

Bid 11/5

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'04 NOV -5 P2:30

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

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: DHS/HCDCH

(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: Property Management Services: Banyan Street Manor

Name of Vendor: Address:	TO BE DETERMINED	Cost: Approx. \$95,000
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Term of Contract:	From: 11/30/04	To: 11/30/05 <i>BR</i> 05/31/05	Prior Exemption Ref. No. (if applicable) N/A
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Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: SEE ATTACHED.
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Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Several vendors will be contacted to review the scope and submit a bid, should SPO approval be received for this one-year contract. The vendors considered were selected based on their knowledge of asset and property management, HUD and Section 8 program requirements.

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

Marcus and Associates, Inc. is not renewing their option to continue the property management for this property. Their contract ends November 30, 2004 and HCDCH has no available in-house staff to manage operations until a long-term contract can be put out on a revised Request for Proposal (RFP). HCDCH'S Board of Directors is working to revise the RFP and this process is still ongoing. HCDCH is attempting to make substantial changes to its procurement document. A change in administration on December 2, 2003, has reinforced the agency's commitment to modify its procurement process and standardize efforts for efficiency. An interim contracts and procurement office has been established within the office of the Executive Director in order to analyze and review all contracts throughout HCDCH. While a comprehensive review of the procurement procedures by an independent office is beneficial to help determine areas needing improvement, a decision was made to obtain the services of an outside consultant to develop a Request for Proposal solicitation. On June 24, 2004 HCDCH engaged the services of Pacific Division, Naval Facilities Engineering Command to develop the document and assist in establishing the review process. Attached is the timeline of events for the management of the property management RFP. A twelve month extension is needed to complete the development of the new RFP, promote HCDCH's inventory to potential vendors, solicit and evaluate proposals and obtain contract approvals. There are only a handful of companies that specialize in government subsidized projects and the management firms that were contacted indicated that it would not be cost effective for them to bid a contract for less than one year. Some time is needed for management to do the initial set-up for the project including setting up new bank accounts and files, hiring staff and training. For these reasons, HCDCH would like to request using the RFP used to secure Marcus and Associates, Inc.'s contract and request approval for a one-year contract.

ESTIMATED TIMELINE FOR MANAGEMENT CONTRACT RFPs

ACTION	DATE
Naval Facilities Engineering Command engaged	06/24/04
First draft of RFP transmitted to Contracts Sub-Committee	09/16/04
Sub-committee comments	10/16/04
Presentation of Revised RFP to Contracts Sub-committee	11/16/04
Review by Contracts Sub-committee	12/16/04
Revised RFP review by AG's office	01/16/05
Sub-Committee Report of Contract Review to Board	02/18/05
Final Form of RFP	03/01/05
Informational meeting with property management companies	04/01/05
Advertise RFP	06/15/05
Site Inspections	06/21/05
Proposals Due	08/01/05
Evaluation of Proposals	08/07/05
Recommend Proposal to Executive Director	09/01/05
Contract Review by AG's office	09/15/05
Execution of Contract	10/15/05
Commencement of Service	12/01/05

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

The Contract Administration Section will review and approve the payroll reimbursements and management fee approvals for the contract to ensure that the fee amounts are in accordance with the contract.

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

Property Management Coordinator
Chief, Contract Administration Section

CAO

Direct questions to: Cynthia Okubo	Phone Number: 832-5983
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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.

Stephanie Aveiro **NOV - 5 2004**
 Department Head or Designee Date
 Stephanie Aveiro
 Executive Director
 Title (If other than Department Head)

Chief Procurement Officer's Comments:

This exemption is for the solicitation process only, section 103D-310, HRS, shall apply.

Please ensure adherence to applicable administrative requirements.

APPROVED DISAPPROVED

cc: Administrator,
State Procurement Office

Adam S. Fujita **11/12/04**
 Chief Procurement Officer Date