



**STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS**

STATE PROCUREMENT OFFICE
STATE OF HAWAII

10 NOV 12 P1:41

1. TO: Chief Procurement Officer
2. FROM: Kaulana H. R. Park, Chairman, Hawaiian Homes Commission

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:

3. Description of goods, services or construction:
Under the Department of Hawaiian Home Lands (DHHL) contract #56605, American Saving Bank, Kaunakakai Branch, a FDIC insured financial institution, was selected by Molokai Community Service Council (MCSC) to disburse Native Hawaiian Housing Block Grant (NHHBG) federal funds to various contractors or vendors for MCSC's home repair program. This project provides financial assistance to eligible low- income native Hawaiian families under the Native American Housing Assistance and Self-Determination Act (NAHASDA).

4. Name of Vendor: American Savings Bank, Kaunakakai Branch Address: 40 Ala Malama #101 Kaunakakai, HI 96748	5. Price: \$500,000.00 <i>grant monies</i>
6. Term of Contract: <i>DKK CPO approval</i> From: January 2007 To: FBD <i>2 years</i>	7. Prior Exemption Ref. No. 0

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: MCSC is also the primary recipient of grant funds under DHHL's contract #56605 and is the entity responsible for selecting the escrow company or financial institution identified in this contract. In addition, Molokai has limited access to a viable escrow/disbursement company that is able to meet the needs of the program and comply with applicable NHHBG conditions. Based on their working relationship with American Savings Bank, Kaunakakai Branch, MCSC selected this bank to disburse 0% interest, NHHBG federal funds for interim house construction via a dual signature, non-interest bearing, joint checking account. Disbursement will be made directly to contractors or vendors, as applicable, or to MSCS via reimbursement. It is neither practicable nor advantageous for the State to competitively procure for these services in this situation. There is no cost to DHHL for services to be rendered.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

MCSC is the primary recipient of grant funds under contract #56605 and is the entity responsible for selecting the escrow company or financial institution - not DHHL.

The amount of this Purchase Order is \$500,000 (10 homes under repair for contract #56605 x \$50,000 each for repair grants) and is supplemental to the actual contract #56605.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
The following are enclosed with this SPO-07:

DHHL's contract #56605 with Molokai Community Service Council, "Hale Hana Hou: Housing Repairs Program", Scope of Work (Attachment 1), Hale Hana Hou Budget (Attachment 2).
Specific reference to Scope of Services, Paragraph 7 - "Establish escrow accounts for Lessee's loan or grant proceeds. Payment requests, approved by Lessee, must be submitted to DHHL for processing to escrow for payment"

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:		
Name	Position	Involvement in Process
Kaulana H. R. Park	Chairman, Hawaiian Homes Comm.	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Anita Seyer-Wong	Deputy Director, DHHL	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Kamana'o Mills	Special Assistant	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Scottina Malia Ruis	Resource Management Specialist	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Warren Kasashima	HHL Accountant	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Sharon Mendoza	HHL Mortgage Loan Specialist	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration

13. Direct inquiries to:	Department: Hawaiian Home Lands Contact Name: Scottina Ruis Phone Number: 808-620-9513 Fax Number: 808-620-9529
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Agency shall ensure adherence to applicable administrative and statutory requirements

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



 Department Head

_____ Date

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	15. Date Notice Posted <u>11-15-10</u>
The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to: <p align="center"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 </p>	
Chief Procurement Officer's comments: <p align="center"> Approval is granted with the understanding that procurement by competitive means is not practicable because under the terms of the agreement with Molokai Community Service Council it is the Council's responsibility to establish escrow accounts for Lessee's loan or grant proceeds. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply and award is required to be posted on the Awards Reporting System. </p>	

16. APPROVED DISAPPROVED NO ACTION REQUIRED



 Chief Procurement Officer Date 4/18/2011