



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

**Received by
State Procurement Office
10/31/2016**

TO: Chief Procurement Officer

FROM: Natural Energy Laboratory of Hawaii Authority (NELHA)
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:
Manufacture, deliver, install and commission a UET ReFlex 100kW/500kWh Advanced Vanadium Flow Battery Energy Storage System at NELHA Gateway Center laboratory building.

2. Vendor/Contractor/Service Provider:	UniEnergy Technologies	3. Amount of Request: <i>Spent 11/16/16</i> \$ 250,000.00 \$ 548,500
4. Term of Contract From: 1-Dec-16 To: 30-Nov-19	5. Prior SPO-007, Procurement Exemption (PE):	

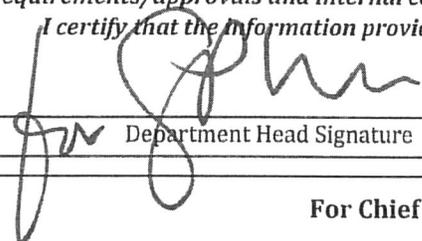
6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
Following NELHA's Distributed Energy (DER) Strategy update in 2013, the agency has worked to develop partners to explore opportunities to work on projects of mutual interest with respect to DER. In January 2015, NELHA entered into a MOU with Sandia National Laboratories (SNL), funded by the US Department of Energy (US-DOE), to assist with NELHA's energy storage initiative (attached). US-DOE is interested in demonstrating a specific vanadium flow energy storage system at NELHA in partnership with the local electrical utility. US-DOE has invested \$30 million in this technology and is supporting commercialization of the technology by UniEnergy Technologies (UET) which has licensed the technology from US-DOE. US-DOE, through SNL, desires to support NELHA's energy storage initiative and the installation of a UET vanadium flow battery system at NELHA by providing NELHA with \$250K in funds to contribute towards the purchase of a UET battery system to be installed at NELHA. US-DOE will not fund the project if a different technology or vendor were to be considered. It is therefore not practicable or advantageous to procure by competitive means.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
UET was selected by US-DOE and SNL. UET has licensed the advanced vanadium flow technology which was developed at Pacific Northwest National Laboratory and tested at SNL under US-DOE funding. SNL and NELHA will enter into a contract to provide funds for this project. This contract will include a scope which explicitly states the design and procurement of a UniEnergy Technologies 100kW battery system.

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
Laurence Sombardier	NELHA	808-327-9585 X244	laurences@nelha.org
Gregory P. Barbour	NELHA	808-327-9585 X225	gb@nelha.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

10/31/14
Date

For Chief Procurement Officer Use Only

Date Notice Posted: 11/1/2016

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

Chief Procurement Officer (CPO) Comments:

Approval is granted for the period 12/1/2016 to 11/30/2019 in the amount of \$568,500. This approval is based on the understanding that NELHA has entered into a MOU with Sandia National Laboratories (SNL) and the project shall be partially funded by the US Department of Energy (US-DOE), to assist with NELHA's energy storage initiative. This approval is for the solicitation process only, HRS Section 103D-310(c) and HAR Section 3-122-112 shall apply (i.e. vendor is required to provide proof of compliance and may use the Hawaii Compliance Express) and the award is required to be posted on the Awards Reporting System. Copies of the compliance and the awards posting are required to be documented in the procurement/contract file.

If there are any questions, please contact Stanton Mato at 586-0566 or Stanton.d.mato@hawaii.gov.

Approved

Disapproved

No Action Required


Chief Procurement Officer Signature

11/28/16
Date