existence of a valid contract will not be processed.

A fully executed, written contract serves to set forth clearly the duties, responsibilities and expectations of both the contractor and the University with respect to the services to be performed. The failure to have such a contract in place prior to the commencement of services can lead to misunderstanding and confusion between the University and the contractor and may serve to weaken the University's ability to seek legal recourse against the contractor in the event of a dispute regarding the services.

Programs should coordinate with departmental Fiscal Administrators sufficiently in advance of the date when goods or services will be needed in order to ensure the proper completion and execution of necessary contractual documents. Requests to extend or otherwise modify existing contracts for goods or services should similarly be submitted in advance so that fully-executed contract amendments can be in place prior to the commencement of the extension period or other modified requirement taking effect.

In order to assure non-interrupted service to University programs, Deans, Directors and Fiscal Administrators shall submit their requests (memorandum) to the OPRPM for renewal of contracts beyond the Fiscal Administrator's purchasing authority, together with a requisition/purchase order for funding the renewal period, at least thirty (30) days prior to the contract expiration date or, in the case of new services contracts, at least thirty (30) days prior to the beginning of the contract period, unless otherwise notified.

f. Tax Clearance

- 1) Prerequisite tax clearances
 - a) In accordance with Section 103-53, HRS, prior to entering into any contract for goods, services or construction, a tax clearance from the State of Hawaii Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted by the contractor.

- 2) Final payment tax clearances
 - a) In accordance with Section 103-53, HRS, the University shall withhold final payment of a contract for goods, services or construction until the receipt of tax clearances from the DOTAX and the IRS.
 - b) Notwithstanding sections 40-57 and 40-58, HRS, if a contractor fails to provide the requisite tax clearances within six months of the completion date of the contract, the University shall first notify the DOTAX which in turn will notify the IRS, of amounts payable to the contractor on completed contracts. The DOTAX and the IRS shall, within thirty days, request the University to offset the amount of taxes due against any payment due to the contractor until the tax debt is paid in full to the DOTAX or the IRS or both. No final bill or invoice from the contractor shall be required as a condition to the offset. Any remaining contract balance shall revert to the appropriation under which it was encumbered.
 - c) The Disbursing Office will not process final payment for any affected contract unless a tax clearance is submitted.
- 3) Vendors shall provide documentation of tax clearances from DOTAX and the IRS via the Hawaii Compliance Express addresses in Section A8.275 (4) (p) (5).
- 4) Notwithstanding the provisions under sections 40-57 and 40-58, HRS, if a contractor fails to timely file all tax returns and pay all taxes, interest, and penalties due to the State or IRS during the term of a contract, the University shall immediately assign any progress payment due to the contractor, if any (provided such payment

is not subject to any restriction or encumbrance), to the State payable to the DOTAX or to the IRS to the credit of the contractor, whichever the case may be; provided that the DOTAX may first offset its tax debt against the sum owed to the contractor. The University shall assign as many progress payments as necessary to cover the amount of the tax delinquency.

- 5) The above requirements shall not apply to a contractor if the DOTAX certifies that the contractor is in good standing under a plan in which delinquent taxes, interest, and penalties are being paid to the DOTAX (and the IRS, if applicable) in installments.
- 6) Tax clearances under this section shall not be required for:
 - a) Any procurement otherwise covered by Section 103D-310, HRS, as set forth in Section A8.275 (4) (p) herein;
 - b) Any procurement exempt from Chapter 103D, HRS, less than \$25,000;
 - c) Emergency purchases for the procurement of goods, services, or construction under Section A8.260, disaster relief under chapter 127, HRS, or a civil defense emergency under chapter 128, HRS;
 - d) Grants and subsidies disbursed by the University pursuant to chapter 42F, HRS, or in accordance with standards provided by law as required by article VII, section 4, of the State Constitution;
 - e) Contracts or agreements between government agencies;
 - f) Contracts or agreements to disburse funds:
 - (1) To make payments to or on behalf of public officers and employees for

salaries, fringe benefits, professional fees, and reimbursements;

- (2) To satisfy obligations required to be paid by law, including fees, judgments, settlements, and other payments for resolving claims;
 - (3) To make refunds or return funds held by the State or county as trustee, custodian, or bailee;
 - (4) For entitlement programs, including public assistance, unemployment, and workers' compensation programs, established by state or federal law;
 - (5) For deposit, investment, or safekeeping, including sums to pay expenses related to their deposit, investment, or safekeeping;
 - (6) For loans under government-administered loan programs;
 - (7) To make periodic, recurring payments for utility services; and
- g) Rent for the use or occupation of the premises and facilities at Aloha Stadium, the convention center, or any other state or county large spectator events facility;

g. Completion of Contract/Purchase Order Exceeding Departmental Purchasing Authority

The contract completion date specified in the notice to proceed/purchase order shall be strictly adhered to and shall not be allowed to lapse. Follow-up contact with the vendor shall be maintained to assure timely completion of a contract/purchase order. If timely completion of a contract/purchase order cannot be made due to excusable delays, a request for extension of the contract/purchase order completion date shall be submitted to the OPRPM. This request shall include

information and documentation as to the cause of the contractor's delay in performance.

There should be no discrepancy between the completion date specified in the notice to proceed or purchase order and the actual completion date, since extension(s) of the contract/purchase order completion date should have been requested and accomplished by issuance of a modification to the contract or purchase order change.

If no excusable delay exists, the Fiscal Administrator shall provide the OPRPM with information and documentation so that a determination can be made as to whether liquidated damages should be assessed whenever the contractor fails to complete the contract in accordance with the contract/purchase order completion date.

h. Contract Payment Processing

Fiscal Administrators are not authorized to process payment documents:

- 1) When the contract or purchase order is not completed (except where progress payments are specified in the contract) or is completed after the contract completion date;
- 2) For purposes of making an advance payment of any kind, unless approved by the Chancellor and the Vice President for Budget and Finance and Chief Financial Officer, with the exception of advance payments for insurance, airfare, conference fees, subscription services, software license fees and software maintenance. In addition, advance payments for these exceptions are only allowed when advance payment is expressly stated in the contract or purchase order;
- 3) When the University has not received an invoice or other supporting payment document from the contractor. Under no circumstances should Fiscal Administrators create pro forma invoices on

behalf of a contractor to process or expedite payments; or

- 4) When a contractor requests the University to pay a third party except as provided for in A8.275(4) (o) (Assignment of Payment).

i. Closing

The following actions must be taken by the Fiscal Administrator to close a contract/purchase order file when performance is completed and accepted:

- 1) Submittal of Completion Report OPRPM Form 127b (**Attachment 275.1b**) to the OPRPM; and
- 2) Submittal of appropriate supporting documents (e.g., tax clearance, etc.) to the Disbursing Office.

j. Termination for Default

Default termination is the University's exercise of its right to terminate a contract when the Contractor fails to meet all commitments in accordance with the contract specifications and does not remedy any such default within a certain period of time. Any such failure of the Contractor that cannot be resolved by the department shall promptly be reported to the OPRPM by telephone followed by a memorandum detailing the Contractor's delinquencies. The OPRPM will then issue a letter giving the Contractor a reasonable opportunity, usually 30 days after receipt of written notice, to explain the contractor's failure to perform and corrective measures to be taken before any action is taken to effect default termination.

The decision to terminate a contract for default will be made by the Director, OPRPM, only after consideration of, but not limited to, the following:

- 1) The nature and seriousness of the default;
- 2) The availability of other sources to satisfy the requirement;

- 3) The urgency of the procurement; and
- 4) Whether the other available sources would be able to produce the item before the existing contractor can make delivery.

In some instances, default may be justified but not advisable. The contract must then be carefully administered to preserve the right to terminate for default should this action become necessary at a later date.

k. Disputes and Claims

- 1) Disputes usually arise as a result of mistakes, ambiguities, misunderstandings, unauthorized commitments, fraud, nonperformance or delinquencies. Ambiguous specifications can often result in disputes as to what is required in the contract.
- 2) Disputes may be avoided by:
 - a) A clear written understanding of what the contracting parties are required to do;
 - b) Periodic follow-up on progress of the contract requirements and remedy of noted deficiencies;
 - c) Educating personnel of the acquiring program in proper dealings with the Contractor;
 - d) Dealing with reputable firms;
 - e) Directing the Contractor to the OPRPM for the interpretation of contract terms; and
 - f) Timely notification to the OPRPM of any potential problems with the Contractor.
- 3) All contract disputes shall be immediately referred to the OPRPM. Referred disputes shall be resolved as follows:

- a) An informal resolution will be sought through discussions with the Contractor. If not satisfied, the Contractor may file a claim in writing to the Director, OPRPM, for a written decision;
 - b) The Director, OPRPM, shall render a written decision in accordance with Chapter 103D, HRS, and Chapter 3-126, HAR, at <http://www.hawaii.gov/spo/statutes-and-rules/har-for-hrs-103d/har-3-126>; and
 - c) The decision by the Director, OPRPM, shall be final and conclusive unless the Contractor brings an action seeking judicial review of the decision in a circuit court of the State of Hawaii within six (6) months from the date of receipt of the decision.
- 4) If after an award of a contract it is determined that the award is in violation of law, the University may ratify, terminate, or modify the contract as provided in Section 103D-707, HRS.

