



11 FEB -9 A10:35

STATE PROCUREMENT OFFICE
EMERGENCY PROCUREMENT REQUEST

1. TO: Chief Procurement Officer
2. FROM: Department of Human Services/Hawaii Public Housing Authority

Department/Division/Agency

Pursuant to §103D-307, HRS, and Subchapter 10, Chapter 3-122, HAR, the Department requests approval for the following:

3. Date 2/8/2011	4. After the fact <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
5. Nature of the Emergency See attached description .	

6. Vendor: The Gas Company Address: P.O. Box 3000 Honolulu, Hawaii 96802	7. Price: <i>See attached</i>
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8. Description of goods, services, or construction to be purchased
Purchase and installation of up to 41 instantaneous gas water heater systems to include: 1) upgrade to existing check meter to accommodate added gas load; 2) purchase of up to 41 gas tankless water heating systems; 3) extend and install low pressure gas piping to gas heater on building roof; and 4) install and connect electrical power to gas water heaters.

9. Reason for Vendor Selection
See attached reason for selection of The Gas Company.

10. Direct questions to: Rick Sogawa Phone: 832-6038

11. I certify that the information provided above is to the best of my knowledge, true and correct.

 _____ Date 2/8/2011
Department Head

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12. Chief Procurement Officer's comments:
Request is disapproved as it does not meet the requirements for an emergency procurement, and is not an appropriate use of the emergency procurement provision. We understand the HPHA has long been aware of the solar panels/tanks deteriorated condition requiring repair/replacement. Emergency procurements are to address unanticipated serious situations that require immediate action by a governmental agency that may affect the health and safety of the general public. This situation is a consequence of poor management and lack of proper timely response which resulted in the current situation. The emergency procurement process is not to be used to rectify a situation that was preventable and caused by poor management.
The HPHA should properly manage these types of maintenance/service requirements and competitively solicit for such services on a timely basis, and not rely on emergency procurement provisions. To immediately address this situation, the SPO is willing to consider a request for exemption (SPO-007), which should include adequate justification to substantiate and justify why it is not practicable, nor advantageous to competitively solicit your requirements.

APPROVED DISAPPROVED NO ACTION REQUIRED
 _____ Date 2/9/2011
Chief Procurement Officer

14. E.P.No. 11-016-R

Attachment SPO – 2
Emergency Procurement Request

5. Nature of the Emergency

The HPHA is requesting approval to execute an emergency procurement to install instant hot water back-up systems at Mayor Wright Homes.

Of the 35 buildings at Mayor Wright Homes, some have solar panels/tanks that are working, but on cloudy days the electrical back-up does not work. On other buildings, the solar systems have prematurely reached the end of their useful life and the solar tanks are leaking. The State inspector has indicated that without the necessary repairs the HPHA will be forced to shut down the water tanks on several buildings. (Note: The repairs to the leaking tanks would not be practicable in light of the impending comprehensive upgrade to the entire system, would be cost prohibitive, and not timely enough to provide relief for the tenants.)

As background, the HPHA was previously working with a consultant to design and oversee the installation of a comprehensive solar heating system at Mayor Wright Homes. The original consultant went bankrupt before completing the design work on the major system. The HPHA made several attempts to obtain the partial design work, which after review led the HPHA to conclude that the partial design is not useable. The default on this contract caused a delay in the project and since then several more tanks have begun to fail. While the HPHA has competitively engaged the services of a new consultant to design the long term upgrade of the entire solar system, the HPHA needs to install the back-up instant hot water back-up systems at Mayor Wright Homes to provide immediate relief to the tenants.

The instant hot water systems installed under this emergency procurement will remain in place when the new solar system is installed and serve as the back-up system. The HPHA will execute a task order contract subject to the availability of funds.

7. Price

Cost estimate: Approx. \$14,000 per tankless system; not to exceed \$798,000 for 57 tankless systems. Purchase subject to the availability of funds.

9. Reason for Vendor Selection

The HPHA intends to use gas back-up systems and check meters on the new solar system being designed. The Gas Company has installed several gas tankless water heaters at Mayor Wright Homes which have proved to be reliable. After installation, they provided training to the project staff to perform preventative maintenance on the system. The Gas Company is also currently the sole provider of the gas for the tankless systems and the gas check meter. Prior HePS procurements with other vendors, resulted in The Gas Company having to come in and install additional hardware. During initial discussions, The Gas Company reported that they have tankless systems in stock, thus there will be no delay in the start of the project.

Due to their knowledge and past satisfactory experience at Mayor Wright Homes, we believe it in the best interests to work with The Gas Company for the purchase and installation of the instantaneous gas water heater systems.

EP 11-016-R