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

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Health, Environmental Management Division, Solid and Hazardous Waste Branch
(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: <p style="text-align: center;">Please see attachment.</p>

Name of Vendor: Address: Various	Cost: \$50,000,000 (Annually)
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Term of Contract: From: Date of Approval To: December 31, 2005 N/A (Please see attached for a description of the certification process)	Prior Exemption Ref. No. (if applicable)
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Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: <p style="text-align: center;">Please see attachment</p>

Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: <p style="text-align: center;">Please see attachment</p>
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A description of the agency's internal controls and approval requirements for the exempted procurement:

Please see attachment

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

Steven Y.K. Chang, P.E., Chief, Solid and Hazardous Waste Branch
 Jennifer Webb-Tosaki, Recycling Coordinator, Solid and Hazardous Waste Branch

Direct questions to: Steven Chang	Phone Number: 586-4226
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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.

 SEP 30 2004
 _____ Date

 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

 12/20/04
 _____ Date
 Chief Procurement Officer

cc: Administrator,
State Procurement Office

SPO Form-7 Attachment 1 of 1

Department of Health, Environmental Management Division, Solid and Hazardous Waste Branch

Description of goods, services, or construction:

This request is for Hawaii Deposit Beverage Container Program activities. It pertains specifically to payments that will be made by the Department of Health to various certified redemption centers (CRCs). Two types of payments will be made to each certified redemption center.

Redemption centers are recycling facilities that accept (redeem) deposit beverage containers 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 has been previously paid to the department by the appropriate beverage distributor.

Each CRC will invoice the department for two types of payments. The first payment is for reimbursement of container deposits paid out by the redemption centers to consumers. This payment is based on the 5¢ per container deposit. The second payment is that of the container handling fee which subsidizes recycling of the collected beverage containers. The handling fee will be paid at a rate of 2¢ per container to centers located on Oahu, and 3¢ per container for neighbor island centers.

Each center will be allowed to invoice the state twice a month for deposit reimbursement and handling fee payments.

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

The department will make regular payments to all CRCs which submit the required documentation. While the department will not maintain contracts with the CRCs, all will undergo a certification process mandated by the department. Application for certification will be open to all interested businesses.

Payments to each CRC will be based on volume of containers redeemed at each site, as well as the ability of the CRC to recycle the collected material. As such, payments to each CRC will vary by month based on fluctuating volumes.

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

The department will only make payments to redemption centers that it certifies. Application for certification is open to all interested businesses. The department has created a certification process that ensures the financial security of each certified center.

A copy of the application for certification is enclosed with this request.

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

See comments above.