1. Labor-Management Disputes

When progress is impeded by a labor-management dispute, the Contractor should notify the University. It is incumbent upon the Contractor to keep the University informed of events while the dispute is in effect. Since the University desires to maintain equitable relations with both Labor and Management, it does not take sides in a dispute nor attempt any acts toward mediation. To prevent interruption of work, voluntary agreements may be obtained from both sides. However, prudence must be observed in any such approach.

Delays caused by labor disputes may be excusable under the contract. However, if the Contractor is responsible for delays that are reasonably avoidable, the Contractor will not be excused from performing the contract. It is the responsibility of the Contractor

to document this claim for non-responsibility in any labor-management dispute affecting contract progress.

m. Vendor Evaluation

An effective State and University purchasing program is dependent on dealing with reliable and competent suppliers having stability, high ethical standards and a sense of competitiveness. A vendor's poor performance, while evident to the acquiring program, may be unknown to the OPRPM unless it is advised of the deficiencies. Acquiring programs are encouraged to report a poor performance by a Contractor or to commend a Contractor for superior performance. OPRPM Form 98, Vendor Evaluation (**Attachment 275.2**) may be used for this purpose.

n. Suspension and Debarment

Any action to debar or suspend a person from consideration for award of University contracts shall be processed in accordance with Chapter 103D, HRS, and Chapter 3-126, HAR at <http://www.hawaii.gov/spo/statutes-and-rules/har-for-hrs-103d/har-3-126>.

o. Assignment of Payment

As a general rule, no payment should ever be made to any party other than the contractor to whom the contract or purchase order is issued.

On occasion, a vendor/contractor to whom the University has awarded a purchase order or a contract requests that payment(s) under the specific purchase order or contract be assigned to a third party. Pursuant to section 40-58, HRS, the vendor/contractor may not assign payment(s) for a specific purchase order or contract to a third party unless the assignment is first approved by the Vice President for Budget and Finance/Chief Financial Officer. The University's form for assignment, Assignment of Money by Party to Whom University is Directly Indebted (OPRPM Form 90), (**Attachment 275.3**).

The OPRPM Form 90 including the instructions and explanation for filling the form should be provided to the vendor/contractor wishing to assign payment(s) under a purchase order or contract. Upon completion of the form by the vendor/contractor with the appropriate signature and notarization, the Fiscal Administrator shall submit three (3) copies of the form to the OPRPM for review and transmittal to the Vice President for Budget and Finance/Chief Financial Officer for execution. Following approval by the Vice President for Budget and Finance/Chief Financial Officer, the OPRPM will distribute the three copies to 1) OPRPM, 2) Payee, and 3) Vendor/Contractor. In addition, the OPRPM will provide a copy of the approved OPRPM Form 90 to the Fiscal Administrator and the Disbursing Office. Since the responsibility for fulfilling the purchase order or contract remains with the vendor/contractor, the vendor/contractor name will not be changed.

p. Certificates of Compliance for purposes of Section 103D-310, HRS

- 1) In accordance with Section 103D-310, HRS, upon award of a contract, the offeror shall:
 - a) Comply with all laws governing entities doing business in Hawaii, including chapters 237, 383, 386, 392, and 393, HRS; and
 - b) Be incorporated under Hawaii law or registered to do business in Hawaii with the Department of Commerce and Consumer Affairs.
- 2) For compliance purposes, the offeror shall provide certifications as provided by section 3-122-112, HAR, which is available at <http://www.hawaii.gov/spo/statutes-and-rules/har-for-hrs-103d/har-3-122>. The required certifications are issued by the Hawaii Department of Taxation, the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations, and the Hawaii Department of Commerce and Consumer Affairs.

- 3) A Certificate of Vendor Compliance is required upon award of a contract for any procurement processed under Section A8.235 (competitive sealed bidding), Section A8.240 (competitive sealed proposals), Section A8.245 (professional services), Section A8.255 (sole source), and for procurements of \$2,500 or more awarded pursuant to Section A8.250 (small purchases). A certificate of vendor compliance is not required for the emergency procurement of goods, services, or construction under Section A8.260. However, even if a certificate of vendor compliance is not required for a procurement for purposes of Section 103D-310, HRS (e.g. procurements exempt from the requirements of Chapter 103D, HRS), a tax clearance may still be required for such procurements under Section 103-53, HRS (see section A8.275(f)(4)).
- 4) A certificate of vendor compliance is also required for final payment for all contracts issued under the foregoing procurement sections which are in an amount of \$25,000 or more.
- 5) To meet the above requirements, the State of Hawaii has developed an electronic proof of compliance process, Hawaii Compliance Express, that allows a vendor to obtain the aforementioned certifications by registering on-line at <http://vendors.ehawaii.gov/hce/splash/welcome.html>. Instead of manually applying for the certificates at the separate State agencies, a vendor may electronically register with the Hawaii Compliance Express to obtain a Certificate of Vendor Compliance which is acceptable as proof of compliance with Section 3-122-112, HAR, for both contracting purposes and final payment.

q. Audit of Records

- 1) The University, at reasonable times and places, may audit the books and records of any person who has submitted cost or pricing data similar to those described in Section 103D-312, HRS, to the extent that such books and records relate to such

cost or pricing data. Any person who receives a contract, change order, or contract modification for which cost or pricing data is required, shall maintain such books and records that relate to such cost or pricing data for three years from the date of final payment under the contract, unless another period is otherwise authorized in writing.

- 2) The University shall be entitled to audit the books and records of a contractor or any subcontractor under any negotiated contract or subcontract other than a fixed-price contract to the extent that such books and records relate to the performance of such contract or subcontract. The books and records shall be maintained by the contractor for a period of three years from the date of final payment under the prime contract and by the subcontractor for a period of three years from the date of final payment under the subcontract, unless another period is otherwise authorized in writing.

Action Plan to Address Advisory Task Group Recommendations

Attachment 11

2.1 Facilities Use Agreements

Recommendations	Responsible Party	Action to be taken	Status
<p>1. The University should adopt policies related to the development, execution, and administration of facilities use agreements. The policies, at a minimum, should specify:</p> <ul style="list-style-type: none"> a. When a written contractual agreement is preferable or required; b. When and what due diligence procedures should be performed; c. When legal counsel and other departments should be involved in drafting or reviewing contracts; d. Who has the authority to sign and approve these types of contracts; and e. Who is responsible to oversee and administer contracts 	<p>Campuses with oversight from University System Administration</p> <p><i>Additional assistance to be provided by Office of General Counsel (OGC) and Risk Management</i></p>	<p>Campuses to develop policies and procedures for the development, execution, and administration of facilities use agreements for their campus facilities with oversight from System for consistency between campuses and with other university policies.</p>	<p>In process of coordinating with Chancellors and Vice Chancellors to facilitate development of guidelines and implementation plan for compliance by February 28, 2013.</p> <p>Revisions to <i>Executive Policies E10.201</i> and <i>E10.202</i> and <i>Administrative Procedure A8.215</i> (Attachments 6, 7 and 8) have been implemented relating to facilities use agreements.</p>
<p>2. The University should develop procedures related to the development, execution, and administration of agreements for use of University facilities. The procedures should describe:</p> <ul style="list-style-type: none"> a. The steps necessary to conduct proper due diligence of third parties; b. The guidelines on the use of appropriate fee structures in renting University facilities to ensure the University, at a minimum, is able to cover its expenses related to the event; c. The distribution or routing procedures to 	<p>Campuses with oversight from University System Administration</p> <p><i>Additional assistance to be provided by OGC and Risk Management</i></p>	<p>Campuses to develop policies and procedures for the development, execution, and administration of facilities use agreements for their campus facilities with oversight from System Administration for consistency between campuses and with other university policies. The policies and procedures will include a list of due diligence procedures and guidance on when such procedures should be performed.</p>	<p>In process of coordinating with Chancellors and Vice Chancellors to facilitate development of guidelines and implementation plan for compliance by February 28, 2013.</p>

Action Plan to Address Advisory Task Group Recommendations

Attachment 11

<p>ensure all parties review and approve the agreement;</p> <p>d. The distribution or routing requirements for executed agreements to ensure all affected individuals/departments understand the terms of the agreement;</p> <p>e. The roles and responsibilities with respect to overseeing and administering the executed contract; and</p> <p>f. The guidelines for the preparation of written agreements by the OGC.</p>			
<p>3. The University should develop tools and templates (i.e., checklists) to ensure that all necessary steps are taken to ensure compliance with (1) University facilities use agreement requirements and (2) contract terms and conditions.</p>	<p>Campuses with System Administration oversight</p>	<p>Tools and templates will be developed after the implementation of policies and procedures.</p>	<p>Plan for completion by April 30, 2013.</p>
<p>4. Staff should be provided with the necessary training once the policies procedures, tools, and templates are developed and implemented to ensure roles and responsibilities are clearly understood.</p>	<p>Campuses and System Administration</p>	<p>Develop initial and recurring training plans and curriculums.</p>	<p>We have had a meeting with Fiscal Administrators to review with them the policies and procedures we have changed, developed and implemented to date. We will continue to hold these regularly as and after new policies, procedures, tools and templates are developed and implemented.</p>

