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

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: DAGS Public Works Division
(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: See attached.

Name of Vendor: To Be Determined/Multiple Address:	Cost: \$150,000 Cumulative Total
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Term of Contract: <u>Upon CPO Approval</u>	From: <u>June 20, 2005</u>	To: <u>October 1, 2005</u>	Prior Exemption Ref. No. (if applicable)
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Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: See attached.
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Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: In accordance with Chapters 103D-305 and 103D-310, informal bid proposals for required construction goods and services will be solicited from responsible and responsive suppliers and contractors, respectively.

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

See attached.

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

Dr. Scott Ray, DHS Program Administrator (ph. 721-6225)
 Edwin Igarashi, DHS Administrative Services Officer (ph. 586-4856)
 Ralph Morita, DAGS Public Works Division, Planning Branch Chief (ph. 586-0500)
 Glenn Okada, DAGS Hawaii District Office, District Engineer (ph. 974-6400)

Direct questions to: Ralph Morita, DAGS Public Works Division	Phone Number: 586-0500
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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.

Russell Scott 6/20/05

 Department Head or Designee Date

 Comptroller
 Title (If other than Department Head)

Chief Procurement Officer's Comments:

This approval is based on a DHS Memorandum that the Governor has mandated the completion date of October 1, 2005 for the DHS Safe House Group. We understand the DHS and State Comptroller requires this exemption in order to meet this deadline.

Please ensure adherence to applicable administrative requirements.

APPROVED DISAPPROVED

cc: Administrator,
State Procurement Office

Ralph Morita 6/27/05

 Chief Procurement Officer Date

ATTACHMENT TO REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

Description of goods, services, or construction:

Department of Human Services (DHS), Safe House Group Home, Honokaa, Hawaii:

Required construction work under this DAGS project involves:

1. Minor interior renovation work for State Office Building No. 2 that is situated within the Honokaa Civic Center. This work is needed to accommodate relocation of the Department of Health (DOH) Office of Rural Health program from the former Vector Control building that is also situated within the Honokaa Civic Center.
2. Minor interior renovation work for the former Vector Control building. This work is needed to accommodate relocation of the DOH Adult Mental Health program from a residential cottage in the general area of the Honokaa Civic Center.
3. Installation of perimeter fencing and general refurbishment work for a residential cottage that is currently occupied by the DOH Adult Mental Health program. This work is needed to accommodate start up of the DHS Youth Safe House program within the residential cottage.

An exemption is requested to procure construction goods and services for a DHS demonstration pilot program (i.e., Safe House Group Home) that the Governor's office has mandated be started by October 1, 2005. See below for related mitigating circumstances on this matter. This exemption is for the solicitation process only. Chapters 103D-305 (i.e., small purchases for construction) and 103D-310 (responsibility of bidders and offerors), HRS, shall apply. ✓

Explanation describing how procurement by competitive means is either impractical or not advantageous to the State:

Refer to attached copy of June 17, 2005, DHS letter to DAGS that indicates the operational start up date is by October 1, 2005.

Refer to attached copy of the "Memorandum of Understanding" to facilitate expeditious implementation of construction work needed to start up this demonstration pilot program on the Island of Hawaii that was executed between the DHS and the Department of Accounting and General Services (DAGS) on June 8, 2005.

DAGS staff have determined:

1. The majority of the required construction work will involve procurement of construction goods and services greater than \$25,000 total. Therefore, procurement of construction goods and services under "Invitation for Bidders (i.e., IFB; aka the formal procurement process)" or "Request for Proposal (i.e., RFP; aka the alternative procurement process)" will take too long to complete and the mandated October 1, 2005, start up date for this DHS pilot demonstration program cannot be achieved.
2. This demonstration pilot program will reduce litigation risks for the State of Hawaii. Therefore, expeditious implementation of required construction work for this demonstration pilot program will be a benefit to the State of Hawaii.

3. Required construction work will not involve the County Building Permit approval process and related construction goods and services are estimated to cost over \$25,000 (but no more than \$150,000 total). Therefore, compliance with Chapter 103D-305 will unnecessarily increase the overall project cost to the State of Hawaii and will increase the implementation time needed to procure the required construction goods and services (i.e., under IFB or RFP).
4. Use of the small purchase procedures (i.e., the informal bidding process) to procure required construction goods and services is "cost-effective, competitive, and expeditious."

Other mitigating factors/circumstances are:

The DHS administration has Governor's office support and approval to embark on a ~~two (2) year, demonstration pilot program~~ for youths who have been removed from their homes in the "best interest of the child" by the Family Court and ~~were referred to the DHS, Social Services Division, Child Welfare Services Branch (CWS) and/or Office of Youth Services (OYS).~~ This demonstration pilot program is intended to ~~reduce "crisis conditions" for youths under the CWS and/or OYS programs, and will service up to six youths at a time, ranging in age from 13 years old through 17 years old.~~

The goal of this demonstration pilot program is to ~~provide "out-of-home" placement for troubled youth (aka "low level offenders") in an environment that is "safe and protected from abuse by parents and others,"~~ while also permitting greater family contact and interaction. This demonstration pilot program is initially being done on the ~~Island of Hawaii,~~ although a successful demonstration pilot program could lead to similar projects on other islands of the State of Hawaii.

The DHS administration needs to ~~create new alternative community placement(s) for youth on the Island of Hawaii as soon as possible because:~~

1. DHS placement of "low level offenders" in traditional "group homes" or the Hawaii Youth Correctional Facility (HYCF) are ~~not in the best interest of the children and often lead to their harm and/or adverse socialization.~~ Traditional circumstances also constitute an "on-going crisis and risk" for youth placed inappropriately in "institutional settings," which in turn contribute to a "growing crisis condition" for the State of Hawaii.
2. Youth from the Island of Hawaii are currently "over-represented" at the HYCF because the Island of Hawaii population constitutes only about 12% of the State of Hawaii total population but about 22% of the youths at the HYCF are from the Island of Hawaii.
3. DHS placement of ~~"low level offenders"~~ at the HYCF is acknowledged as the root cause for "over-crowding" and related problems at the HYCF.
4. The State of Hawaii is under Department of Justice (Federal) review regarding existing conditions at the HYCF and "large-scale improvements" are currently being mandated to address the existing HYCF problems. Additionally, there is substantial pressure from the

ACLU and a variety of community groups to ease and stop the "on-going crisis conditions" at the HYCF as soon as possible.

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

The proposed time frame for implementation of all required work is about a four (4) month period, from June 2005 to October 2005.

For the purposes of this exemption, internal controls will be established as follows:

1. DAGS-Hawaii District Office staff will develop construction scope of work documents in accordance with DHS and DOH administration requirements.
2. DAGS-Hawaii District Office staff will solicit at least three (3) quotations from construction suppliers and contractors, in accordance with Chapters 103-305 and 103D-310 requirements, respectively.
3. DAGS-Public Works Division and DAGS-Hawaii District Office staff will coordinate award and execution of construction contracts or purchase orders for the required construction goods and services.
4. Cumulative purchases for construction goods and services under this exemption will not exceed \$150,000 total.