



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

15 APR 29 AM 11:19

TO: Chief Procurement Officer

FROM: DBEDT/High Technology Development Corporation
Name of Requesting Department

STATE PROCUREMENT OFFICE
STATE OF HAWAII

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:

The INNOVATE Hawaii (IH), also formerly the HTDC-Manufacturing Extension Partnership (MEP) program, is requesting a new exemption for its Service Provider RFP. This exemption will allow the program to procure designated consultant support for manufacturing clients' projects through an open and modified hybrid RFP process. The RFP invites business consultants not already on IH's prequalified service provider list to apply for placement in the upcoming fiscal year. Previous exemptions for the same request are 12-010K, 12-010Ka1, 12-010Ka2, and current exemption 12-010Ka3 will expire on 6/30/15.

2. Vendor/Contractor/Service Provider: TBD based on applications approved by the review committee and or selected by the client		3. Amount of Request: \$ 250,000
4. Term of Contract From: 7/1/2015 To: 6/30/2016 <i>and 7/1/2016 to 6/30/2017 (per Sandi on 5/9/15)</i>	5. Prior SPO-007, Procurement Exemption (PE): PE12-010Ka3	

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:

In order to continue receiving federal funding and as specified in our contract with the U.S. Department of Commerce National Institute of Standards and Technology (NIST) under the IH Program, the hosting agency (HTDC) is obligated to "conduct the tasks necessary to provide the services or complete [its] objectives and plans timely and responsively." Under its originating legislation, HTDC had an exemption from competitive bidding, therefore at the time that HTDC applied to host the IH Program in 2003, HTDC was the appropriate State agency to house the IH Program in Hawaii since much of IH center's services need to be contracted out. However, the rescinding of its exemption to 103D placed a strain on HTDC's ability to effectively provide timely IH services via outsourcing/contracting. In 2011, HTDC addressed the challenge by working with SPO to create a modified RFP process approved through PE 12-010K. Continuing this process allows the program to remain compliant with federal guidelines and sustain much needed services to business clients. Since 2012, HTDC posts this modified RFP annually with SPO's approval and has been successful in using the process. The IH program is 100% federally funded.

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

1) An open and modified hybrid RFP (RFP/Professional Services for consultant services) will be posted inviting applications to support a broad range of business consulting needs for HTDC's IH program throughout the fiscal year. Applications will be reviewed by a committee and added to a prequalified list of consultants. As needs arise for a particular IH manufacturing business client or for IH, a selection committee will evaluate candidates from the prequalified list based on evaluation criteria outlined in the RFP. The procurement officer shall negotiate with the 1st ranked applicant. If negotiations fail, the PO will move to the 2nd and 3rd ranked applicant. Once the contract is awarded, it will be posted on the SPO Awards Notification website. A protest period that follows the State RFP procurement process is offered. HTDC invites previously qualified service provider applicants to only provide a letter to confirm their continued interest to remain on the provider list and a declaration of no charges to the original application or provide an updated application if appropriate. 2) In the case where the manufacturing client requests a specific service provider, the hybrid RFP process will not be utilized and IH will contract directly with the consultant. The source of funding will be generated by the manufacturing client and passed through the program to the consultant who will provide specialized services to the client.

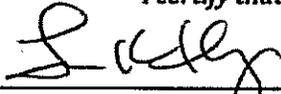
8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required).

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

Name	Division/Agency	Phone Number	e-mail address
Len Higashi	DBEDT/HTDC	539-3814	len@htdc.org
Sandi Kanemori *	DBEDT/HTDC	539-3616	sandi@htdc.org

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

APR 29 2015

Date

For Chief Procurement Officer Use Only

Date Notice Posted: 4/29/15

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:

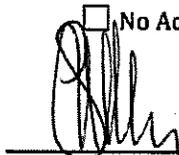
Approval is granted for the period 7/1/2015 to 6/30/2017 for the solicitation process only. HRS section 103D-310(c) and HAR section 3-122-112 shall apply (i.e., vendor is required to show proof of compliance and may use the Hawaii Compliance Express) and the award is required to be posted on the Awards Reporting System. Proof of compliance and the 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

6/4/15

Date