Action Plan to Address Advisory Task Group Recommendations

Attachment 11

2.2 Sale of Concert Tickets

Recommendations	Responsible Party	Action to be taken	Status
<p>1. The University should assess whether it will continue to offer ticketing services for non-University and/or non-athletic events, and if so, the University should adopt policies over the printing, sale, and distribution of tickets for non-University and/or non-athletic events. Such ticketing policies should specify:</p> <ul style="list-style-type: none"> a. The circumstances in which ticketing services are allowed for non-University and/or non-athletic events; b. Ticketing services should only be provided pursuant to a written agreement or contract; c. The general terms that are required as part of the agreement; and d. The approvals necessary to print, sell, and distribute event tickets. 	<p>UH Manoa, UH Hilo, Leeward CC, Windward CC, and other campuses which have or use ticketing systems or services, in consultation with System Administration and the OGC</p>	<p>System Administration and the OGC to work with Chancellors and Vice Chancellors to determine and adopt policies over the printing, sale, and distribution of tickets for non-University and/or non-athletic events.</p>	<p>Established <i>Administrative Procedure 48.571</i> (Attachment 4) and <i>Executive Policy 48.110</i> regarding ticket sales for non-athletic competitions.</p> <p>Coordinating and setting-up a meeting with Chancellors and Vice Chancellors to facilitate development of further policies and guidelines deemed necessary by February 28, 2013.</p>
<p>2. The University should develop and implement procedures to ensure that:</p> <ul style="list-style-type: none"> a. The printing and/or sale of tickets for non-University and/or non-athletic events are done pursuant to a written agreement or contract; and b. Necessary authorizations and sign-offs are completed before tickets for non-University organizations are printed and/or sold. 	<p>UH Manoa, UH Hilo, Leeward CC, Windward CC, and other campuses which have or use ticketing systems or services, in consultation with System Administration and the OGC</p>	<p>System Administration and the OGC to work with Chancellors and Vice Chancellors to determine and adopt procedures applicable to the printing, sale, and distribution of tickets for non-University and/or non-athletic events for campuses having such needs.</p>	<p><i>Administrative Procedure 48.571</i> applies to sales of tickets by UH Manoa Athletics for events that are not UH athletic competitions. Applicability to other campuses and events will be addressed and established by February 28, 2013.</p>

Action Plan to Address Advisory Task Group Recommendations

Attachment 11

<p>3. Staff should be provided with the necessary training once the policies and procedures are developed and implemented to ensure roles and responsibilities are clearly understood.</p>	<p>Individual campuses with support from System Financial Management and the OGC</p>	<p>Each individual campus to execute and administer staff training regarding the policies and procedures for the printing and/or sale of tickets for non-University and/or non-athletic events at their campus facilities.</p>	<p>Regular and recurring training sessions to be scheduled and held as and after new policies, procedures, tools and templates are developed and implemented.</p>
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Action Plan to Address Advisory Task Group Recommendations

Attachment 11

2.3 \$200,000 Disbursements to Epic Talent, LLC

Recommendations	Responsible Party	Action to be taken	Status
<p>1. The University should adopt policies that govern receipts and disbursements of moneys held as a custodian for non-University organizations. These policies should, at a minimum:</p> <ul style="list-style-type: none"> a. Require that the receipts and disbursements of moneys held as a custodian for others be done only pursuant to a written agreement or contract. b. Emphasize the University's roles and responsibilities as a custodian; c. Identify the circumstances that require the establishment and use of an agency (custodial) account; d. Specify the approvals required to create an agency (custodial) account; and e. Specify the approvals required to disburse funds from an agency (custodial) account. 	<p>Financial Management Office (FMO), (General Accounting and Loan Collection (GALC), and Treasury) with assistance from Bank of Hawaii</p>	<p>Develop general policies that govern receipts and disbursements of moneys held as a custodian for non-University organizations.</p>	<p><i>Administrative Procedure 48.571</i> addresses moneys held from ticket sales.</p> <p>To address policies for other custodial arrangements, we will commence development meetings beginning in January 2013 with the goal to issue new and revised policies to address custodian and trust/agency account relationships and proper usage by May 31, 2013.</p>
<p>2. The University should develop and implement procedures to ensure that:</p> <ul style="list-style-type: none"> a. The deposits into and disbursement of funds from agency (custodial) accounts for non-University organizations are made pursuant to applicable policies; b. Terms of applicable agreements or contracts are met before funds are disbursed from the agency (custodial) account; and c. Adequate guidelines are provided for disbursements into escrow and trust 	<p>FMO (GALC and Treasury) with assistance from Bank of Hawaii</p>	<p>Develop procedures that govern receipts and disbursements of moneys held as a custodian for non-University organizations.</p>	<p><i>Administrative Procedure 48.571</i> addresses moneys held as custodian from ticket sales. In addition, amendments to <i>Administrative Procedures 48.265</i> and <i>48.275</i> (Attachments 9 and 10) limit and restrict deposits, prepayments and advance payments.</p> <p>To develop additional procedures to address the recommendations we will</p>

Action Plan to Address Advisory Task Group Recommendations

Attachment 11

<p>accounts, where applicable.</p>			<p>commence development meetings beginning in January 2013 with the goal to issue new and revised procedures to address custodian and trust/agency account usage by May 31, 2013.</p>
<p>3. The University should develop or revise any applicable forms that are necessary to:</p> <ul style="list-style-type: none"> a. Create an agency (custodial) account; b. Request a disbursement of non-public funds held in an agency (custodial) account; and c. Process a payment to an escrow or trust account. 	<p>FMO (GALC, Treasury, Bursar) with assistance from Bank of Hawaii</p>	<p>Develop forms, determined to be necessary, for the creation of agency accounts and receipts and disbursements of moneys in agency accounts.</p>	<p>Develop any necessary forms as applicable policies and procedures are being developed.</p>
<p>4. The University should re-evaluate the use of "pro forma" invoices. For example, the University may develop a standard form or memorandum to be completed by the department in the event that an original invoice is not available to support the request for payment. Such forms should be clearly marked as a replacement or facsimile.</p>	<p>FMO</p>	<p>Update to Interim Processing Manual</p>	<p>Communicated to Fiscal Authorities on September 6, 2012 (Attachment 2) emphasizing that "pro forma" invoices are not allowed.</p> <p>Subsequently, updated Interim Processing Manual v2.2 (Attachment 3) posted to KFS website and notice provided via UH listserv providing more specific guidance.</p> <p>In addition, revision to <i>Administrative Procedure 48.275</i> emphasizes that creation of pro forma invoices is prohibited.</p>
<p>5. The University should consider a "dotted line" reporting relationship between all Fiscal Officers and the University System Financial Management</p>	<p>University System Administration, University Office of</p>	<p>Discuss and determine, in coordination with campus administration the appropriate reporting relationships and</p>	<p>While numerous informal "dotted line" relationships exist which have been established through practice and</p>

Action Plan to Address Advisory Task Group Recommendations

Attachment 11

<p>Office in order to consult and seek guidance on fiscal matters, when deemed necessary.</p>	<p>Human Resources (OHR) in coordination with campus administration</p>	<p>the process by which such may be established and documented.</p>	<p>verbal communications, we will consider what the appropriate relationships are and how best to communicate and document them.</p>
<p>6. Ensure all policies and procedures and position descriptions are consistent and in alignment to avoid any conflicting language regarding roles and responsibilities.</p>	<p>FMO and OHR</p>	<p>FMO to work with OHR to consider appropriate and necessary alignment between position descriptions and Executive Policies and Administrative Procedures. To the extent deemed appropriate, develop procedures to attain consistency.</p>	<p>Project to commence in 3rd quarter of this fiscal year with planned completion by end of the fiscal year.</p>
<p>7. Staff should be provided training on the policies and procedures once they are developed and implemented to ensure roles and responsibilities are clearly understood.</p>	<p>FMO along with the campuses</p>	<p>FMO to develop revised training curriculum</p>	<p>Project to commence upon development of policies and procedures and training will begin in the first quarter of next fiscal year (July 2013) and will be ongoing thereafter.</p>

2.4 Ticket Sale Refunds

Recommendations	Responsible Party	Action to be taken	Status
<p>1. The University should develop and implement policies and procedures related to processing ticket sale refunds. The policies and procedures should address the following:</p> <ul style="list-style-type: none"> a. Authority over event cancellations and approval of ticket refunds; b. Communication protocols on event cancellations and ticket refunds; c. The circumstances in which refunds are acceptable or allowed; d. Refunds of various ticket processing fees; and e. How refunds will be processed. 	<p>UH Maroa, UH Hilo, and other campuses with ticketing systems in consultation with OGC and FMO and with oversight from System Administration</p>	<p>Concurrently with the development and establishment of policies and procedures for ticket sales as recommended in Section 2.2 above, develop policies and procedures for ticket sale refunds.</p>	<p>Planned completion date February 28, 2013.</p>
<p>2. Staff should be provided training on the policies and procedures once they are developed and implemented to ensure roles and responsibilities are clearly understood.</p>	<p>Campuses with ticketing systems, with support from FMO and OGC</p>	<p>Each campus with ticketing systems to execute and administer staff training regarding the policies and procedures for ticket sale refunds.</p>	<p>Regular training sessions to be scheduled and held as and after new policies, and procedures are developed and implemented.</p>
<p>3. Since the University Athletics Department provided the funds necessary to cover the refund of ticket sales, it should consider and evaluate whether the total direct costs incurred as identified in Figure 4.0 should be recorded as a receivable from BPE.</p>	<p>UH Athletics, OGC, FMO and System Administration</p>	<p>We will jointly evaluate and consider the actions which will be taken by UH with respect to BPE.</p>	<p>This will be considered as the result of law enforcement and legal actions become clearer.</p>
<p>4. The ticket refund policy should be made available on the University Ticket Office website.</p>	<p>Campuses with ticketing systems</p>	<p>Post refund policy on website.</p>	<p>Upon implementation of ticket sale refund policies and procedures.</p>

