

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: Chief Procurement Officer

FROM: **Department of Accounting & General Services, State Procurement Office**
 (Department/Division/Agency)

Pursuant to § 103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction: Price list for Milk and Other Dairy Products, IFB-02-109-O, Price List 02-39. List of Products attached.

Name of Vendor: Best available source for "Island Fresh" milk and milk products.	Cost: Price List Not available
Address:	

Term of Contract: From: Upon CPO approval To: September 30, 2005	Prior Exemption Ref. No. (if applicable)
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<p>Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:</p> <p>The current contractor (Foremost Dairies Hawaii) has been unable to provide participating agencies of this price list with product due to the closing of their manufacturing operations. Foremost had tried to provide product by contracting Meadow Gold Dairies, their competitor, to produce their product and maintain their distribution operations. However, effective November 13, 2004 or sooner, Foremost will be closing their entire operation.</p> <p>The closing of Foremost Dairies means that there is only one milk manufacturer in Hawaii to provide product. Because the closure of Foremost Dairies was so abrupt, it is presently not known if there are any other milk distributors available on Oahu that can provide milk products and in the sizes required by participating agencies</p>

<p>Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:</p> <p>Under the present market conditions, procurement by competitive means would be impractical since there is no other processor on Oahu other than Meadow Gold Dairies at this time.</p>

A description of the agency's internal controls and approval requirements for the exempted procurement:

Participating agencies shall be required to purchase "Island Fresh" milk or milk products from the best available source utilizing Small Purchase procedures until further notice. "Island Fresh" is defined as any processed milk or milk product which is labeled "island Fresh" on the carton or container as referenced in HRS § 486-120, HAR § 4-93-1 and 4-93-4. Such products shall display the words "Island Fresh" in conjunction with the logo of a happy, smiling flower as shown below.



If "island fresh" milk or milk products are not available or cannot be supplied on a timely basis to meet agency requirements, purchases for milk or milk products may be purchased from the best available source utilizing Small Purchase procedure along with documentation to justify this action.

A list of agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Participating agencies include:

- | | |
|--------------------------------------|-----------------------------|
| Hawaii State Hospital | Department of Health |
| Kalaupapa Settlement | Department of Health |
| Oahu Community Correctional Facility | Department of Public Safety |
| Halawa Correctional Facility | Department of Public Safety |
| Waiawa Correctional Facility | Department of Public Safety |
| Woman's Correctional Facility | Department of Public Safety |
| Hawaii Youth Correctional Facility | Department of Public Safety |
| Detention Home | Judiciary |

Direct questions to: **Alvin Washiashi**

Phone Number: **(808)586-0571**

This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: Yes No

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.

 10/14/04
 Department Head or Designee Date
 Procurement Ofc.
 Title (If other than Department Head)

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

APPROVED

DISAPPROVED

 10/22/04
 Chief Procurement Officer Date

cc: Administrator,
State Procurement Office