



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

15 JUN 17 P2:21

TO: Chief Procurement Officer

FROM: Jobie M. K. Masagatani, Chairman, Hawaiian Homes Commission  
Name of Requesting Department

ADMINISTRATION  
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:  
Escrow service for PASS THROUGH of grant funds for beneficiary family to purchase home from developer. NAHASDA grant funds for DHHL Lessees/Applicant need to be deposited into the escrow accounts opened in the Lessee/Applicant name for the purchase of a new home on DHHL property/lot. The grant funds are used by the qualified buyer towards the purchase of the home. A check needs to be sent to escrow and must be deposited into the Lessee/Applicants escrow account prior to the closing/recording date of the purchase. The escrow account is opened by the seller (developer/contractor) when a sales contract is executed and buyer submits their Earnest Money Deposit. The developer/contractor is contracted by DHHL using proper procurement procedures. In the best interest of the client and state, it is most feasible to allow the developer/contractor to select the escrow company for the project. By allowing this, No state funds are needed to pay for escrow services.

2. Vendor/Contractor/Service Provider:	Various Escrow Companies	3. Amount of Request:
		\$ 348,900 (approximate)
4. Term of Contract From:	8/2/2015 To: 8/1/2016	5. Prior SPO-007, Procurement Exemption (PE): 15-006B

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:  
By allowing the developer/contractor to select the escrow company of the project, DHHL/the State does not pay for escrow services. If DHHL/the State procured escrow services, the state would need to pay a fee for services.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:  
State will not select the Escrow Companies. Escrow is simply pass through for Native Hawaiian Housing Block Grant (NHHBG) funds. It is a method for DHHL to disburse NAHASDA grant funds for a qualified buyer to complete the purchase of their home from the seller (developer/contractor).

8. Identify the primary individual(s) who is knowledgeable about this request, who will conduct and manage this process, and has 1) completed mandatory training; and 2) who may contact for follow up inquiry, if any.  
 (Type over "example" and delete cells not used.)

Name of Department Personnel	Division/Agency	Phone Number	e-mail address
Kamanao Mills	OCH/DHHL	620-9508	kamanao.mills@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

6/15/15  
 Date

**For Chief Procurement Officer Use Only**

Date Notice Posted: 6/18/15

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 08/02/15 - 08/01/16 to allow the department to make payment directly to the developer's escrow companies. This approval is for the solicitation process only. Pursuant to HRS section 103D-310(c) and HAR section 3-122-112, 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 the award is required to be posted on the Awards Reporting System. Copies of the HCE certificate and the awards posting are required to be documented in the procurement/contract file.

HAR chapter 3-122, subchapter 15 shall also apply to any individual contracts exceeding \$100,000 and Contractor shall provide certified cost and pricing data. The department's cost and price analysis of the data, along with the determination of a fair and reasonable price, shall be documented in the contract file.

If there are any questions, please contact Bonnie Kahakui at 587-4702, or bonnie.a.kahakui@hawaii.gov.

Approved

Disapproved

No Action Required



Chief Procurement Officer Signature

6/26/15

Date