Attachment 3

Attachment 3

Response for 16 (A)

FISCAL YEAR 2013			
Position Number	Position Title	Name	Salary
89391	VP Legal Affairs & UGC	Lendio, Darolyn	\$ 223,488.00
89107	Assoc. General Counsel	Ushiroda, Gregg	\$ 12,604.33
89217	Associate Vice President	Vacant (Tsujimura, Ruth)	\$ -
89276	Assoc. General Counsel	Ishikawa, Randall	\$ 106,416.00
89303	Assoc. General Counsel	Matsui, Bruce	\$ 115,584.00
89335	Assoc. General Counsel	Akamine ,Ryan	\$ 116,568.00
89411	Assoc. General Counsel	Chun, Christine	\$ 108,096.00
89439	Assoc. General Counsel	Tamashiro, Christine	\$ 106,416.00
	Support Staff		\$ 183,023.05
	position no's 109651; 12681; 79237; 81396.		

Note: includes projection of currently filled positions to 6/30/2013.
 Currently one (1) vacant AVP General Counsel position and one (1) Legal Clerk position.

Attachment 4

Attachment 4

Response for 16 (B)

FISCAL YEAR 2014			
Position Number	Position Title	Name	Salary as of
89391	VP Legal Affairs & UGC	Lendio, Darolyn	\$ 223,488.00
89217	Associate Vice President	Vacant (Tsujiimura, Ruth)	\$ 143,040.00
89276	Assoc. General Counsel	Ishikawa, Randall	\$ 106,416.00
89303	Assoc. General Counsel	Matsui, Bruce	\$ 115,584.00
89335	Assoc. General Counsel	Akamine ,Ryan	\$ 116,568.00
89411	Assoc. General Counsel	Chun, Christine	\$ 108,096.00
89439	Assoc. General Counsel	Tamashiro, Christine	\$ 106,416.00
	Support Staff		\$ 216,152.00
	position no's 109651; 12681; 26594; 79237; 81396.		

Note: Assumes the filling of one (1) AVP General Counsel position and one (1) Legal Clerk position. Assumes that the temporary salary saving that expires 6/30/2013 is restored as scheduled for HGEA support staff.

Attachment 5

Payments for Legal Services For the Period July 1, 2012 to June 30, 2013		
LAW FIRM	MATTER DESCRIPTION	TOTAL AMOUNT PAID July 1, 2012 to January 23, 2013
Ayabe Chong Nishimoto Sia & Nakamura	Christopher Lu v. UH litigation	\$66,473.68
Fukunaga Matayoshi Hershey Ching & Kop	HIPAA Compliance	\$1,068.06
Goodsill Anderson Quinn Stifel	Kilakila `O Haleakala v. UH litigation	\$261,720.27 *
Goodsill Anderson Quinn Stifel	Kilakila `O Haleakala v. UH 92F matter	\$22,133.49
Goodsill Anderson Quinn Stifel	Henry Chang Wo, Jr. v. BLNR; et al. litigation	\$13,437.50
Knobbe Martens Olson & Bear	Patent Prosecution	\$30,307.38
Knobbe Martens Olson & Bear	Patent Prosecution	\$18,043.45
Kobayashi Sugita Goda	Executive policy revisions	\$790.58
Kobayashi Sugita Goda	Michael D'Andrea v. UH litigation	\$13,940.35 **
Kobayashi Sugita Goda	Judy Daniels v. UH litigation	\$79,537.09 **
Kobayashi Sugita Goda	Shirley Daniel v. UH litigation	\$66,586.84 **
McCorrison Miller Mukai MacKinnon	Renewable Energy Savings Project - UH Community Colleges	\$18,399.62
McCorrison Miller Mukai MacKinnon	Kapi'olani Community College (Hi-Tec Roofing)	\$4,604.24
McCorrison Miller Mukai MacKinnon	Pacific Health Research Laboratory	\$1,819.86
Marr Jones & Wang	Grievance - Staff	\$1,676.84
Marr Jones & Wang	Grievance - Staff	\$16,847.09
Marr Jones & Wang	Grievance - Faculty	\$11,314.81
Marr Jones & Wang	Grievance - Faculty	\$38,235.26
Marr Jones & Wang	Grievance - Faculty	\$3,158.43
Marr Jones & Wang	Litigation	\$3,369.11
O'Connor Playdon & Guben	Beaupre v. Makaulii; et al. litigation	\$6,881.13
Orrick Herrington & Sutcliffe	EB5 Loan Agreement	\$40,000.00
Robbins Meyer Rufo	Charles Boyd v. UH litigation	\$4,358.17
Robbins Meyer Rufo	Grievance Arbitration - Staff	\$19,767.87
Starn O'Toole Marcus & Fisher	Federal law issues (JABSOM)	\$1,420.95
Starn O'Toole Marcus & Fisher	Philippe Gross v. UH litigation	\$14,260.91
Starn O'Toole Marcus & Fisher	Conference alignment	\$12,442.49
Starn O'Toole Marcus & Fisher	Jones v. UH (U.S. Supreme Court)	\$1,667.17
Starn O'Toole Marcus & Fisher	FBI Investigation	\$18,257.69
Starn O'Toole Marcus & Fisher	Personnel Matters	\$14,460.66
Torkildson Katz Moore	Collective Bargaining	\$42,460.08
Torkildson Katz Moore	Grievance Arbitration - Faculty	\$41,813.13
Total		\$891,254.20

* Legal fees paid by federal funds

** Legal fees paid by insurance

***OGC's computer server crashed in early May 2012 and quite a bit of data and information was lost. Our office manually recreated information as best as possible. In addition, the individual at the OGC who was primarily responsible for maintaining these records retired on August 31, 2012. We have been diligently recovering data and have tried to update and accurately report the matters and amounts in this updated table and will continue to verify and update the data.

Attachment 6

Communications at the University of Hawaii

Executive Summary

General Information:

The University of Hawaii System is composed of 10 campuses throughout the state of Hawaii. The UH System staff serves as administrator for the entire system and provides support for the 10 campuses.

Each campus has its own distinct staff, governed by its own Chancellor, serving its specific needs, which vary from campus to campus and community to community.

What are the job duties of a communications program officer?

With regard to communications, each campus has its own communications staff responsible in general for, but not limited to, the following, and divided roughly among these key areas of service:

Communications/Public Relations:

coordinating and executing news media management and relations
supervising coverage of the campus and its activities and issues in media
promoting and publicizing events and activities
responding to media inquiries and requests for information and/or interviews
coordinating special events either on campus or off-campus for university purposes such as graduation, Convocation, awards ceremonies, receptions for visiting dignitaries, hosting of academic conferences and so forth
scheduling still photography and videography services to cover significant university/campus events for documentary purposes
disseminating to media outlets visuals and written accounts (news releases) of important university/campus activities for post-coverage
writing speeches, remarks and other public statements for campus leadership
drafting and finalizing internal communications (emails, letters, memos, etc...) to faculty, staff, students
drafting and finalizing external communications (testimony before the legislature on campus/university programs, projects and requests for funding; notification to stakeholder audiences (community residents, adjacent business, neighborhood boards, etc...)
producing regular print and electronic communications with key constituencies (regular newsletters, e-communications and other ways of informing audiences)
creating, managing and providing content for university/campus website and website pages
composing, finalizing and disseminating emergency communications to students and employees

maintaining social media accounts and providing content and messaging for same
writing op-ed columns, letters to the editor and other public statements on
university/campus issues
liaising with appropriate public safety officials and departments to insure safe
environments for students & staff
serving as emergency contacts and representatives to civil defense meetings and
exercises for public safety
providing immediate timely and accurate notification and warnings in the case of
any danger to students, staff or neighbors
monitoring handling of emergency communications and insuring compliance with
the Clery Act
working with campus/university leadership on accreditation activities including
preparing written materials, arranging for campus visits and inspections as required
by law
processing and approval of requests to film or shoot video on campus
liaising with Office of General Counsel to deliver and approve film permits
interfacing with Athletic Department on media management and public relations
issues and requests (including interviews and speaking engagements with head
coaches, news conferences and announcements, etc...)
licensing the use of logos, brands and trademarked names of the UH system and its
campuses, teams and athletic programs
managing royalties, negotiating contracts, and approving use of said items
coordinating with Athletics Departments and retail outlets on manufacturing,
supply and distribution of licensed materials
responding to public records requests (FOIA/92f) from media and the general
public

