

05 MAY -4 P2:08

STATE OF HAWAII  
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Natural Energy Laboratory of Hawaii Authority (NELHA) / CEROS  
(Department/Division/Agency)

Pursuant to § 103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:  
  
Concept development and demonstration of ocean technologies and applied ocean sciences for military maritime purposes under the National Defense Center of Excellence for Research in Ocean Sciences (CEROS). This program is funded solely by federal funds under Cooperative Agreement MDA972-02-2-0002. No State general funds are utilized in this program.

Name of Vendor: Address:  See Exhibit A	Cost:  See Exhibit A
--	----------------------------

Term of Contract: See Exhibit A	From:	To:	Prior Exemption Ref. No. (if applicable)
------------------------------------	-------	-----	--

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:  
  
Procurement of concept development and demonstration of ocean technologies and applied ocean sciences projects is to be conducted competitively in accordance with the terms and conditions of Cooperative Agreement MDA972-02-2-0002 between NELHA and the Defense Advanced Research Projects Agency (DARPA), the CEROS Operational Plan dated February 2002, and the CEROS Procurement Plan revised March 2002. The Procurement Plan, which was prepared by CEROS and approved by DARPA as a condition for grant funding, established the process for solicitation and award of projects for the FY05 CEROS program. Attachment A provides additional information.  
The CEROS Procurement Plan will be revised to meet Chapter 103D requirements and will be submitted to DARPA for approval prior to initiating the FY06 CEROS program. If approved by DARPA, subsequent procurement will be in compliance with Chapter 103D, HRS. If not, an exemption for the FY06 CEROS program will be requested.

Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:  
  
Attachment B provides complete details of the CEROS selection process to be followed. The process ensures maximum fair and open competition.

A description of the agency's internal controls and approval requirements for the exempted procurement:

The procurement will be in accordance with the Cooperative Agreement with DARPA. The solicitation will be prepared by CEROS and approved by DARPA. The CEROS Research Advisory Board (RAB) will recommend projects for funding. DARPA will be informed of the RAB recommendations. The NELHA Board of Directors will also be briefed on the RAB recommendations and will authorize CEROS to enter into negotiations and, if successful, enter into State contracts for the recommended projects.

A list of agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Contracts approved by the NELHA Board of Directors.  
 William Friedl, CEROS Technical Director  
 Leland Fausak, CEROS Research Administrator  
 Donna Mau, CEROS Contracts & Grants Administrator

Direct questions to: William Friedl, CEROS Technical Director	Phone Number: (808) 327-4310
--	---------------------------------

This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: Yes  No

**I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.**

  
 Department Head or Designee  
 CEROS Technical Director  
 Title (If other than Department Head)

5/4/05  
 Date

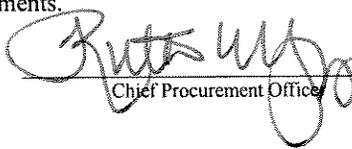
Chief Procurement Officer's Comments:

The FY 06 Procurement Plan shall meet the requirements of chapter 103D, HRS, unless such adherence shall result in loss of federal funding for this program.

Please ensure adherence to applicable administrative requirements.

APPROVED  
 cc: Administrator,  
 State Procurement Office

DISAPPROVED

  
 Chief Procurement Officer  
 Date: 5/11/05