



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

STATE PROCUREMENT OFFICE
STATE OF HAWAII

07 MAR 28 PM 2:48

1. TO: Chief Procurement Officer
2. FROM: Office of Veterans Services - Hawaii State Veterans Cemetery

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:
Durable burial vaults of various sizes to be used for casket sizes varying in dimension.[i.e.: regular vaults for standard sized caskets, oversize vaults for oversized caskets, and infant size vaults for infant sized caskets]. Polyguard & Co. LLC's vaults are constructed of non-biodegradeable, water and chemical resistant polymers.

4. Name of Vendor: Polyguard & Co. LLC
Address: P. O. Box 1269
Afton, WY 83110

5. Price:
\$78,000

6. Term of Contract: From: 3/20/07 To: 3/19/08

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:
Procurement by competitive means is not practical because Polyguard & Co. LLC will always provide the lowest price on the product by underbidding their distributors. Vendor is the manufacturer of the Hercules airseal vault and serves as the sole supplier to all distributors. As a professional courtesy, the company is offering GSA pricing (same rate procured by National Cemetery of the Pacific at Punchbowl) to the State of Hawaii, Department of Defense - Office of Veterans Services.

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

NOTE:
Vendor was introduced to the State by the recommendation of the National Cemetery of the Pacific at Punchbowl, an agency of the federal government who purchases the exact same products.

Each of the past three times a request for proposal was made, only Polyguard & Co. LLC returned a bid.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
Hawaii State Veterans Cemetery initiates request for goods and sends to the Office of Veterans Services who in turn submits package to the Department of Defense - Fiscal Office for procurement.

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
Mr. Edward Cruickshank <i>ed</i>	Director (of division), OVS	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Mr. Thomas Moriyasu	Fiscal Officer (of dept.), DOD	<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: Defense Contact Name: Miles S. Okamura Phone Number: 808-233-3630 Fax Number: 808-233-3633
--------------------------	---

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]
 Department Head

MAR 23 2007
 Date

Reserved for SPO Use Only	
15. Date Notice Posted	<u>3/28/07</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:	
<p>Although Polyguard & Co submitted a letter stating that buying directly from their company assures you the lowest possible price, that is insufficient justification to exempt the Department of Defense (DOD) from the procurement code.</p> <p>Because the Polyguard burial vaults are available through multiple suppliers, the DOD shall obtain CPO approval for restrictive specifications and solicit offers through the HRS section 103D-302 procurement process.</p>	

16. APPROVED DISAPPROVED NO ACTION REQUIRED

[Signature] 3/30/07
 Chief Procurement Officer Date