



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

1. TO: Chief Procurement Officer
2. FROM: DHS/ Hawaii Public Housing Authority (HPHA)

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:
Elevator maintenance and repair at 3 housing sites on Oahu:
Halia Hale 1 elevator
Laiola 2 elevators
Kulaokahua 1 elevator
The elevators at the 3 housing sites are currently under a maintenance and repair contract with KONE. The HPHA had anticipated including the 3 elevators in a larger competitive procurement for all of its elevators (17 sites total). However, the solicitation was not completed on schedule. See #8 below.

4. Name of Vendor: KONE, Inc.
Address: 239 Puuhale Road, Honolulu, Hawaii 96819
5. Price: \$15,500 est

6. Term of Contract: From: 11/1/2006 To: 10/31/07
7. Prior Exemption Ref. No. 0

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State
Due to the loss of HPHA's consultant earlier this year and the lack of staff expertise in elevators, the HPHA was not able to complete the solicitation (RFP or IFB). With the assistance of SPO and DAGS, the HPHA is preparing to issue a request for qualifications to hire a new consultant to assess the elevators at all 17 sites and to prepare a competitive solicitation. This exemption will give the HPHA enough time to properly prepare for the competitive procurement. The projected timeline for execution of a new competitive contract for elevator maintenance and repair is targeted for July 1, 2007. The HPHA is requesting the exemption through October 2007 in case the selection of an elevator consultant exceeds the projected schedule. HPHA's construction section feels it is not likely that HPHA will find this type of consulting expertise in Hawaii and is in the process of contacting mainland companies to generate interest in the forthcoming RFQ. The search for the consultant may, however, push back the schedule.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
The HPHA is requesting exemption from §103D, HRS to negotiate directly with KONE, Inc. for the repair and maintenance of elevators at the 3 sites listed above. KONE is the currently performing maintenance and repair at the 3 sites and its technicians are familiar with the condition of each elevator system. If the HPHA is unable to negotiate a fair and reasonable agreement with KONE, Inc. the HPHA will terminate negotiations with KONE and negotiate with another elevator company for services. When the new solicitation is completed, the HPHA will be able to competitively procure long term maintenance and repair services. The HPHA also anticipates issuing a solicitation for remodernization of some of the elevators (depending on available funds) and will competitively procure those services with the assistance of the new consultant.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
Except for the requirement to engage in a competitive selection process, the HPHA does not intend to waive any other established internal controls. All procurement and contract documents will be reviewed by HPHA's Construction Management Section, Contract & Procurement Office, Executive Director, and the Office of the Attorney General, as appropriate. The Construction Management Section will be responsible to monitor the Contractor's performance, including reviewing all requests for payment.

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
Patti Y. Miyamoto	Interim Executive Director	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Barbara Arashiro	Act Contract & Procurement Offc.	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Derek Fujikami	Construction Mgmt Section	<input type="checkbox"/> Approval <input checked="" 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: DHS/ HPHA Contact Name: Patti Miyamoto Phone Number: 832-6003 Fax Number: 832-6030
--------------------------	---

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.*


11/2/06

 Department Head Date

Reserved for SPO Use Only	
15. Date Notice Posted <u>11/06/06</u>	
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: <p align="center"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 </p>	
Chief Procurement Officer's comments: <p align="center">This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply.</p>	

16. APPROVED DISAPPROVED NO ACTION REQUIRED


11/13/06

 Chief Procurement Officer Date