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

1. TO: Chief Procurement Officer

2. FROM: Hawaii Housing Finance and Development Corporation

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:
 Contract No. PMB 05-002-8513-S is for the repair and renovation of Kamakee Vista, a 226-unit affordable rental housing development located in Kakaako, Oahu. The scope of services includes four phases: (1) site investigation and submittal of an assessment report, (2) design and bidding of renovation work, (3) construction administration, and (4) post-construction work. The existing contract amount is \$424,264.00; the existing term is from 06/06/2005 to 12/31/2006.

The HHFDC is seeking a modification to the scope of the aforementioned contract to include additional electrical engineering and mechanical work and a 2-year extension from 12/31/2006 to 11/20/2008.

4. Name of Vendor: CDS International Inc. Address: 1001 Bishop Street, Suite 400 Honolulu, HI 96813-3499	5. Price: \$529,763.20
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6. Term of Contract: From: 12/31/2006 To: 11/20/2008	7. Prior Exemption Ref. No. 0
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8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:
 This is an existing contract that is nearing the contract expiration date. The contractor completed the phase 1 assessment report and work on the architectural and engineering reports for phase 2 is underway. However, HHFDC has identified the need for additional electrical engineering and mechanical work to be included as part of the building renovations. Under current professional liability practice, a new consultant cannot take over another consultant's work product and continue with ongoing work. Securing another consultant is not practical as all of the architectural and engineering work that has been completed to date would be lost and necessary renovation work would be delayed.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
 This is a revision to an existing contract with a consultant design team that has successfully completed part of the scope of services.

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 HHFDC does not intend to waive any other established internal controls. All procurement and contract documents will be reviewed by the Development Branch, Chief Financial Officer, Executive Director and the Office of the Attorney General, as appropriate. The Development Section will be responsible to monitor the contractor's performance, including reviewing all requests for payments.

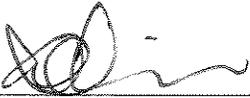
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

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
Orlando "Dan" Davidson	Executive Director	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Fay Morinaga-Pang	Chief Financial Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Stan Fujimoto	Acting Development Section Chief	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Leon Noe	Architect/Project Manager	<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

13. Direct inquiries to: Department: DBEDT
 Contact Name: Leon Noe
 Phone Number: 587-0538
 Fax Number: 587-0600

Agency shall ensure adherence to applicable administrative and statutory requirements

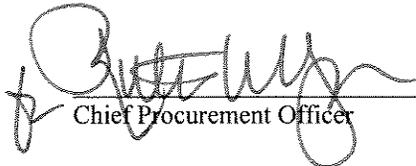
14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*


 Department Head


 Date

Reserved for SPO Use Only
15. Date Notice Posted <u>12/04/06</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: Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119
Chief Procurement Officer's comments: After review of the additional information provided via email from the agency, the SPO finds that the current contract does not expire until 5/7/07 and also includes three three-month contract extensions. If the three extensions are exercised the contract can be extended up through 2/7/08. For the above reasons, there is no reason to grant a procurement exemption for the subject services. If the services are required beyond 2/7/08, the agency may submit SPO Form-03, Request for Extension of Time on Contracts, at least 30-days prior to the contract's expiration.

16. APPROVED DISAPPROVED NO ACTION REQUIRED


 Chief Procurement Officer

12/18/06
 Date