

**HONOLULU POLICE DEPARTMENT**  
**POLICY**  
**ORGANIZATION, MANAGEMENT, AND ADMINISTRATION**

**May 27, 2016**

**Policy Number 2.34**

**PURCHASING RULES**

**POLICY**

In accordance with the Department of Budget and Fiscal Services' (BFS) policy, elements shall follow standard procedures outlined in this directive in making purchases. All requests must be approved prior to purchase.

**PROCEDURE**

I. **DEFINITIONS**

- A. **C<sup>2</sup>HERPS**: The City and County of Honolulu Enterprise Resource Planning System.
- B. **Division-Level Element Commander**: A major or anyone of lower rank who heads an element and is directly subordinate to an assistant chief or higher.
- C. **E-Form**: An electronic form that reduces manual, paper-based processes by capturing, routing, and tracking information electronically.
- D. **ENERGY STAR<sup>®</sup>**: A program established by the United States Environmental Protection Agency and the United States Department of Energy to identify and promote energy-efficient products that will reduce energy consumption and pollution thus reducing greenhouse gas emissions. The program identifies products and distributes information for products that meet the highest energy conservation standards.
- E. **Initiator**: The employee who initiates the e-form request.

- F. Life-Cycle Analysis: A comprehensive examination of a product's environmental and economic aspects and potential impacts throughout its lifetime, including raw material extraction, transportation, manufacturing, use, and disposal.
- G. Special Request Purchase: A purchase request for an item that requires additional review and approval by an assistant chief or higher (e.g., computer equipment, uniforms and equipment, food, beverages, and lei).

## II. GUIDELINES

- A. When available, personnel shall purchase only ENERGY STAR® products and other energy-efficient products when procuring energy-using products.

### 1. Purchasing Energy-Efficient Products

- a. For product groups where ENERGY STAR® labels are not yet available, the products should be in the upper 25 percent of energy efficiency, as designated by the Federal Energy Management Program, Office of Energy Efficiency and Renewable Energy, United States Department of Energy.
- b. Products shall meet or exceed ENERGY STAR® criteria for energy efficiency. This applies to:
  - (1) Equipment that uses electricity, natural gas, or fuel oil;
  - (2) Products that indirectly impact energy use (e.g., windows, doors, or skylights);

- (3) Examples of ENERGY STAR® products include the following:
  - (a) Air conditioners;
  - (b) Compact fluorescent bulbs;
  - (c) Computers and monitors;
  - (d) Copiers, printers, and scanners;
  - (e) Digital video disc and videocassette recorders and players; and
  - (f) Vending machines and water coolers.
- c. Personnel shall incorporate energy-efficient criteria into the contract language and purchase requests (e.g., "The vendor shall provide products that have the ENERGY STAR® rating and meet energy specifications for energy efficiency.").
- d. Personnel shall attach a life-cycle analysis or a detailed explanation to the purchase request, confirming purchase order, or equipment report when purchasing products that are not energy-efficient or ENERGY STAR® rated.

2. References

- a. BFS' Policies and Procedures Manual, City and County of Honolulu.
- b. City Council Resolution No. 99-225, C.D.1.

- B. To make a purchase, the initiator shall prepare a Purchase Request e-form that can be accessed from the city's intranet electronic forms Web site (<http://eforms2/>). Before initiating an e-form request, the employee shall determine if the item is available for purchase on a city contract master agreement/price list. Master agreement/price list items can be accessed for review utilizing the Universal Requestor on the C<sup>2</sup>HERPS Financial Production System reference Web site (<http://c2herps/erp/>).

Complete the e-form by entering the required information in the appropriate blocks.

1. Describe the purchase. List the type and quantity, price schedule and/or item number, unit cost and total cost for each item, and total cost for the request. Also, justify why you need the purchase.
2. Obtain price quotes from three vendors for purchase requests in excess of \$250. List the vendor, person contacted, telephone number, and total cost of the quote (refer to section IV below for vendor requirements). If a purchase request is \$2,500 or more, there must be three written quotes (facsimile is acceptable) displaying the trademarks/logos/letterheads of the companies that provided the quotes. The written quotes shall be submitted as an electronic attachment to the e-form request.

Requests not on a master agreement/price schedule of \$5,000 or more or \$3,000 or more when using grant funds require forms BFS-10 and BFS-10A.

Contact the Finance Division if the purchase involves foreign vendors as additional taxes and requirements may apply.

Exceptions:

- a. Master agreement/price schedule items.
  - b. For any item(s) where there is only one vendor, a Notice and Request for Sole Source, BFS-01 form, must be completed with the appropriate justification. Upon approval of the BFS-01 form, an e-form shall be forwarded to the Finance Division. A copy of the approved BFS-01 form shall also be submitted as an electronic attachment to the e-form.
  - c. For requests of \$5,000 or more that are covered by Title 2, Procurement Exemption, Hawaii Administrative Rules, a Notice of and Request for Exemption from Chapter 103D, HRS, BFS-07 form, must be completed with the appropriate justification.
  - d. The Chief of Police or designee may authorize the commander of the Finance Division to procure goods and services under \$5,000 without competitive bidding.
3. Provide the element name and address for delivery.
  4. Justify the purchase request and provide relevant information for consideration.
  5. Forward the e-form request to the element commander who shall review and approve/disapprove the request. Upon approval, the element commander shall forward the request to the appropriate e-mail recipient (select from the HPD Fiscal Mailbox menu). Personnel in temporary assignments with the authority to approve requests shall indicate their status in the "Comments" section of the e-form.
  6. Purchase requests of \$2,500 or more require proof of vendor compliance as described in section IV below.

