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Memorandum

STATE PROCUREMENT OFFICE
STATE OF HAWAII



DATE: 8/2/2013
TO: SPO Attn: Aaron Fujioka, CPO
FROM: Len Higashi 539-3814
HTDC Acting Executive Director (effective 8/5/2013)
SUBJECT: PE-13-104B REQUEST FOR RECONSIDERATION

post: 8/5/2013

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To the SPO office,

We are providing additional justification to support the exemption request and narrowing the term and the scope of the projects to be worked on. We request reconsideration on PE-13-104B with the following changes:

1. Describe the goods, services or construction:

Contracted services with the out-going Executive Director of the High Technology Development Corporation (HTDC) to act on matters on behalf of HTDC as allowed under section 84-18 (d), HRS. The scope of the work will be limited to two key projects that are in progress and orientation assistance for the new Executive Director.

The 2 specific projects that require her assistance are the:

- 1) Innovation Report deliverable for a federal EDA grant
- 2) securing a new facility option for HTDC to replace the Manoa Innovation Center

Ms. Nagashima will also assist in the orientation for the acting Executive Director and the incoming Executive Director.

2. [No Change]
3. Up to \$90,000
4. Term of contract – 8/12/2013 to 1/31/2014
5. [No Change]
6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:

The out-going Executive Director has started two critical projects of which she is the lead. Her departure was not planned and therefore difficult to reassign given the time

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constraints (e.g., grant deadline and legislative session). Ms. Nagashima has background knowledge applicable to the projects including information specific to HTDC and the needs of Hawaii's innovation sector. The acting Executive Director will be carrying the workload of his existing responsibilities as Sr. Economic Development Manager as well as handling Executive Director duties until a permanent Executive Director is hired. Therefore, to complete these projects on time, HTDC requires a contracted resource with current knowledge of HTDC. It is therefore not practicable to secure an alternate resource by competitive means. It is also improbable for an incoming Executive Director to have the specific knowledge to complete these projects within the timeframe successfully. We are requesting to contract services until January 31, 2014 to complete the 2 projects and facilitate the transition into the start of the upcoming legislative session. The deadline for the completion of the grant is December 31, 2013.

The search for the incoming Executive Director is in progress. HTDC anticipates selecting the new Executive Director in September with a target start date of October 1, 2013.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:

The board approved a motion to contract with the out-going Executive Director; the scope of services, compensation, and length of the agreement. The scope of services and length of the agreement has been since narrowed to specific mission critical projects. A notice of intent to award a contract will be filed with the State Ethics Commission at least 10 days before the contract is awarded to be in compliance with section 84-15 (a), HRS. The award will also be posted on the SPO website.

Thank you for your consideration,



Len Higashi

Acting Executive Director (effective 8/5/2013)
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Approved

Disapproved

CPO COMMENTS: Request is disapproved as this would set a negative precedent. Although the Board approved a motion to immediately contract with the out-going Executive Director, engaging the services of a former employee at almost triple the hourly rate of the former employee's pay, to do a portion of the work the former employee is said to have been responsible for has not been sufficiently justified. If there are any questions, please contact Bonnie Kahakui at 587-4702, or bonnie.a.kahakui@hawaii.gov.

 8/22/2013
Chief Procurement Officer Date