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

1. TO: Chief Procurement Officer
2. FROM: DAGS/SPO

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:

<p>3. Description of goods, services or construction: Coarse Paper Products Price List No. 07-23- (Oahu Only</p> <p>Item 1. Toilet Tissue: Interfolded, Single-Fold Georgia Pacific 10101 \$41.25/cs Est. Sales Volume \$199,938.75 Item 4. Paper Towels: Roll, 2-ply, fully Bleached Georgia Pacific 27951 \$22.76/cs Est. Sales Volume \$16,017.00 Item 6 Paper Towels: Multi Fold 1-ply, Bleached Georgia Pacific 21389 \$15.20/cs Est. Sales Volume \$465,432.00</p> <p style="text-align: right;">Total \$681,387.75</p>	
<p>4. Name of Vendor: Various Vendors Address: Various</p>	<p>5. Price: \$681,387.75 <i>est.</i></p>
<p>6. Term of Contract: From: On Approval To: 11/30/07</p>	<p>7. Prior Exemption Ref. No. 0</p>
<p>8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State: See attached justification.</p>	
<p>9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Contact the remaining qualified vendors and request for a price quote for each item listed above. Vendors will have five (5) working days to submit their price quotes. The vendor with the lowest price for each item that meet minimum specifications will be awarded that item for the duration of the price list.</p>	
<p>10. A description of the agency's internal controls and approval requirements for the exempted procurement:</p> <p>All vendors who submitted bids for the original coarse paper products solicitation will be asked to respond to a request for quotation. If award is made, all price quote documents will be reviewed and approved by the Purchasing Staff Supervisor and the SPO Procurement Officer.</p>	

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
Kevin Takaesu	Purchasing Specialist II	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Sharon Koga	Branch Chief SPO	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Ruth Yamaguchi	Procurement Officer	<input checked="" 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: SPO
 Contact Name: Kevin Takaesu
 Phone Number: 586-0568
 Fax Number: 586-0570

[Signature] 1-17-07

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.*

[Signature] _____ Date 1/17/07
 Department Head

Reserved for SPO Use Only

15. Date Notice Posted 1/18/2007

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:

This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply.

16. APPROVED DISAPPROVED NO ACTION REQUIRED

[Signature] _____ Date 1/25/07
 Chief Procurement Officer

Item 8: Justification for Exemption Request

Due to over-extended credit, CICO Enterprise, Ltd. requested to terminate their contract for the subject PL as they will not be able to meet the supply demands. Because of the dollar amount and the volume of the contracted items, it would be in the best interest of the State to have a contract vendor and price commitments for these 3 items. In order to meet this need, a procurement exemption is requested through 11/30/07 for following reasons:

- (1) It takes approximately 2-3 months to do a solicitation for only 3 items;
- (2) The award for these items will have to be made a part of the existing PL because it would be impractical to have two PL's for the same type of products running concurrently;
- (3) A contract period of only 7-8 months, may result in limited competition and higher prices to the State; and
- (4) During the 2-3 month period to do a solicitation, the agencies will have to buy their requirements for these products from the best available source, which will also be a higher price to the State.

An exemption from ~~Section 103D-302, HRS~~, will allow the SPO to use small purchase procedures and solicit quotes from the vendors that responded to the original solicitation with the exception of CICO Enterprise, Ltd. This will expedite getting a contract vendor and fixed prices for these 3 items to minimize the "down-time" to the agencies.