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- C. If all reviewers concur with the request, the Finance Division shall determine the completeness of the request and the availability of funds and make the decision on the request accordingly.
  
- D. Approval of Purchase
  - 1. Approval shall be indicated on the e-form by the commander of the Finance Division or designee.
  - 2. Changes, such as suggested vendor, shall be noted by the Finance Division.
  - 3. The approved e-form shall designate the method of purchase of the item or service. For example:
    - a. Petty cash;
    - b. Purchase authorization number. Unless noted otherwise, the initiator shall conduct the transaction to purchase the item(s). A C<sup>2</sup>HERPS Small Purchase Order (SP) document may need to be initiated (refer to section E below);
    - c. Voucher;
    - d. Requisition. When a purchase request is for an amount of \$5,000 or more or \$3,000 or more when using grant funds, and not on a master agreement/price schedule, the item or service will be ordered by the Division of Purchasing, BFS. A C<sup>2</sup>HERPS Standard Requisition (RQS) document is required to be initiated; or
    - e. City corporate credit card, purchasing card, or pCard. The pCard authorization number shall be notated and referenced on the vendor's invoice.

E. Approved E-Forms With a Purchase Authorization Number

1. Purchase requests with an authorization number starting with the letter "B" require a C<sup>2</sup>HERPS entry before placing an order with the vendor.
  - a. The "B" number, element, contact name, and contact number should be entered in the "Document Name" box.
  - b. A copy of the approved e-form with a purchase authorization number shall be scanned and attached to the appropriate C<sup>2</sup>HERPS document.
2. The C<sup>2</sup>HERPS document number (e.g., Delivery Order [DO], SP, RQS, etc.) shall be:
  - a. Written on all invoices and packing slips related to the purchase request; and
  - b. Used when dealing with vendors.

F. Disapproval of Purchase

1. Disapproval shall be indicated on the e-form by the commander of the Finance Division or designee.
2. An explanation for the disapproval shall be given in the "Comments" section of the e-form.

G. Special Request Purchase

1. The division-level element commander shall forward the e-form request to his or her superior for additional review.
2. The assistant chief or higher who reviews the request shall approve or disapprove the e-form. Approved requests shall be forwarded to the Finance Division.
3. Requests for food, beverages, and flower lei require the approval of the department head.

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- 4. The Finance Division shall determine the completeness of the request and the availability of funds and approve or disapprove the request based on these and other relevant considerations.

- H. Emergency purchases may be made upon verbal approval by the commander of the Finance Division or designee, but the e-form must be prepared. Receipt of verbal approval, the date, from whom, and the purchase authorization number shall be entered in the section of the e-form labeled "Reason why three (3) quotes not obtained." A C<sup>2</sup>HERPS entry may be required.

For emergency purchases of \$5,000 or more, an Emergency Procurement Request, BFS-02 form, must be completed with the appropriate justification. Upon approval of the BFS-02 form, an e-form shall be forwarded to the Finance Division. A copy of the approved BFS-02 form shall also be submitted as an electronic attachment to the e-form.

III. VENDOR TAXPAYER IDENTIFICATION NUMBER

The suggested vendor shall have a valid Taxpayer Identification Number (TIN) and an Internal Revenue Service Request For Taxpayer Identification Number and Certification (W-9) form on file with the city.

- A. If an item was previously purchased from the suggested vendor, the vendor's TIN should already be on file with the city.

If the initiator of the purchase request is unsure if the vendor's information is on file, the initiator shall contact the element's respective senior account clerk in the Finance Division for assistance.

- B. If the vendor's TIN is not on file with the city, the initiator of the purchase request shall obtain the TIN by having the vendor complete a W-9 form.

- 1. The completed W-9 form shall be submitted as an attachment to the Purchase Request e-form.



- 2. If the vendor is unable to provide a W-9 form, another vendor who is capable of providing a W-9 form shall be selected.

IV. VENDOR COMPLIANCE REQUIREMENTS

- A. Prior to the execution of a Purchase Order and/or contract for purchases of \$2,500 or more, vendors are responsible for providing proof of compliance to applicable laws. A compliant status for vendors is required in the following categories:
  - 1. Hawaii Department of Taxation;
  - 2. Internal Revenue Service;
  - 3. Hawaii Department of Commerce and Consumer Affairs; and
  - 4. Hawaii Department of Labor and Industrial Relations.
- B. The initiator shall attach a copy of the compliance certificate dated no more than 60 days prior as an electronic attachment to the purchase request. The awarded vendor must be in compliant status at the time of purchase or execution of contract.

V. PROBLEM AREAS

Any problems encountered should be brought to the attention of the commander of the Finance Division.



SUSAN BALLARD  
Chief of Police

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Post on bulletin board for one week

Policy first issued  
May 10, 2001