



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:
Property management and maintenance services at HHA Wilikina Apartments

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| 4. Name of Vendor: R&L Property Management LLC Address: 98-083 Puakukui Place Aiea, Hawaii 96701 | 5. Price: \$Est 296,120.00 |
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| 6. Term of Contract: From: 12/1/07 To: 9/30/08 | 7. Prior Exemption Ref. No. 0 |
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8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State: The HPHA is in the process of selling the Wilikina Apartments. The current contract for property management services ends on 11/30/2007. It would not be practicable for the HPHA to issue a competitive RFP for property management services for a short term contract. The HPHA is targeting the sale to take place in July 2008. The additional 2 months to 9/30/2008 is being requested to account for delays in financing. If the sale is able to take place on an accelerated schedule, the HPHA will terminate the property management contract earlier. The HPHA also recently issued a RFP for property management services at another project under the section 8 program, however, the news of the possible sale of that project has also kept companies from responding to that RFP.
(NOTE: The HPHA has contracted with a real estate consultant who is currently conducting a feasibility study on the project.)

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 is currently contracting with Urban Real Estate Company (Urban). Urban, however, is not interested in extending their current agreement as they plan to reduce their participation in HUD subsidized housing programs. Urban's former Director of Public Housing has formed a new property management company called R&L Properties. Since Urban has been running the Wilikina Apartments for several years, their employees (who will be rehired by R&L Properties) are intimately familiar with the program rules, tenant concerns, and property maintenance and repair issues.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
The HPHA's Board of Directors recently adopted its updated Statement of Procurement Policy. The Policy requires that all exempted procurements require the approval of the Procurement Officer and the Executive Director. Additionally, no other administrative requirements are waived, including the submission of certifications of compliance and insurance coverage. The HPHA also conducts reviews necessary to determine that the services will meet the agency's needs and that costs are reasonable.

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: | | |
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| Name | Position | Involvement in Process |
| Chad K. Taniguchi | Executive Director | <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration |
| Barbara E. Arashiro | Acting Executive Director | <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration |
| Derek Kimura | Property Management Chief | <input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration |
| Michael J. Hee | Private Management Contract Sect | <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 |

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| 13. Direct inquiries to: | Department: HPHA Contact Name: Barbara E. Arashiro Phone Number: 808 832-6038 Fax Number: 808 832-6039 |
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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.*

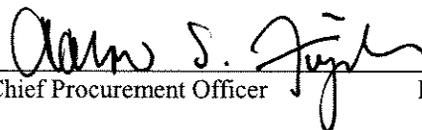

 Department Head

SEP 27 2007

Date

| Reserved for SPO Use Only | |
|---|---------------------------------------|
| | 15. Date Notice Posted <u>10/2/07</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: <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"> This approval is given based on the HPHA's representation that they intend to sell this project as soon as practicable and they have contacted other vendors who expressed reluctance to enter a contract as a result of the pending sale. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. </p> | |

16. APPROVED DISAPPROVED NO ACTION REQUIRED


 Chief Procurement Officer Date 10/9/07