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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:

Delivery, installation and disposal of appliances for rental housing units owned by the HHFDC.

4. Name of Vendor: To be determined

Address:

5. Price:

\$215,000

6.

Term of Contract: From: CPO approval To: 06/30/2007

7. Prior Exemption Ref. No.

0

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:  
The HHFDC owns and operates 10 rental housing projects totalling over 1,400 units on Oahu, Hawaii and Maui. As of November 2006, there were approximately 110 vacant units without refrigerators and ranges.

The HHFDC is not able to procure appliances for the vacant units because an appliance contract let by the HCDCH (predecessor to the HHFDC) expired. Given the immediate need for rental housing, it is not practical to procure appliances by competitive means at this time. Moreover, the HHFDC may lose federal USDA rent subsidies because of excessive vacancies due to the lack of appliances.

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

The HHFDC will utilize small purchase procedures which include obtaining at least 3 quotes from vendors. Quotes will be reviewed for cost reasonableness, as well as the timeframe for providing the appliances.

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 Chief Financial Officer, Executive Director and the Office of the Attorney General, as appropriate. The Asset Management Section will be responsible to monitor the vendor(s)' performance, including reviewing all requests for payments.

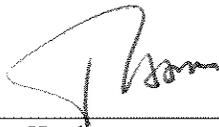
**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)**

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 checked="" type="checkbox"/> Administration
Cynthia Okubo	Property Management Coordinator	<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: DBEDT Contact Name: Cynthia Okubo Phone Number: 587-0502 Fax Number: 587-0600
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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.*



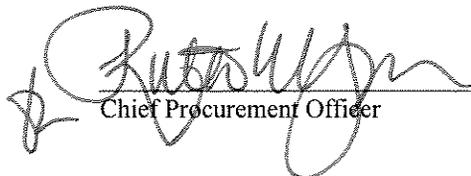
DEC 07 2006

Department Head

Date

Reserved for SPO Use Only	
	15. Date Notice Posted <u>12/11/06</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">                     Procurement exemption approval is granted to allow the agency to utilize small purchase procedures for the procurement of the subject appliances for the vacant rental units. Agency shall obtain a minimum of three quotes pursuant to procedures stipulated in Procurement Circular 2006-07. The HHRDC shall solicit and award an appliance contract for all its rental housing projects prior to the expiration of this approval.                 </p>	

16.  APPROVED  DISAPPROVED  NO ACTION REQUIRED

  
 Chief Procurement Officer

12/19/06  
 Date