Marketing:

devising and implementing marketing strategies, branding and identity messaging
for student recruitment
managing overall marketing/advertising budgets for the campus/university
providing print layout/graphic design services for campus materials (logos for
banners, design for brochures and print collateral, student recruitment materials,
for example)
supervising marketing, advertising and paid messaging activities for the campus
creation, production, and editing of paid advertising for recruitment purposes (tv
commercials, radio spots, print ads)
booking and overseeing the execution of paid advertising related to marketing and
recruitment

Government Relations:

managing government relations activities including monitoring of legislative
proposals during legislative session
tracking the progress of bills and resolutions relating to the university/campus

advising campus/university leadership of status of bills and devising strategies for successful management of government issues
insuring legislative testimony is submitted on time and to the appropriate office for hearings
supervising the preparation, completion and submission of government reports required by law in a timely manner (cite # per year)
maintaining contact with and coordination of communications efforts with other state agencies and the governor's office
attending monthly meetings with state Public Information Officers and the executive branch communications staff
still photography and video services as needed to document and memorialize university/campus activities

Fundraising:

working with the UH Foundation to assist with identifying and developing external sources of funding for university/campus projects and programs
assembling content, visual images and spokespersons to promote specific university/campus programs and projects
writing digests of program/projects suitable for use in fundraising activities

This is a partial list of the responsibilities of the communications departments at each campus and at the system level. There are others that may not be listed, and which are handled as they arise.

How many communications staff are there system wide?

Each campus is technically responsible for its own marketing and communications and these professionals, if the campuses have them, report to their own Chancellors, not to the UH system.

Some campuses (UH Manoa, UH Hilo, UH West Oahu, UH Maui) are large enough to have their own communications staffs and staff size varies from campus to campus and according to campus size.

In the case of the Community Colleges, the schools are not large enough nor do they have a budget to have dedicated Communicators; these duties may be combined with other functions (executive assistant to the chancellor, for instance).

In the case of UH Manoa, however, some schools and programs are large enough and well-funded enough to have their own internal communications staff, separate from that of the UHM Chancellor; as in the case of the medical school, law school, SOEST, CITAHR, Travel Industry Management, Shidler College of Business and so forth. These communicators do everything list above, as it relates to their individual

college, school or program, and their job is to promote that college, school or program.

At the UH System level, we do everything listed above, in service to the system, the President and the Board of Regents. A list of positions at the system level in the External Affairs/University Relations Public Relations department for the last 10 years is attached.

In the case of UH Mānoa Communications, personnel work on external and internal communications and support for the University, with an enrollment of more than 19,000 students per semester pursuing over 230 academic degrees. Areas of jurisdiction include internal campus communications, public information, emergency and security alerts, government relations, web operations, marketing and advertising, community relations and special events, broadcast management, and alumni relations. UH Mānoa Communications provides direct support to the Chancellor and his senior leadership team for campus-wide initiatives. In addition, it assists numerous academic units that do not have designated communications staff. A sampling of these units include the Colleges and Schools of Languages, Linguistics and Literature; Natural Sciences; Nursing and Dental Hygiene; Social Work; Travel Industry Management; and Public Health Study. A few schools and colleges, due to the nature of their programs and recruitment needs, employ personnel who perform some communications duties for a percentage of their work time, such as at the John A. Burns School of Medicine, William S. Richardson School of Law, College of Tropical Agriculture and Human Resources, and Shidler College of Business. A list of UH Mānoa Communications personnel is attached.

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FINAL LIST OF PUBLIC COMMUNITY, LEGISLATIVE, GOVERNMENT, COMMUNICATIONS AND/OR RELATIONS POSITIONS FOR SYSTEM, UH MANOA, UH HILO
 DATAS OF JANUARY 21, 2013

CAMPUS	NAME	POS NO	CAREER GROUP / TITLE	GRADE	SALARY RANGE	% OF TIME IN "RELATIONS" DUTIES	COST 2012-13	COST 2013-14
SYSTEM	WATERS, LYNN TURNER	0089002	ASSOCIATE VICE PRESIDENT	14	\$11,876	100%		
SYSTEM	CHUN, JOYCE M	0013894	SECRETARY IV	SR18	\$3,164-4,870	100%		
SYSTEM	TREPOVITCH, KELLI K	0079632	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
SYSTEM	BONILLA, KRISTEN K C	0080392	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
SYSTEM	LEONG, JOANNE C	0081716	INFO, EVENTS & PUBLICATIONS	PBC	\$4,544-11,524	100%		
SUBTOTAL EXTERNAL AFF & UNIV REL AND PUB AFF & SPEC EVENT								
							433,076	456,856
SYSTEM	MATSUSHIMA, TRACY R	0081373	INFO, EVENTS & PUBLICATIONS	PBA	\$3,057-7,754	100%		
SYSTEM	ONGLEY, JIELA G	0080124	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
SYSTEM	DODD, SHERRIE L	0081284	MEDIA DESIGN & PRODUCTION	PBB	\$3,727-9,452	100%		
SYSTEM	TABUSA, ROWEN S	0081780	MEDIA DESIGN & PRODUCTION	PBB	\$3,727-9,452	100%		
SYSTEM	HAKODA, JOT S	0080251	MEDIA DESIGN & PRODUCTION	PBB	\$3,727-9,452	100%		
SYSTEM	WATSON, CLIFF D II	0080988	MEDIA DESIGN & PRODUCTION	PBB	\$3,727-9,452	100%		
SYSTEM	MEISENZAHL, DANIEL T	0089350	UNIV & COMM RELATIONS PROG OFF	12	\$8,632	100%		
SYSTEM	VAZQUEZ, NORMA	0006345	SECRETARY II	SR14	\$2,702-4,161	100%		
SUBTOTAL MEDIA PRODUCTION								
							472,600	497,384
SYSTEM	WATLAND, ROBERT K	0081706	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
SYSTEM	CHUN, LUMRA L W C	0081168	INSTITUTIONAL SUPPORT	PBB	\$3,727-9,452	100%		
SYSTEM	KIM, STEPHANIE C S	0077927	INSTITUTIONAL SUPPORT	PBC	\$4,544-11,524	100%		
SUBTOTAL GOVERNMENT RELATIONS								
							174,181	183,348
TOTAL EXTERNAL AFF & UNIV REL								
							1,079,757	1,136,688
UH MANOA	KVAL, EMER K JR	0078873	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
UH MANOA	BURDICK, JON ANTHONY	0079487	INFO, EVENTS & PUBLICATIONS	PBA	\$3,057-7,754	100%		
UH MANOA	KLECKNER, DYAN R	0081239	INFO, EVENTS & PUBLICATIONS	PBA	\$3,057-7,754	100%		
UH MANOA	ABIANG, ARLENE C	0077451	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
UH MANOA	ORILLO, DONOVAN, TRACY	0080951	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
UH MANOA	MACDONALD, COLIN G R	0078577	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
UH MANOA	CHANG, DIANE E	0081787	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
UH MANOA	SHIROTA, LISAM I	0078138	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
TOTAL UH MANOA								
							482,499	486,440
UH HILO	ENRIGHT, SUSAN TARA	0078827	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	25%		
UH HILO	HUPP, KENNETH EDWARD	0078587	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
UH HILO	DUDOTT, WALTER TK	0080444	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
UH HILO	KARUGAVA-LEONG, ALYSON	0080805	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
UH HILO	KUSHI, NYSSA C	0077909	INFO, EVENTS & PUBLICATIONS	PBA	\$3,057-7,754	100%		
UH HILO	SAMMAROO, CINDY ANN	0078206	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
UH HILO	PEARLING, YU YOK	0080442	INFO, EVENTS & PUBLICATIONS	PBB	\$3,727-9,452	100%		
UH HILO	LEONG, KELLY W	0080912	ATHLETICS	PBB	\$3,727-9,452	100%		
UH HILO	CHANG, JERRY LESLIE	0089265	DIR OF UNIV RELATIONS (UH)	13	\$10,118	100%		
TOTAL UH HILO								
							528,368	556,170

Assumes that the temporary salary saving that expire 06-30-2013 are restored as scheduled for HGEA support staff.

