

**STATE OF HAWAII**  
**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS**

TO: Chief Procurement Officer

FROM: Transportation / Highways / Oahu District  
 ( Department / Division / Agency)

Pursuant to Sec. 103D-102(b)(5), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:  
 Consultant Services to analyze data and write up periodic evaluations of the Multi-Skilled Worker [MSW] pilot program being conducted by Oahu District.

Name of Vendor:  Stuart K. Leong, DBA K L Enterprises, LLC	Cost:  30,000.00	Term of Contract: <u>From Date of</u> From: <del>June 1, 2007</del> Approval * To: December 31, 2007
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*JK*  
*7/16/07*

\* As per Mike Medieros, no work has been started.

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:  
 Oahu District embarked on the MSW pilot program to test whether a smaller, multi-skilled work force assigned to a specific area could better serve the public than the specialized crews, working islandwide now being used by Oahu District. K.L Enterprises, selected thru the competitive bid process, worked with HWY-O in writing up the requirements of the pilot program including the benchmarks to be used to measure effectiveness. To gage the success of the pilot program, data needs to be collected, analyzed, and organized on a periodic basis. HWY-O does not have the personnel to perform this work. Since KL Enterprises has already worked on the project, they would be best suited to right the report. Another consultant would have to study the program and be brought up to speed, before any reporting could be done. This would involve additional time and money.

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

A description of the agency's internal controls and approval requirements for the exempted procurement:  
KL Enterprises would submit a schedule of values showing the cost for each periodic report. These would be reviewed and approved by the District. As the reports are completed and accepted by the District, KL would submit invoices for approval and payment

A list of agency personnel, by position title, who will be involved in the approval process and administration of the contract:  
Mike Medeiros, Engineer (Civil) V; George Abcede, Engineer (Civil) VI.

Direct questions to: Mike Medeiros	Phone Number: 831-6812
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This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: Yes \_\_\_\_\_ No X

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

*BT* Department / Agency Head  
JUL - 6 2007 Date

Posted: 7/12/07

Chief Procurement Officer's Comments:  
SEE ATTACHED COMMENTS

Please ensure adherence to applicable administrative requirements.

       Approved      X Denied      *Oliver S. Fajal* Chief Procurement Officer      7/19/07 Date

cc: Administrator  
State Procurement Office

**Chief Procurement Officer's Comments:**

Contrary to what this request states, it is our understanding that the award to Stuart K. Leong, dba K.L. Enterprises, LLC for the development of the pilot program's requirements, was actually via a small purchase process and not a competitive process.

This exemption request is for the same contractor to now analyze, evaluate, and recommend changes to the pilot program Mr. Leong helped design. The department should have from the beginning evaluated the total requirements for the development of the pilot program and included the services to evaluate and measure the effectiveness of the program. All the specified services should have been included in a competitive procurement process and not parceled as a small purchase award and this procurement exemption request.

For the above reasons, this request is disapproved. To procure the requested services, the department shall follow the competitive procurement process of either HRS section 103D-302 or 103D-303. To procure any part of the requested services as a small purchase will be considered parceling and a procurement violation.