

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

TO: Chief Procurement Officer

FROM: Human Services/Housing & Community Development Corporation of Hawaii/Dev. Br.
(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: Please see attached

Name of Vendor: HB Elevator Consulting, LLC Address:	Cost: \$230,000 est. \$104,000
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Term of Contract: From: Date of <i>Upon CPO Approval</i> award	To: 8 months	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: Please 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: Please see attached

A description of the agency's internal controls and approval requirements for the exempted procurement:
 HCDCH is unique, as the agency must follow both the State Procurement Laws and Regulations; and the Federal(HUD) Procurement Laws and Regulations. In general, HCDCH follows the State procedures, except where the Federal procedures are more stringent. All contracts exceeding \$25,000 must be approved by HUD prior to award.

The exemption for this procurement will be submitted to HUD for approval prior to award.

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

Executive Director
 Executive Assistant
 Special Assistant to the Director
 Chief, Project Management and Maintenance Branch
 Chief Engineer, Construction Management Section

Direct questions to: _____ Phone Number: _____

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.

Stephanie Owens _____ Date
 Department Head or Designee
 _____ Title (If other than Department Head)

Chief Procurement Officer's Comments: This approval is based on DHS-HCDCH belief that they require an elevator consultant to evaluate the condition of the 18 elevators and to provide related services to the HCDCH in order to restore the elevators to a normal operating condition. This approval is for 8 months or until a new elevator maintenance contract is executed, whichever is sooner. This approval is for the solicitation process only, chapter 103D-310, HRS, shall apply.

Please ensure adherence to applicable administrative requirements

APPROVED DISAPPROVED

[Signature] _____ Date
 Chief Procurement Officer

cc: Administrator,
 State Procurement Office

Description of goods, services, or construction:

- Provide expert evaluation and recommendations for existing elevator maintenance services at Kuhio Park Terrace and other sites. Includes survey and evaluation of equipment and equipment operation – 18 x \$3,000 = \$54,000.
- Provide plans and specifications for any repairs required to bring the elevators to safe working condition. ~~Prepare bidding documents~~, and provide follow up-\$25,000.
- Provide plans and specifications required for bidding the elevator maintenance contract. Review current maintenance agreement, prepare a new maintenance agreement, bidding documents, and provide follow up. - \$25,000
- ~~• Provide plans and specifications for the modernization of the elevators at Kuhio Park Terrace. Prepare bidding documents, and provide and provide follow up - \$125,000~~

*Delete per HCDCH
M*

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

HCDCH has contracted an independent third party experienced in elevator maintenance to evaluate the current contractor's work. The evaluation revealed that the maintenance work is not satisfactory, and that significant systems relating to passenger safety have been ignored or "pieced together". The elevators are unsafe at this time, and may result in serious injuries or fatalities to the passengers.

Follow on evaluations and work needed to design and award the work to bring the elevators to safe operating condition is required. In addition, work needed to prepare a new maintenance contract specification is required.

HCDCH has given the current elevator maintenance contractor a "notice to cure" on June _____, 2005. The contractor did not "cure" the defects. HCDCH has given the contractor a conditional notice of termination to "cure" the defects on July _____, 2005, and is awaiting the contractor's response. If there is no "cure" within the time given on the conditional notice, HCDCH intends to terminate the contract for cause.

If and when the current elevator maintenance contractor is terminated, the elevators must be restored to a safe operating condition. The elevators must also be maintained.

The State Office of the Attorney General has advised us to keep the ~~proceedings confidential~~. We are not able to publicly bid this work, due to potential legal action, and are requesting an exemption of bidding for this consultant and for a contractor to provide the repairs and interim maintenance for the elevators affected until the next maintenance contract can be bid.

Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

HCDCH is requesting that the current elevator consultant be awarded the work to follow up on the consultant work, due to his expertise and familiarity with the project. The consultant is one of three elevator consultants evaluated by HCDCH for the existing small purchase procurement. See attached SPO10. The consultant was selected over the other consultants for the following points:

- The consultant responded affirmatively to the original request for services. All elevator consultants listed in the Yellow Pages were contacted (3 consultants). The other two consultants declined to bid on the original job, and the work was awarded to this consultant. As part of the original request, the consultant has evaluated the Kuhio Park Terrace elevators and has prepared a comprehensive report on his findings. He has demonstrated his competence, responsiveness, and reliability on this work.
- The State's Attorney General (deputy) has verbally advised us to keep all matters regarding the work confidential. We are unable to contact other vendors at this time. In addition, the consultant's expertise will be required for follow up on the confidential matter.
- The consultant is experienced in the maintenance of all brands of elevators, and owned and operated Island Elevators, Inc. until his retirement.
- The consultant provides independent third party expertise to the private sector in preparing bids for and evaluating elevator maintenance contractors
- The consultant is available locally, and is not based on the mainland, allowing immediate access as needed.