Attachment 7

PROJECT TITLE	CONTRACT NO	DEPARTMENT	CONTRACTOR	TOTAL CONTRACT AMOUNT	FY 13 PAYMENTS
UH System Production and Statewide Distribution Services for two Hawaii Innovation Initiative Publications (HI2) (01/11/13; 02/06/13)	C130057	VP External Affairs and University Relations	OAHU PUBLICATIONS INC. DBA THE HONOLULU STAR ADVERTISER	\$83,769.60	\$0.00
UH Manoa Television Airtime for Airing of 30-Second TV Spots that will Assist in UH Manoa's Student Recruitment Efforts (08/24/10 - 08/23/12).	C110004	Manoa Chancellor's Office	KHNL TV; KGMB TV	\$242,230.32	\$26,858.64
UH West Oahu Monthly web/mobile advertising including all production, revisions and reporting (12 months), on-air advertising package of 14 (30 second) TV spots, effective March 2012.	P562359	UH West Oahu	KGMB	\$25,654.44	\$17,801.04
UH Hilo					
UH Community Colleges In-theatre advertising spots in the Regal Theatres for UH Community College Marketing Campaign (09/09/11-09/08/12). In-theatre advertising spots in the Consolidated Theatres for UH Community College Marketing Campaign (09/23/11-09/22/12). TV Advertising Package for UH Community Colleges (01/01/12-12/31/12). TV Advertising Package for UH Community Colleges (01/01/12-12/31/12). TV Advertising Package for UH Community Colleges (01/01/12-12/31/12).	P540462 P540465 P565135 P565138 P565139	VP Community Colleges VP Community Colleges VP Community Colleges VP Community Colleges VP Community Colleges	NATIONAL CINEMEDIA SCREENVISION DIRECT INC KGMB KITV4 KHON2	\$30,930.00 \$32,898.00 \$35,811.50 \$40,209.41 \$41,654.43	\$5,113.30 \$7,488.00 \$17,277.48 \$16,376.94 \$28,188.45

GEAR UP PROJECT

Communications Information

(funded by federal and private grant money exclusively)

Please provide for your campus (or program):

1. Cost of staffing the public relations departments of your campus of the university system for the 2012-2013 fiscal year.

\$56,000 (funded entirely by federal and private grants)

2. Projected cost of staffing the public relations departments of your campus of the university system for the 2013-2014 fiscal year.

Same (funded entirely by federal and private grants)

3. Amount, if any, your campus has spent to procure outside public relations services for the 2012-2013 fiscal year, including any public relations services procured through RCUH.

None

4. Projected cost to the university or your campus to procure outside public relations services for the 2013-2014 fiscal year, including any public relations services procured through RCUH.

\$2,500 for the 55by25 campaign (funded by private grants)

5. A detailed breakdown of all costs related to public relations and communications costs systemwide and by campus, including:

a. Amounts budgeted for public relations including any ongoing contracts with public relations firms;

\$2,500 for the 55by25 campaign (funded by private grants)

b. Overall costs for media including print, radio, television and web services for your campus

GEAR UP/Take Charge of Your Future Advertising Media Buys:
Radio: \$137,750 (funded by federal grants)

55 by 25 Advertising Media Buy:
Radio \$25,000 (funded by private grants)

c. System wide and/or each campus' policy with respect to each entity's goals and objectives in the planning and procurement of public relations and communications services, if applicable to your campus or unit

N/A

University of Hawai'i
Hawai'i Graduation Initiative's 15 to Finish Promotional Campaign

<u>Date</u>	<u>Vendor</u>	<u>Item</u>	<u>Cost</u>
2/29/12	Kai Media & Marketing	Marketing services (incl media planning/negotiation, video production company subcontract, web design company, brochure/ad design company and PR consultant).	\$37,172.76
3/6/12	Pink Plum	15 to Finish logo design	\$418.85
3/12/12	Go Daddy	Domain reg: 15tofinish.com	\$128.70
5/16/12	Go Daddy	Domain reg: fifteentofinish.com	\$149.70
5/17/12	Honolulu CC Print Shop	15 to Finish brochure, 7500 copies	\$2,400.00
5/14/12	Ka Leo O Hawai'i	Advertising - campus newspapers (summer 2012)	\$3,712.50
5/24/12	Kong Radio Group	Advertising, Kaua'i - radio	\$2,656.23
5/24/12	New West Broadcasting	Advertising, Hawai'i - radio	\$2,549.98
5/24/12	Pacific Radio Group	Advertising, Maui - radio	\$4,395.81
5/24/12	KAOI Radio Group	Advertising, Maui - radio	\$3,560.21
5/24/12	H Hawai'i Media	Advertising, Kaua'i - radio	\$2,670.16
5/24/12	'Ohana Broadcasting	Advertising, O'ahu - radio	\$8,317.54
5/24/12	Pacific Radio Group	Advertising, Hawai'i - radio	\$2,613.58
5/24/12	Oceanic Time Warner	Advertising - TV	\$15,144.24
5/30/12	Cox Radio	Advertising, O'ahu - radio	\$9,121.20
5/30/12	KHON2	Advertising - TV	\$7,609.94
6/6/12	Honolulu CC Print Shop	15 to Finish brochure, 5000 copies	\$1,600.00
10/3/12	Honolulu CC Print Shop	15 to Finish brochure, 3000 copies	\$960.00
10/16/12	Ka Leo O Hawai'i	Advertising - campus newspapers (fall 2012)	\$5,000.00
			\$110,181.40

Start-up costs

Summer 2012 campaign

Total: \$58,639 TV/radio
648 TV; 3,081 radio spots
Received nearly \$150k in air time
value through negotiated PSA spots.

Fall 2012 campaign

Notes:

General funds were used except for \$2400 in brochure printing costs (5/17/2012) paid with private funds through Hawai'i P-20.
Solicited external media and received additional free coverage (two TV interviews, two magazine articles, and one radio interview).

**University of Hawai'i at Hilo External Public Relations & Marketing Expenditures
2012-2013**

Office of Mauna Kea Management contracts with Current Event based in Kona for public relations outreach-**\$76,000**

Office of Admission works with UH Hilo Graphics and external vendors to produce public relations and marketing materials for recruitment activities-**\$10,801 (paid by admissions application fees)**

Intercollegiate Athletics purchases newspaper ad, radio ad and banners to promote athletic events-**\$19,000**

Performing Arts Department purchases radio ad to promote performing arts events-**\$8,767**

University Relations-purchases print and media ads, media monitoring services-**\$80,985**

Beacon Grant (RCUH) contracted with Olomana Marketing LLC on O'ahu for on-going public relations, marketing, mass communications, web development and web master services-**\$395,879**

General funded expenditures:	\$195,553
Grant funded expenditures:	\$395,879

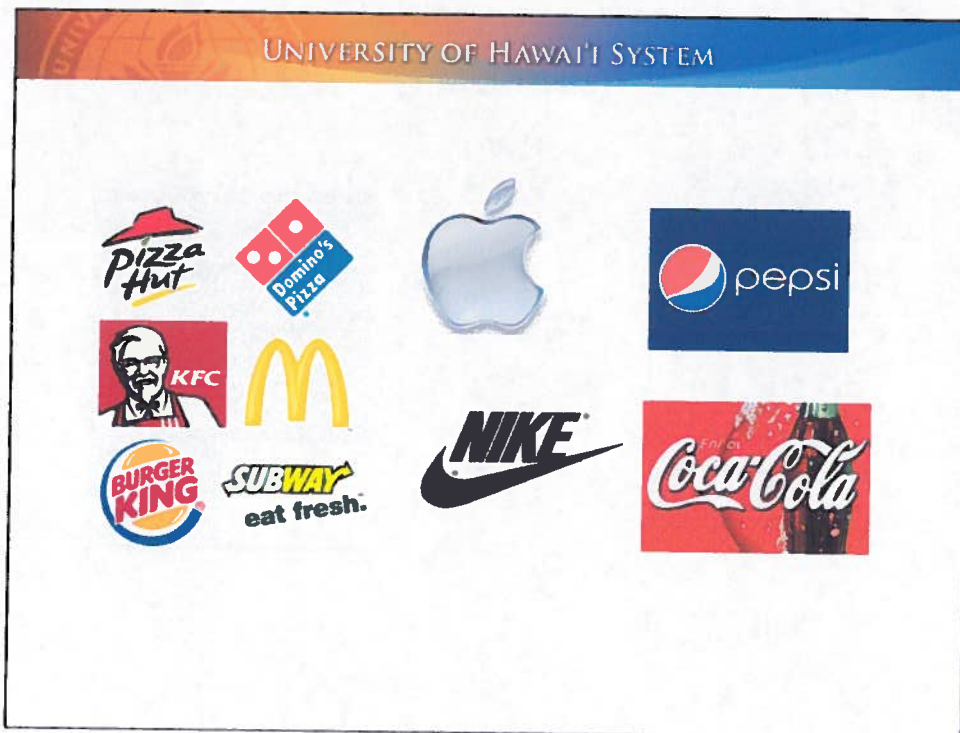
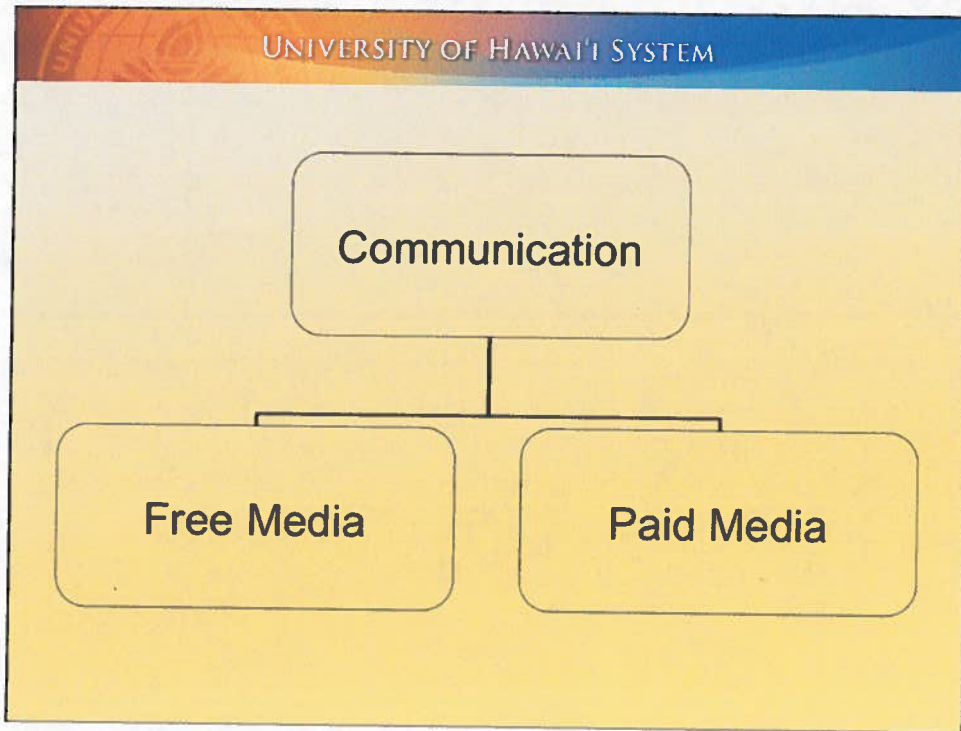
Attachment 8

