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STATE OF HAWAII  
PROCUREMENT OFFICE

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

- 1. TO: Chief Procurement Officer
- 2. FROM: Department of Defense/Engineering 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:

3. Description of goods, services or construction:  
 Supplement to Contract #58479 - Design & Installation of an Energy Management System at 298<sup>th</sup> Regional Training Institute, Bellows Air Force Base, Waimanalo, Hawaii, State of Hawaii, Department of Defense, Hawaii Army National Guard, Job No. CA-2916.

4. Name of Vendor: Island Controls, Inc.  
 Address: 4355 Lawehana St., #1  
 Honolulu, HI 96818

5. Price:  
 \$135,597.00

6. Term of Contract: From: ~~1/12/10~~ <sup>2/15/11</sup> To: Est. ~~10/12/10~~ <sup>8/14/11</sup> *IKT*

7. Prior Exemption Ref. No.  
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8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:  
 The energy management system was designed so the system can be expanded in the future as funds become available without additional infrastructure equipment. While the vendor is on site completing the installation of the energy management system it would save the State the mobilization charges to have them continue. Since the system is mostly proprietary if we hired another contractor to expand the system, the connections would have to be completed by the current vendor. Our project manager using the Federal Government's Independent Government Estimate procedures estimates that using another contractor could cost up to \$400,000 vs his estimate of \$172,630.86 using the current contractor.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:  
 During the Invitation for Bids and in the initial Scope of Work it was stated that SYSTEM SHALL HAVE THE REQUIRED INFRASTRUCTURE IN PLACE TO ADD ADDITIONAL CONTROLS IF FUNDING AND TECHNOLOGIES BECOME AVAILABLE. It was also determined that this system shall be the model for a state wide energy control system that should be going out to bid in Federal FY2011.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:  
 On the Federal side of contracting Contract Request Form (CRF) must go through a staffing procedure that includes the United States Property and Fiscal Officer, Construction and Facility Management Officer, Federal Contracting Officer, and the Environmental Officer prior to approval.  
 On the State side the CRF must go through Contracting and Engineering Officer, Deputy Adjutant General office, and the State Fiscal Office prior to approval.  
 This is to ensure that all contracting regulations state or federal are not being broken.

**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
Yale K Alama	Army Guard Project Manager	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
LTC Marjean Stubbert	Army Guard CFMO	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
COL Douglas Jackson	Army Guard Chief of Staff	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Cathy Siu	Contracts Assistant II	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
LTC Neal Mitsuyoshi	Chief Engineering Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Tom Moriyasu	Fiscal Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: Facility Management Office Contact Name: Yale Alama Phone Number: 808-672-1544 Fax Number: 808-672-1529	<i>yale.alama@us.army.mil</i>
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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.*

*Raymond Shawna BG(14) DAG*  
 for Department Head

NOV 05 2010  
 Date

Reserved for SPO Use Only	
	15. Date Notice Posted <u>11/16/10</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:	
Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119	
Chief Procurement Officer's comments:  Sgt. Yale Alama has been identified as the contract administrator and supervisor responsible for this contract. Although no written delegated procurement authority is required for a <i>Request for Exemption from Chapter 103D, HRS</i> , it is noted that Sgt. Alama has not taken the appropriate required mandatory procurement training (Workshop #125, Exemptions from HRS Chapter 103D). As a reminder Sgt. Alama shall not participate in procurement activities until the requirements of Procurement Delegation No. 2010-01 and Procurement Circular No. 2010-05, as appropriate have been met. Approval is conditioned on the above and on the department's determination that access to the secured server is proprietary. 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.	

16.  **APPROVED**     **DISAPPROVED**     **NO ACTION REQUIRED**

*Arms. J. A.*  
 Chief Procurement Officer      Date 11/12/2010