

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

04 DEC -8 P1:08

TO: Chief Procurement Officer

FROM: Department of Accounting and General Services  
(Department/Division/Agency)



STATE PROCUREMENT OFFICE  
STATE OF HAWAII

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:

An exemption is requested to purchase specific construction related materials for statewide school repairs. This need was unforeseen and is a result of increased demands for work order repairs, coupled with the under funding of this activity. Consequently, the program is curtailing work order repairs to conserve its remaining general funds, and shifting its emphasis to accomplish major repairs through funds delegated to DAGS, from the Department of Education (DOE). As of December 2004, a large percentage of staff's time will be devoted to accomplish major repairs such as mass replacement of security screens, light fixtures, toilet partitions, drinking fountains, doors, and plumbing fixtures.

Name of Vendor:	Various vendors	Cost:	\$50,000 or less per purchase
Address:			

Term of Contract:	From:	To:	Prior Exemption Ref. No. (if applicable)
	Upon CPO approval	06/30/05	

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

See the attached sheet for an explanation.

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

See the attached sheet for details.

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

See the attached sheet for a description of the requested information.

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

See the attached sheet for a listing of agency personnel.

Direct questions to:	Phone Number:
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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.**

\_\_\_\_\_  
 Department Head or Designee                      Date  
 \_\_\_\_\_  
 Title (If other than Department Head)

*Russ A. Saito* 12/8/04  
 \_\_\_\_\_  
 Department Head or Designee                      Date  
 \_\_\_\_\_  
 Title (If other than Department Head)

Chief Procurement Officer's Comments:

This exemption is for the solicitation process only, Chapters 103D-305 and 103D-310, HRS, shall apply.

Please ensure adherence to applicable administrative requirements.

APPROVED                       DISAPPROVED

*Oliver S. Fyfe* 12/17/04  
 \_\_\_\_\_  
 Chief Procurement Officer                      Date

cc: Administrator,  
 State Procurement Office

# STATE OF HAWAII NOTICE OF EXEMPTION FROM CHAPTER 103D, HRS

The Chief Procurement Officer is in the process of reviewing the request from the Department of Accounting & General Services for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

To purchase specific construction related materials for statewide school supplies

**Vendor:** Various

**Address:**

**Term of Contract:**

**From:** Upon CPO Approval

**To:** 06/30/05

**Cost:** \$50,000 or less per purchase

**Direct any inquiries to:**

**Department:** Department of Accounting and General Services

**Contact Name/Title:** James Richardson

**Address:**

**Phone Number:**  
831-6730

**Fax Number:**



Date Posted: 12/10/04

A copy of this notice of exemption from Chapter 103D, HRS, shall be posted by the Chief Procurement Officer and the purchasing agency in an area accessible to the public, at least seven (7) calendar days prior to any approval action.

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days from the date posted to:

Chief Procurement Officer  
Office/Agency \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

## Attachment Form 7

**Explanation describing how procurement by competitive means is either not practical or not advantageous to the State.**

The DOE's decision to have the School R&M trade staff concentrate solely on work order repairs has rapidly depleted funding for construction materials and supplies. In addition, large shortfalls in funding equipment service contracts coupled with a \$168,000 program restriction have further drained resources to the point where it is impossible to continue the current level of work order activity. Based on escalating cost, there is an immediate need to shift program emphasis. Without such, the 190 blue collar workers and supervisors statewide will become under utilized due to a lack of funds to purchase needed work order materials.

In order to rectify the situation, the DOE has agreed to transfer funds that would allow staff to accomplish \$1.28 million in major repairs which would provide for an adequate workload through the balance of the fiscal year. Because of the long lead time to prepare specifications, bid, award, and deliver needed materials, procurement through competitive means would result in a minimum 4-month delay. As a result, the program would be able to accomplish only a small fraction of identified repairs. Although a portion of the needed supplies, e.g. paint, will be purchased through existing requirement lists, the following types of items will require an exemption:

1. Amplimesh Security Screens - \$122,000 (maximum per project is \$50,000)
2. Toilet Partition - \$58,000 (maximum per project is \$27,000)
3. FRP Doors - \$113,000 (maximum per project is \$30,000)
4. Copper piping 3" to 6" - \$50,000 (maximum per project is \$41,000)
5. Science Laboratory cabinet and counter top - \$45,000

Note: The above is a representative sampling of required work and may not include all needed materials.

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

Procurement will comply with §103D-305, HRS and HAR 3-122, sub-chapter 8, therefore, approval is requested to increase the small purchase ceiling from \$25,000 to \$50,000. Additional information is contained in the following section.

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

The timeframe for this exemption is limited to an approximate 7-month period, from December 1, 2004 to June 30, 2005.

For the purpose of this exemption, internal controls will be established as follows:

1. Each school shall be considered as a separate entity and the cumulative sum of goods, services and construction purchased for each school shall not exceed \$100,000.

2. The actual procurement will be accomplished through small purchase procedures as stipulated in §103D-305, HRS and HAR 3-122, sub-chapter 8. However, specific approval is requested to raise the procurement limit from \$25,000 to no more than \$50,000 per purchase.
3. All purchases will reflect a project number. Through the generation of reports, the program's automated purchase order system will allow for verification that the total amount purchased per school does not exceed \$100,000.

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

This submittal is for the AGS-807 program statewide. The responsible parties are as follows:

1. James Richardson, Division Head, DAGS-Central Services Division
2. Glenn Okada, District Engineer, DAGS-Hawaii District Office
3. David Victor, District Engineer, DAGS-Maui District Office
4. Stanley Doi, District Engineer, DAGS-Kauai District Office