

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

09 NOV -2 10:08

TO: Chief Procurement Officer

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

FROM: Department of Health/Adult Mental Health Division *aj*  
(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:

<p>Description of goods, services, or construction:</p> <p>Provision of leveraging funds to be used to increase the statewide rental housing inventory for consumers with severe and persistent mental illness (SPMI). The vendor has applied for and was awarded two U.S. Department of Housing and Urban Development (HUD) Section 811, Supportive Housing for Persons with Disabilities grants. The first grant is for \$1,711,700 and is to be used to construct and operate a ten unit apartment building on Oahu. The second grant is for \$724,000 and is to be used to construct and operate a six bedroom group home in Kailua-Kona. The provision of the leveraging funds will allow the vendor to establish immediate "site control" or proof of ownership/control of a viable property and possession of the necessary funds to develop the project as HUD funds will not be available for another 12 months or longer. The rental housing to be constructed will be used to house consumers served by the Adult Mental Health Division (AMHD).</p>
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Name of Vendor:	Steadfast Housing Development Corp.	Cost: \$350,000.00
Address:	677 Ala Moana Boulevard, Suite 713 Honolulu, Hawaii 96813	(one time payment)

Term of Contract:	From: date of approval	To: 12/31/05	Prior Exemption Ref. No. (if applicable) N/A
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<p>Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:</p> <p>Procurement by competitive means is neither practicable nor advantageous to the State because the vendor has applied for and was awarded two HUD Section 811, Supportive Housing for Persons with Disabilities grants. The grants also provide operational subsidies for over 40 years, thus reducing AMHD's share of operational costs paid through purchase of service contracts.</p>
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<p>Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:</p> <p>All providers of housing for adults with SPMI are encouraged by the AMHD to apply for housing grants from HUD.</p>
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A description of the agency's internal controls and approval requirements for the exempted procurement:

The AMHD Chief, AMHD Clinical Operations Chief, and the AMHD Housing Services Coordinator will perform regular monitoring to ensure that the vendor uses the funds for leveraging and that the constructed housing units will be used only for AMHD consumers.

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

Thomas W. Hester, M.D., AMHD Chief  
 Karen Krahn, AMHD Clinical Operations Officer  
 Bernie Miranda, AMHD Housing Services Coordinator  
 Amy Yamaguchi, AMHD Public Health Administrative Officer

Direct questions to: Amy Yamaguchi	Phone Number: 586-4681
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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.**

 NOV - 1 2005  
 \_\_\_\_\_  
 Department Agency Head Date

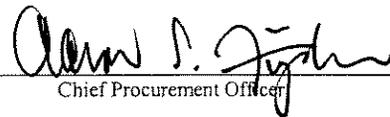
\_\_\_\_\_  
 Title (If other than Department Head)

Chief Procurement Officer's Comments:

It is my understanding that the \$350,000 that will be given to the contractor is start-up money that will be redeposited into the State accounts once the HUD funds are received.

Please ensure adherence to applicable administrative requirements.

APPROVED       DISAPPROVED

 12/12/05  
 \_\_\_\_\_  
 Chief Procurement Officer Date

cc: Administrator  
 State Procurement Office

**STATE OF HAWAII  
NOTICE OF EXEMPTION FROM CHAPTER 103D, HRS**

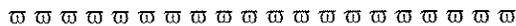
The Chief Procurement Officer is in the process of reviewing the request from the Department of Health, Adult Mental Health Division for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

Provision of leveraging funds to be used to increase the statewide rental housing inventory for consumers with severe and persistent mental illness (SPMI). The vendor has applied for and was awarded two U.S. Department of Housing and Urban Development (HUD) Section 811, Supportive Housing for Persons with Disabilities grants. The provision of the leveraging funds will allow the vendor to establish immediate "site control" or proof of ownership/control of a viable property and possession of the necessary funds to develop the project as HUD funds will not be available for another 12 months or longer. The rental housing to be constructed will be used to house consumers served by the Adult Mental Health Division (AMHD).

**Vendor:** Steadfast Housing Development Corporation  
**Address:** 677 Ala Moana Boulevard, Suite 713  
Honolulu, Hawaii 96813

**Term of Contract:** From: date of approval To: 12/31/05 | **Cost:** \$350,000.00

**Direct any inquiries to:**  
Department: Department of Health, Adult Mental Health Division | Phone Number: 586-4681  
Contact Name/Title: Any Yamaguchi/Public Health Administrative Officer  
Address: P.O. Box 3378 | Fax Number: 586-4745  
Honolulu, HI 96801-3378



Date Notice Posted: 11/2/05

A copy of this notice of exemption from Chapter 103D, HRS, shall be posted by the Chief Procurement Officer and the purchasing agency in an area accessible to the public, at least seven (7) calendar days prior to any approval action.

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days from the date this notice was posted to:

Chief Procurement Officer  
Office/Agency State Procurement Office  
Address 1151 Punchbowl St., Room 230-A  
Honolulu, Hawaii 96813