



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

12 NOV -1 A8:32

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer
Department of Health, Environment Management Division
FROM: Solid & Hazardous Waste Branch, Office of Solid Waste Management
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:
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, & 3¢ per container to neighbor island CRCs. Glass container 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 & handling fee payments.

2. Vendor/Contractor/Service Provider: Various Vendors. (DOH is requesting a 2 years exemption beginning from the date of the approval.)		3. Amount of Request: \$ 62,000,000 Annually
4. Term of Contract From: 12/1/12 to 11/30/14	To:	5. Prior SPO-007, Procurement Exemption (PE): 12-041B (December 1, 2011 to November 30, 2012)

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 payment only from redemption centers it has certified. Certification ensures that redemption centers have the proper environment permits and certification of compliances. Certifications are not granted on a competitive basis. The process is open to all businesses interested in applying.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
As noted above, certifications are not granted on a competitive basis. Application for certification is open to all interested businesses.

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8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required).

*Point of contact (Place asterisk after name of person to contact for additional information).

Name	Division/Agency	Phone Number	e-mail address
Nancy Bartter	EHA/ERO	586-4575	nancy.bartter@doh.hawaii.gov
Shirley Yeung *	EMD/SHWB	586-4226	shirley.yeung@doh.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.



10/31/12
Date

For Chief Procurement Officer Use Only

Date Notice Posted: 11/2/12

Inquiries about this request shall be directed to the contact named in No. 8. 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 the period 12/01/12 to 11/30/14 with the requirement that the department is required to place a notice on the Procurement Notices System on a quarterly basis to inform interested vendors of the opportunity and requirements to become a certified redemption center vendor. Future requests for exemptions should be accompanied with copies of the quarterly procurement notices. This approval is for the solicitation process only, 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

 11/20/2012
Chief Procurement Officer Signature Date