

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS P1 132

TO: Chief Procurement Officer

STATE PROCUREMENT OFFICE
1000 KALANOAUOUE DRIVE
HONOLULU, HI 96813FROM: Department of Human Services (DHS), Housing and Community Development Corporation
(Department/Division/Agency) of Hawaii (HCDCH)

Pursuant to § 103D-102(b)(5), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:

This exemption is requested to purchase appliances for federal/state-assisted public housing units owned and managed by the Housing and Community Development Corporation of Hawaii (HCDCH). Household appliances include refrigerators, gas and electric ranges, and other large appliances that HCDCH will need in the next six (6) months while the Invitation for Bid (IFB) is advertised for a new appliance contract.

Name of Vendor:

Various Vendors

Cost:

\$100,000.00

Term of Contract:

From: Upon CPO Approval
 To: June 30, 2006 or IFB Approval

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

The long-term contract with Pacific Appliance Group expired on December 31, 2004. HCDCH requested an extension of the contract from the U.S. Department of Housing and Urban Development (HUD), but the extension was denied in December 2004. A SPO exemption (P.E. No. 05-57-C) was approved for HCDCH to continue to purchase needed appliances until the expiration of the exemption request on May 31, 2005.

An Appliance IFB was submitted to HUD in June 2005 but was disapproved. Subsequently small purchases were made since the expiration of the SPO exemption to continually meet the high demand for household appliances. A revised IFB was completed in November 2005 and is currently under final review prior to the submittal to HUD.

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

Procurement will comply with Subsection 103D-305, HRS and HAR 3-122, Subchapter 8. Therefore, approval is requested to increase the purchase ceiling for the next six (6) months to \$100,000.00 in order to buy appliances to replace the aging inventory of appliances and to furnish recently completed and upcoming major renovation projects requesting larger quantities of appliances.

HCDCH has also been working with other State and County agencies with Intergovernmental agreements as a partnership to comply with HUD mandates of unit turnarounds and vacant housing units.

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

As part of the reorganization efforts of HCDCH, the proposed Procurement Office, HCDCH's ASO Office, and the Purchasing Office of HCDCH will continue to coordinate the requests for appliances for housing units during the next six (6) months until the approval of the IFB for a new appliance contract.

The same internal controls will be utilized as specified by DAGS Administrative Rules regarding inventory, disposal of items, and procurement.

(See also attached P.E. 05-57-C as reference of previous SPO approval).

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

Pamela Dodson, Executive Assistant
Richard Speer, Project Engineer
Gary Ito, Purchasing

Direct questions to:

Richard Speer

Phone Number:

620.1052 (Cell.)

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

I certify that the information provided above is to the best of my knowledge, true and correct.

Stephanie Aveiro 12/21/05

Department/Agency Head

Date

Chief Procurement Officer's Comments:

The HCDCH should have submitted SPO Form-7B, Notice of Amendment of Exemption from Chapter 103D, HRS, for CPO review to extend procurement exemption PE-06-57-C beyond it's May 31, 2005 expiration.

When the agency continued to purchase appliances using the 103D-305, HRS, process, it committed a procurement violation. Agency shall submit SPO Form-16, Procurement Violation. Period of violation shall be from 6/1/2005 to anticipated date a contract for appliances will be awarded.

Please ensure adherence to applicable administrative requirements.

____ Approved

X Denied

Adam P. Ayala 12/29/05
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 Human Services
HCDCH for exemption from Chapter 103D, HRS. for the following goods, services, or construction:

To purchase various household appliances (refrigerators, gas and electric ranges, etc.) for a period of six (6) months until a new contract is executed.

Vendor: Various
Address:

Term of Contract:	From: Upon CPO Approval	To: June 30, 2006	Cost: Not to Exceed \$100,000.00
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Direct any inquiries to:

Department: Department of Human Services
Housing and Community development Corporation
Contact Name/Title: of Hawaii (HCDCH)
Richard Speer
Address: 677 Queen Street, Suite 300
Honolulu, Hawaii 96813

Phone Number:
(808) 620-1052 Cell.
Fax Number:
(808) 587-0600



Date Posted: 12/28/05

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 posted to:

Chief Procurement Officer
Office/Agency _____
Address _____
