



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

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ADMINISTRATION  
STATE PROCUREMENT OFFICE  
STATE OF HAWAII

TO: Chief Procurement Officer  
Hawaii Department of Health, Environmental 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 the 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.

<b>2. Vendor/Contractor/Service Provider:</b> Various Vendors. (DOH is requesting a 2 years exemption beginning from the date of the approval.)		<b>3. Amount of Request:</b> \$ 62,000,000 Annually
<b>4. Term of Contract From:</b> 12/1/14 to 11/30/16	<b>To:</b>	<b>5. Prior SPO-007, Procurement Exemption (PE):</b> 13-035K (December 1, 2012 to November 30, 2014)

**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 environmental 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
Darren Park	EMD/SHWB	586-4226	darren.park@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.**



Department Head Signature

10-31-14

Date

**For Chief Procurement Officer Use Only**

Date Notice Posted: 11/7/14

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](mailto:state.procurement.office@hawaii.gov)

Chief Procurement Officer (CPO) Comments:

Approval is granted for the period 12/1/2014 to 11/30/2016 with the understanding that DOH 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. The procuring officer shall verify compliance (i.e. vendor is required to be compliant on the Hawaii Compliance Express [HCE]) for all contracts awarded and award is required to be posted on the Awards Reporting System. Copies of the HCE Certificate and awards posting are required to be documented in the procurement/contract file.

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

11/4/14

Date