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STATE OF HAWAII
OFFICE OF THE CHIEF PROCUREMENT OFFICER

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

1. TO: Chief Procurement Officer
2. FROM: Hawaii Public Housing Authority

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:

The HPHA intends to contract with Emphasys Computer Solutions to 1) provide 2-year maintenance on its accounting system, 2) customization of reports, 3) training on the upgraded software and 4) conversion of the HPHA's files and data to meet HUD requirements for project based accounting. While the maintenance and installation upgraded software are pre-approved sole source purchases and training has a pre-approved exemption, the conversion of the HPHA's files and data to meet HUD's requirements for project based accounting is not exempted from competitive source selection.

The costs for items #1-3 above are estimated at \$170,000. The cost of item #4 is estimated at \$45,000

4. Name of Vendor: Emphasys Computer Solutions

Address: 8550 NW 33rd Street, Suite 200 Doral, Florida 33122

5. Price:

\$215,000

6.

Term of Contract:

From: 4/1/07

To: 3/31/09

7. Prior Exemption Ref. No.

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

The HPHA's accounting system was designed specifically for public housing agencies and customized for the HPHA by Emphasys Computer Solutions. The staff at ECS are intimately familiar with the HPHA's accounting system and software, and bring expert knowledge on HUD's requirements for conversion to project based accounting. In consideration of ECS' staff's experience, and education and certification in public accounting, HPHA believes that it is not practicable or advantageous to contract with a different contractor to learn HPHA's computer software and accounting system. Additionally, it would be difficult to separate the tasks required for the successful conversion to project based accounting. For example, ECS would convert the data files and format reports based on HUD's requirements, program those into the system, and then train HPHA staff on the general ledger and accounts payable process.

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's computerized accounting system is proprietary in nature and was customized for HPHA's needs.

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

All requests for exempted procurements are reviewed thoroughly and require approval by the Program Chief, the Contract and Procurement Office and the Office of the Executive Director. Any requests to extend an exempted procurement require additional justification and evidence that a new competitive procurement is not advantageous or practicable. In addition, the HPHA is required to obtain HUD approval for all non-competitive procurements and must ensure compliance with vol. 24 CFR part 85.

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	Acting Procurement Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Gary Nakatsu	ITO Chief	<input checked="" 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: Hawaii Public Housing Authority Contact Name: Barbara Arashiro <i>[Signature]</i> Phone Number: 832-6038 Fax Number: 832-6039
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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.*

Patti Y. Miyamoto _____ Date *3/20/07*
 Department Head

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	15. Date Notice Posted <i>3/22/07</i>
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: <ul style="list-style-type: none"> 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

Adams. J... _____ Date *3/29/07*
 Chief Procurement Officer