



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

'11 SEP 16 P2:13

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

TO: Chief Procurement Officer  
FROM: Solid & Hazardous Waste Branch, Office of Solid Waste Management  
*Name of Requesting Department*  
SUBJECT: Request for Exemption

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

1. Describe the goods, services or construction. This request is for Hawaii Deposit Beverage Container (DBC) Program activities. It pertains specifically to payments that will be made by the Department of Health (DOH) to various Certified Redemption Centers (CRCs). CRCs are recycling facilities that accept/redeem DBCs from the public for recycling. A deposit of 5¢ per container is paid to the redeemer of the container(s). The deposit on each container is paid to the DOH by the appropriate beverage distributors. Each CRC invoices the DOH for: 1. reimbursement of container deposit (5¢) paid out by the CRC to the consumer; 2. payment of container handling fee which subsidizes the recycling of the collected DBCs. The handling fee for aluminum, plastic, & bi-metal will be paid at a rate of 2¢ per container to CRCs located on Oahu, and 3¢ per container to neighbor island CRCs. Glass containers will be paid at a rate of 4¢ per container for all islands. Each CRC is allowed to invoice the State at least twice a month for deposit reimbursements and handling fee payments.	
2. Vendor/Contractor Name : Various Vendors. (DOH is requesting a 2 year exemption beginning from the date of the approval.)	3. Amount of Request: \$ 62,000,000 annually
4. Term of Contract: From: <u>7/26/2011</u> To: <u>11/30/11</u>	5. Prior Exemption Reference No.: <u>10-025-<del>B</del></u>
6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means: The department accepts requests for payments only from redemption centers it has certified. Certification ensures that redemption centers have the proper environmental permits and certification of compliances. Certifications are not granted on a competitive basis. The process is open to all businesses interested in applying.	
7. In selecting the vendor/contractor, explain in detail, the process the department will utilize to maximize fair and open competition: As noted above, certifications are not granted on a competitive basis. Application for certification is open to all interested businesses.	

8. Identify the primary individual(s) who is knowledgeable about this request, who will conduct and manage this process and has completed mandatory training. ( Type over "example" and delete cells not used)

Name of Department Personnel	Division/Agency	Phone Number	e-mail address
Joanna Seto <i>Joanna Seto</i>	EMC/SDWB	586-4258	joanna.setp@doh.hawaii.gov

9. The department shall ensure adherence to applicable administrative and statutory requirements, and all requirements, approvals, and internal controls for this request are the responsibility of the department.

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

*[Signature]*  
 FOV Department Head Signature

SEP 16 2011  
 Date

**For Chief Procurement Officer Use Only**

Date Notice Posted

9/16/11

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from date notice posted to:

Chief Procurement Officer  
 State Procurement Office P.O.  
 Box 119 Honolulu, Hawaii  
 96810-0119

10. Chief Procurement Officer (CPO) Comments:

The department failed to comply with the terms of the previously approved PE 10-025-B which stated "... DOH is required to place a notice on the Procurement Notice System on a quarterly basis, to inform interested vendors of the opportunity and requirements to become a certified redemption center vendor." This approval is limited to the period 09/26/11 to 11/30/11 only and department shall comply with the terms previously required in PE 10-025-B and shall submit written verification of compliance. 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.

Approved     Disapproved     No Action Required

*[Signature]* 10/3/2011  
 Chief Procurement Officer Signature    Date