



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

**Received by  
State Procurement Office  
05/23/2016**

TO: Chief Procurement Officer

FROM: Department of Transportation/Highways Division  
*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 and/or services:  
Repair and parts for motor vehicles and equipment under a unit price of \$5000. Examples include filters, brake pads, rotors, fuses, bulbs, pumps, belts, etc. The total annual cost of these purchases exceed the small purchase limit for goods. The Department cannot do bulk orders of routine replacement parts for all of our motor vehicles and equipment since we do not have the space to store all of the routine replacement parts. Additionally, we do not want to place bulk orders for routine maintenance parts like filters, brake pads, etc. when the motor vehicle and/or equipment may become inoperable due to an accident or may require major repairs which may not be feasible to perform due to the age of the equipment.

2. Vendor/Contractor/Service Provider:	Various	3. Amount of Request: \$ \$5000 unit price <i>1.2M annual spend</i>
4. Term of Contract From: Approval To: 6/30/2017	5. Prior SPO-007, Procurement Exemption (PE): None <i>spend less 7/24/16</i>	

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:  
In an effort to effectively manage our motor vehicles and equipment, parts and repairs under \$5000 should be handled as a small purchase. This will allow price, availability and quality to be taken into account to bring the best value to the State. Private sector repair shops currently operate in this fashion. This would also expand competition to small businesses who cannot meet the needs of a large contract, but may have parts available for sale or able to provide the service. There are over 50 different automobile and equipment parts stores on Oahu. Not only will it expand competition, but it would also reduce the amount of administrative paperwork. This new exemption will reduce the down time for motor vehicles and equipment, by allowing the Department a quicker way to purchase repair services and/or parts.

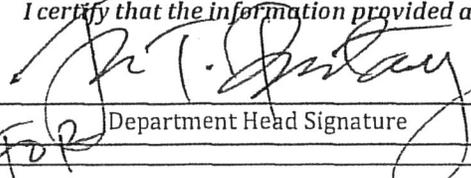
7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:  
Each time a repair or part under \$5000 is needed, the Department will treat that purchase like a small purchase. Vendor selection will be based on the small purchase rules, and will consider quality, price, time and availability. An example of this would be the need to purchase a fuel pump assembly which is approximately \$250. This part may be available today from Vendor A at a cost of \$250, and available 2 weeks from today from Vendor B at a cost of \$240. Depending on the use of the vehicle, the Department should decide whether or not to wait. If this vehicle is used daily, the Department should spend the extra \$10 to get the vehicle operational.

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
Jamie H. Ho	Highways Division	808-587-2185	jamie.ho@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

5/23/16  
 \_\_\_\_\_  
 Date

**For Chief Procurement Officer Use Only**

Date Notice Posted: 5/24/16  
5/23/2016

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:

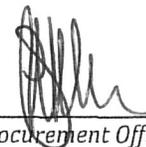
This request is disapproved as it lacks sufficient justification for an exemption. The department shall use the appropriate method of procurement (i.e. Invitation for Bid – IFB) pursuant to HRS Chapter 103D to procure the goods and services needed. The State Procurement Office (SPO) recommends soliciting for an Indefinite Delivery Indefinite Quantities (IDIQ) contract with multiple vendor awards to afford numerous vendors the opportunity to provide goods/services to the State. In the development of the solicitation, SPO also recommends the DOT consult with the Attorney General's Office to determine which of the Terms and Conditions may be removed. DOT should also confer with the Risk Management Office to determine what minimum insurance coverage is required, if necessary at all, for this type of contract.

If there are any questions, please contact Bonnie Kahakui at 587-4702, or [bonnie.a.kahakui@hawaii.gov](mailto:bonnie.a.kahakui@hawaii.gov).

Approved

Disapproved

No Action Required

  
 \_\_\_\_\_  
 Chief Procurement Officer Signature

6/17/16  
 \_\_\_\_\_  
 Date