

LINDA LINGLE
GOVERNOR



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ADMINISTRATOR

STATE OF HAWAII
STATE PROCUREMENT OFFICE
P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 587-4700 Fax: (808) 587-4703
www.spo.hawaii.gov

SPO 07-0064

September 21, 2006

TO: Major General Robert G. F. Lee
Adjutant General
Department of Defense

FROM: Aaron S. Fujioka 

SUBJECT: Request for Authorization to Increase the Small Purchases Ceiling
Reference: PE-07-024-R

In response to your July 24, 2006 memo on subject matter, I apologize for the lateness of this response. I had queried the Department of Accounting and General Services on the possibility of the Public Works Division's ability to provide procurement and contracting services for your construction projects, and recently received a response that they are unable to assist with these projects in the required time period.

In accordance with HRS Section 103D-102(b)(4) and HAR Chapter 3-120, approval is granted for the period to December 31, 2006, for purchases pursuant to section 103D-305 up to \$200,000, with the following provisions:

- Procurement notices shall be posted on the Procurement Notices System (PNS) at <http://www4.hawaii.gov/bidapps/> for each solicitation/quote issued under this exemption, to allow for competition;
- Within 60 days after December 31, 2006, provide to the SPO a summary report on all contracts awarded, including the description, amount, and vendor name; and
- Ensure all awards are posted on the Procurement Reporting System (PRS) located at <http://www.hawaii.gov/spo2/source/>.

If you have any questions please call me at 587-4700, or your staff may contact Ruth Yamaguchi at 586-0554.



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

1. TO: Chief Procurement Officer
2. FROM: Department of Defense

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:

3. Description of goods, services or construction:
See attached July 24, 2006 memo.

4. Name of Vendor: various
Address:

5. Price:
\$

6. Term of Contract: From: CPO approval To: 12/31/06

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:

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

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

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

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

Name	Position	Involvement in Process	
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to:

Department: _____
 Contact Name: _____
 Phone Number: _____
 Fax Number: _____

Agency shall ensure adherence to applicable administrative and statutory requirements

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

Department Head _____

Date _____

Reserved for SPO Use Only

15. Date Notice Posted 9/14/06

The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

Chief Procurement Officer's comments:

16. **APPROVED** **DISAPPROVED** **NO ACTION REQUIRED**

Chief Procurement Officer _____

Date _____

LINDA LINGLE
GOVERNOR



ROBERT G. F. LEE
MAFOR GENERAL
ADJUTANT GENERAL

GARY M. ISHIKAWA
BRIGADIER GENERAL
DEPUTY ADJUTANT GENERAL

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STATE OF HAWAII
DEPARTMENT OF DEFENSE
OFFICE OF THE ADJUTANT GENERAL
3949 DIAMOND HEAD ROAD
HONOLULU, HAWAII 96816-4495

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

July 24, 2006

To: Aaron S. Fujioka
Administrator, State Procurement Office

From: *JW* Major General Robert G. F. Lee
Adjutant General

Subject: Request for Authorization to Increase the Small Purchases Ceiling

*Gary M. Ishikawa, Brig. Gen. DAF
24 July 06*

The Department of Defense request your approval to increase the Small Purchase ceiling from \$25,000, pursuant to §103D-305, HRS, to \$200,000 for goods, services and construction. The effective period would be from the date of your approval to December 31, 2006.

The request is being made due to the vacant positions with the Department's Contracting and Engineering Office. Key positions are vacant at this time (Engineer IV, and Engineering Tech VII) and although they are in the process of being filled, the lack of timely procurement of services is becoming a health and safety issue. With the deployed troops returning in the next few months, repairs that were not accomplished due to the lack of contracting personnel is an immediate concern. Due to the time it would take, even if the positions were filled in the near future, the new staff would not be effective immediately because it will take time for orientation and training. Department of Human Resources has projected a November timeline in order to provide the Department with list of eligible in order to interview and fill our vacancies.

In order to assist the States to repair facilities that deteriorated due to the lack of use during deployment of their troops to the Middle East, the National Guard Bureau released additional funds to repair and modernize the facilities. The funds for Hawaii exceeded \$4,000,000. Due to the lack of Departmental contracting personnel and the inability to contract services, the United States Property and Fiscal Office (USPFO) agreed to provide the contracting services for the larger purchases of services in excess of \$500,000. However, their contracting and procurement staff also was reduced by two employees and most of their new staff has been sent to train in the Federal procurement processes. In light of their situation, they have returned an estimated amount of \$1,800,000 to the State for execution of smaller contracts and are proceeding with only on the four (4) of the larger projects, resulting in about six (6) contracts.

STATE OF HAWAII
OFFICE OF THE ADJUTANT GENERAL
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A review of the required services that need to be executed by September 30, 2006, the end of Federal fiscal year, reflect projects that require approximately 15 to 25 purchases exceeding \$25,000 in order to complete all the National Guard requirements. The need to continue the higher ceiling will extend through December 31, 2006, as the specific design and plans are executed.

Your approval will allow the Department to utilize the small purchasing technicians to execute the purchase requirements based on the written specifications from the facility building managers to solicit no less than three (3) written quotations using SPO Form-10A and document under SPO Form-10. This will provide projects to be designed which can then be executed within the next five months. Safety and health issues can be eliminated, i.e. number of toilets that have to be renovated, sewer lines to be installed to be in compliance and small arms and munitions vaults made secured. Many of the repairs were postponed due to the lack of funds and because the troops had been deployed.

If you need further information or details, please have your staff call Mr. Thomas T. Moriyasu, our Departmental Fiscal Officer, at 733-4259.

Your approval will be greatly appreciated.

APPROVED DISAPPROVED

AARON S. FUJIOKA
Administrator, State Procurement Office

DATE