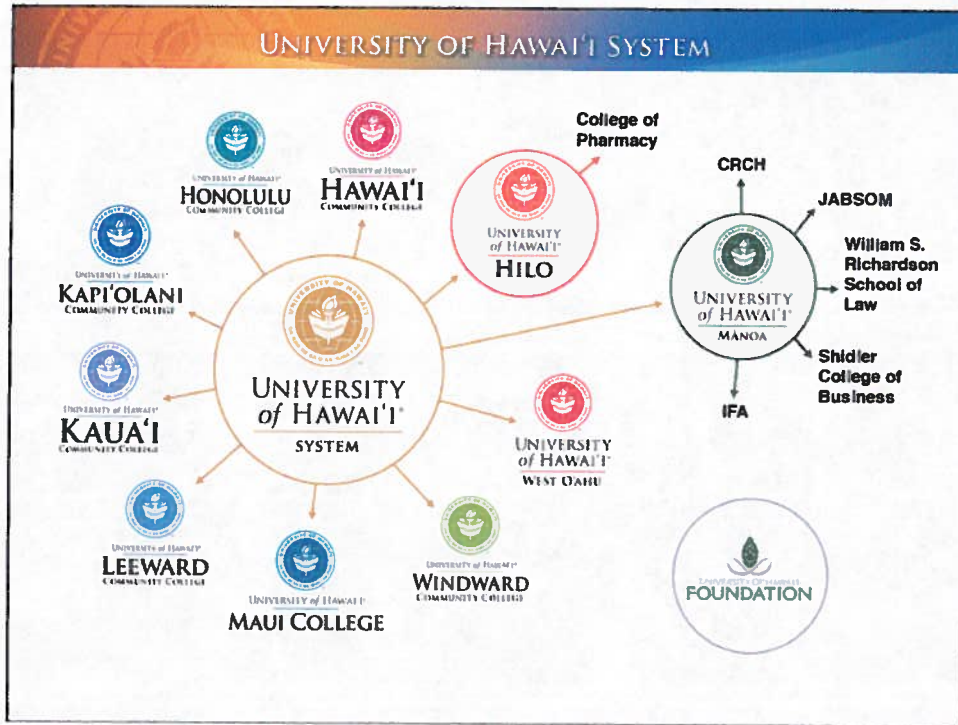
UNIVERSITY OF HAWAII SYSTEM

**Communications
at the
University of Hawai'i System**

UNIVERSITY OF HAWAII SYSTEM

**“To be a consistent and
compelling voice for the
university in order to build
support for the UH System and
convey its importance to the
state and global community.”**

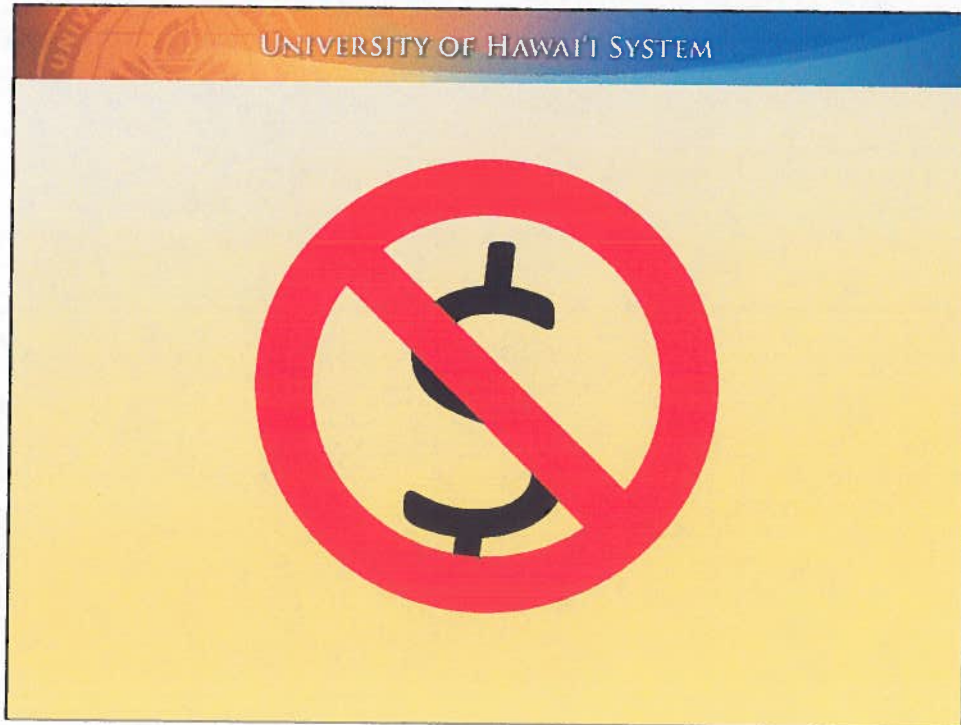




UNIVERSITY OF HAWAII SYSTEM

Campus level:


- Communications Director (or Division)
- Marketing budget
- Website/homepage and branch pages
- Social media presence



-
- The image shows a slide from the University of Hawai'i System. At the top, there is a blue header with the text "UNIVERSITY OF HAWAII SYSTEM" in white. Below the header is a large yellow area containing a list of five bullet points. The text is in black and reads:
- No video capability
 - Too print-oriented
 - Passive in media relations
 - Media strategy weak
 - No coordinated messaging

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Strategies: Shed outdated functions



- 600 print pieces a year for 400 clients
- Redescribe staff positions and functions

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Strategies:

