



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

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STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer
FROM: Department of Human Services/Hawaii Public Housing Authority
Name of Requesting Department

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:
Public/private mixed finance redevelopment of State and federal low income public housing. HPHA is seeking to procure a for-profit or nonprofit development partner to carry out the physical revitalization/modernization of a mixed-finance project site and which may become the owner entity of the public housing units as part of the procurement. Attached is a list of the HPHA's properties where a mixed finance redevelopment could potentially occur and for which HPHA is seeking this exemption.

2. Vendor/Contractor/Service Provider:	To Be Determined After Selection	3. Amount of Request: \$ To Be Determined
4. Term of Contract From: TBD (Upon approval)	To: Completion 24 months from approval.	5. Prior SPO-007, Procurement Exemption (PE): n/a KS 6/12/12

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
The HPHA is seeking exemption from §103D-302 and §103D-303, Hawaii Revised Statutes in the selection of a development partner for the revitalization of public housing. Use of the §103D-302 Invitations for Bids process is not practicable or advantageous in the selection of a development partner, as the revitalization of a public housing development should consider technical factors other than just price. For example, the HPHA would be unable to evaluate and rate the technical expertise and experience of an offeror in a sealed bid process. Use of the §103D-303, Request for Proposal (RFP) process is not practicable or advantageous in the selection of a development partner because the RFP process does not allow the HPHA the flexibility to negotiate the terms of the contract (e.g., price) with the highest ranked offeror. (The HPHA is NOT requesting exemption from competitive selection. See #7 below.)

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
The HPHA is requesting an exemption to utilize §103D-304, HRS which allows the selection of a contractor through a request for qualifications (RFQ) process. Under the RFQ process, the HPHA will have the ability to conduct negotiations with the highest-ranked respondent based on their experience, ability and capability to perform the work. Once HPHA determines that an offeror has the technical expertise necessary to implement a major modernization project, the RFQ process will allow us to negotiate a scope of work with the top ranked offeror.
Use of the qualifications based selection method of procurement by the HPHA would be consistent with federal rules (24 CFR 85.36 and HUD Handbook No. 7460.8 Rev 2) which allows public housing agencies to select a development partner under this method. Under this exemption, the HPHA would continue to manage its procurement in a manner that provides full and open competition.

8. Identify the primary individual(s) who is knowledgeable about this request, who will conduct and manage this process, and has 1) completed mandatory training; and 2) who may contact for follow up inquiry, if any.
(Type over "example" and delete cells not used.)

Name of Department Personnel	Division/Agency	Phone Number	e-mail address
Hakim Ouansafi	HPHA	(808) 832-4694	hakim.ouansafi@hawaii.gov
Rick Sogawa	HPHA	(808) 832-6038	rick.t.sogawa@hawaii.gov

*All requirements/approvals and internal controls for this expenditure is the responsibility of the department.
I certify that the information provided above is, to the best of my knowledge, true and correct.*


Department Head Signature

MAY 30 2012
Date

For Chief Procurement Officer Use Only

Date Notice Posted:

06/5/12

Submit written objection to this notice to issue an exempt contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

Approval is granted for a 24 month period (additional time may be requested) and is for the utilization of HRS §103D-304 through a qualification-based selection (QBS) method for the selection of private development partnerships. HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting System.

If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takaesu@hawaii.gov.

Approved

Disapproved

No Action Required


Chief Procurement Officer Signature

6/12/2012
Date