

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

TO: Chief Procurement Officer

FROM: Department of Commerce and Consumer Affairs / Division of Financial Institutions
(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:

Services for evaluation and re-accreditation of the Division of Financial Institutions by the Education Foundation of State Bank Supervisors ("EFSBS"), which is the sole accrediting organization for state banking regulatory agencies. The services are to be rendered in accordance with the EFSBS's program of accreditation that includes an on-site review of the Division of Financial Institution's operations and work product, including an assessment of the Division's statutory authority and funding mechanisms, its staffing and examiner expertise, technical and legal resources to support its functions, and its ability to charter, supervise, and examine state-chartered banks and state-licensed depository financial institutions.

Name of Vendor: Education Foundation of State Bank Supervisors
Address: 1155 Connecticut Ave., NW, 5th Floor, Washington, D.C. 20036

Cost: Not to exceed \$14,999.00

Term of Contract:

From: ~~February 2005~~

Upon CPO Approval

To: February 2006

Prior Exemption Ref. No. (if applicable)

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

The Education Foundation of State Bank Supervisors ("EFSBS") is the sole accrediting organization for state banking regulatory agencies. EFSBS's accreditation program is highly specialized and technical, involving a review of all elements essential to assure that a state banking regulatory agency, like the Division of Financial Institutions, can meet the highest standards for supervision, examination, and regulation of state-chartered banks and depository financial institutions.

EFSBS has informed the Division of Financial Institutions that it is unable to comply with all of the applicable requirements in Section 103D, Hawaii Revised Statutes, so without an exemption, the Division of Financial Institutions would lose its accreditation.

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

N/A (There is no other accrediting organization for state banking regulatory agencies, in this nation.)

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

The contract must be approved as to form by the Deputy Attorney General assigned to the Division.
The terms of the contract are closely scrutinized by the Deputy Commissioner of Financial Institutions, and reviewed by the Commissioner of Financial Institutions who would sign the contract.
Invoices received from the EFSBS are not paid unless first approved by the Deputy Commissioner, who oversees the Division's budget. Invoices and payments are tracked under the supervision of the Division's Head Secretary.

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

Deputy Commissioner of Financial Institutions
Commissioner of Financial Institutions
Division's Head Secretary

Direct questions to: Lynne Himeda, Deputy Commissioner of Financial Institutions

Phone Number: 586-2820

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.

Mur E. Redmond 2/11/05
(Department Head or Designee) Date

Title (If other than Department Head)

Chief Procurement Officer's Comments:

[Empty box for Chief Procurement Officer's Comments]

Please ensure adherence to applicable administrative requirements.

APPROVED DISAPPROVED

Adam P. Fyfe 2/23/05
Chief Procurement Officer Date

cc: Administrator,
State Procurement Office