Morph “Malamalama” to entirely on-line
<http://www.hawaii.edu/malamalama/>

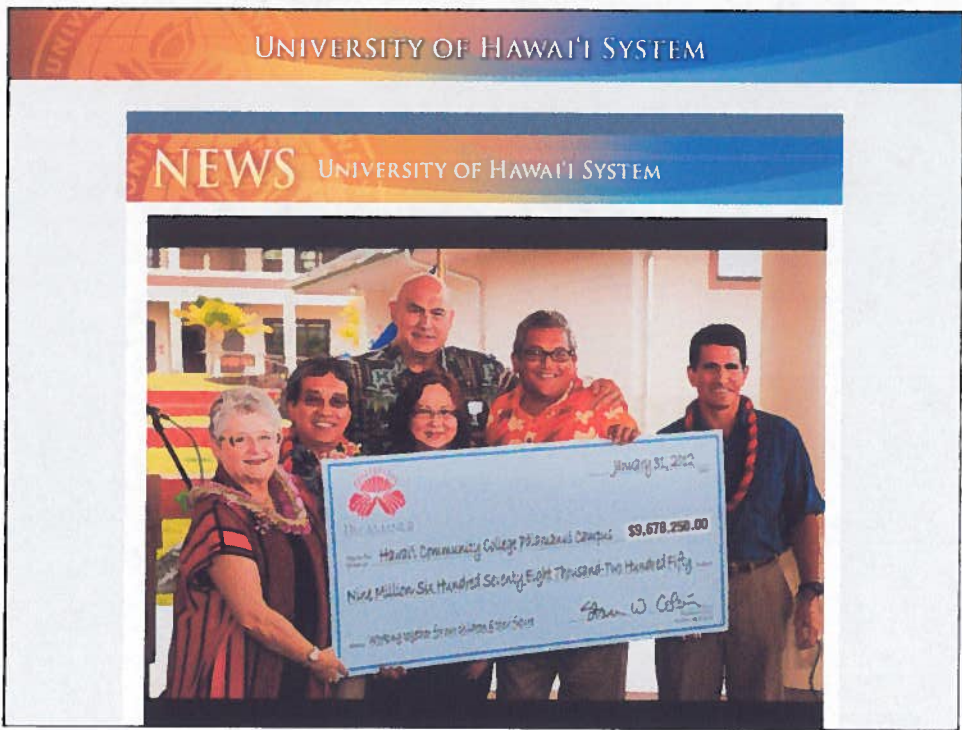
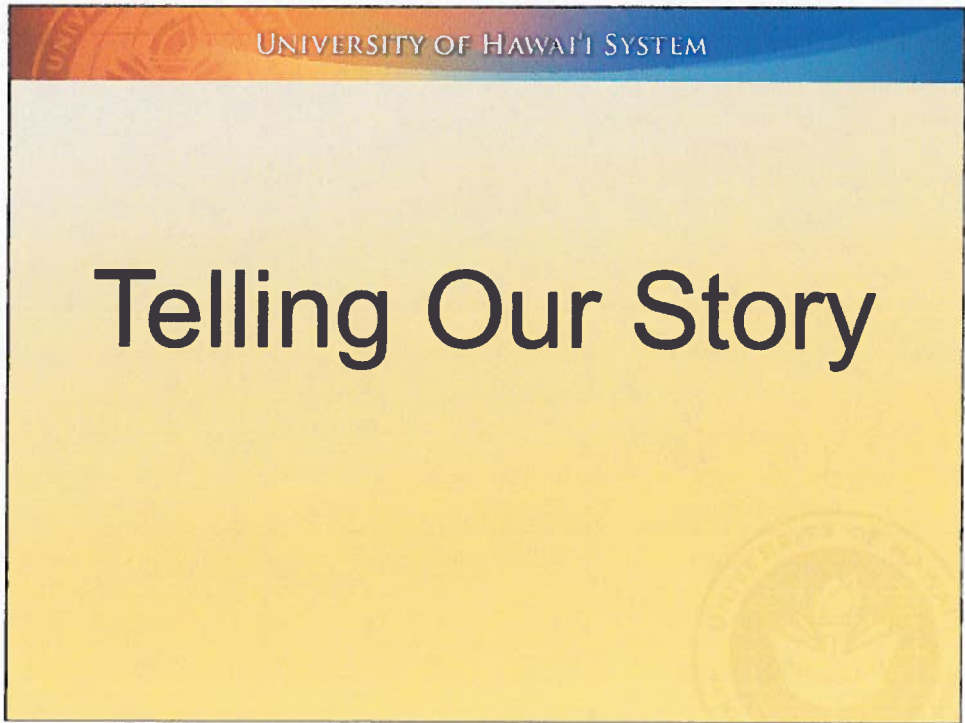
- Saving in print and mail costs
- Incorporate use of video

Strategies: Develop video capability

- Shoot, edit, produce and distribute video offerings

Strategies: Expand on-line presence/products

- President's blog: <http://blog.hawaii.edu/president/>
Back to School message: <http://vimeo.com/28030508>
UH Newsroom on-line: <http://www.hawaii.edu/news/>
Improve website – ongoing: <http://www.hawaii.edu/>



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NEWS UNIVERSITY OF HAWAII SYSTEM

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Palamanui group contributes \$9.68 million for Kona campus

January 29, 2012 | David Smith | 0 Comments



is a significant step forward for the planned new **Community College Palamanui campus**. University of Hawaii's special initiative is a commercial effort to get its online **Palamanui LLC** to begin construction on the last phase of the building.

Hawaii Community College Palamanui has been in the development stage for eight years and will be the first permanent physical facility for the UH System on the west side of the island of Hawaii.

The total contribution of more than \$9.2 million was dedicated to the university by **Palamanui LLC**, a partnership between **Hurt Companies** and **Charles P. Bernick**. An additional \$4.4 million has been passed in equity and will be released to the university upon completion of the physical need surrounding **Hawaii Palamanui** to the new campus, which the university is building and expects to operate in April.

University of Hawaii's Board of Regents Vice Chair **James H. Lee** and University of Hawaii's President **W. Lee** announced the signed photo during a ceremony in Kona. Joining them were **Hurt Companies' President** **Debrah Pappas** **Steve Carter** representing **Palamanui LLC** and **Hawaii's Charles Wilson** **Willy** **Willy**.

Related stories

- Board approves new five-year budget reduction
- APEC hopes Hawaii remains stage

Browse Categories

- Academic News
- Community
- Emerging
- Faculty/Staff
- Conferences
- People
- Research
- UH in the News

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TV News

KGMB-9

10PM NEWS

TUE 1/31/2012

Challenges:

- Change how we do business to a 21st century model
- Utilize today's tools
- Reactive vs. Proactive media relations
- Respond to problems but also "Tell our story"

2011

- Public Relations/Special Events
- Creative Services/Licensing
- Government Relations

2012

- Public Relations/Special Events
- Media Production/Licensing/Social Media
- Government Relations

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“Achieving the Dream” Media Campaign

- Radio spots 
- News releases
- Interviews and appearances

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“Financial Aid Workshops” campaign

- Partnering with OHA/Gear Up/NHEA/Pacific Financial Aid Association
- Print Ads





SCHOLARSHIP AHA 2011-2012

Need help finding financial aid to pay for college? Attend any one of the upcoming workshops on scholarships available to Native Hawaiians. Here's the schedule:


- Dec. 6, 2011; 6 to 8:30 pm Waiānae Comprehensive Health Center (Dining Pavilion)* Oahu
- Dec. 7, 2011; 6 to 8:30 pm Windward Community College (Hale Akaohoa)* Oahu
- Dec. 13, 2011; 6 to 8:30 pm Hale Kaula (DHL Office)* Oahu
- Dec. 14, 2011; 5:30 pm to 8:30 pm (Kafana "Ulu")* Molokai
- Dec. 14, 2011; 5:30 pm to 8:30 pm Maui College (Pine Building)* Maui
- Dec. 15, 2011; 5:30 pm to 8:30 pm UH Hilo (Dining Hall)* Big Island
- Dec. 20, 2011; 5:30 pm to 8:30 pm Kealahou High School (Cafeteria)* Big Island
- Jan. 12, 2012; 5:30 pm to 8:30 pm Kahuku High School (Cafeteria)* Oahu
- Jan. 17, 2012; 5:30 pm to 8:30 pm Ka Ho'ouina Na Kōhā (Community Center)* Oahu
- Jan. 18, 2011; 5:30 pm to 8:30 pm Kaula Community College (Dining Room)* Kauai
- Jan. 19, 2012; 5:30 pm to 8:30 pm Lanai School (Cafeteria)* Lanai
- Jan. 25, 2012; 5:30 pm to 8:30 pm Hana School (Cafeteria)* Maui

Hosted by the Office of
Financial Aid
University of Hawaii
Hilo, Kaneohe
Education Resources
Center (UH Hilo) and
Pacific Financial Aid
Association

For more
information,
call
(800) 594-1811

“Financial Aid Workshops” Campaign

- Radio spots 
- News releases
- Interviews and appearances
- Station website buttons/banners

2,209,000 messages

Daily: 36,800 listeners

“University of Hawai‘i”
“Financial Aid/Scholarships”
“Free workshops”

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Native Hawaiian Scholarship 'Aha
Attendance Estimates

	This Year	Last Year	% Increase
Waianae	120	Not Held	NA
Windward	400	300	33%
Maui	300	120	150%
Kapolei	150	100	50%
Hilo	150	65	130%
Kona	40	30	33%
Honolulu	250	Not Held	NA
Kahuku	200	Not Held	NA
Hana	30	10	200%
Kauai	150	30	400%
Lanai	50	20	150%
Molokai	150	100	50%
Waimanalo	150	125	20%
Total	2140	615	250%

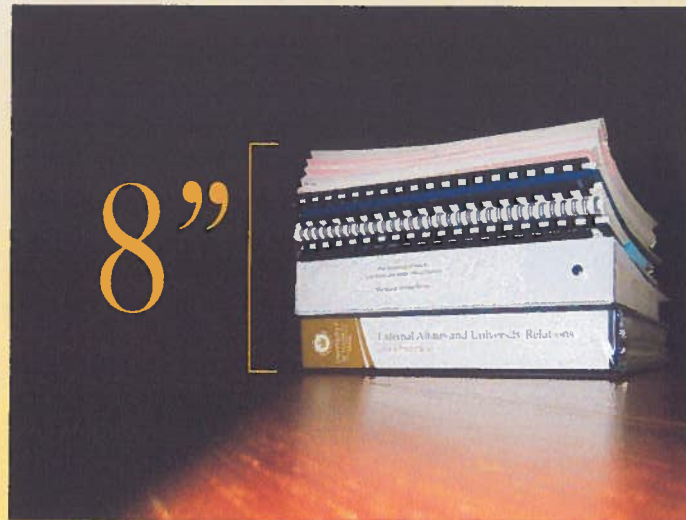
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Coming soon to a theater near you!

- UH videos on cable tv?
- Regular half-hour cable program?
- UH shows on commercial tv?
- Hiki No – college version?

Good crisis communications: “We are prepared”

- Identify the issue
- Articulate the messaging
- Compose the response
- Disseminate with discipline and control



“Effective communication is almost invisible. If you do it well, consistently and with integrity, the general consensus will be that you are a good organization.”

“Good relationships with media and the general public are built over time, through diligent, honest, timely responses to media inquiries and a reputation for transparency.”

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Sample
Paid
Messaging 