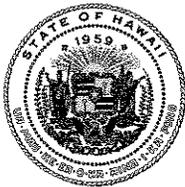


NOV 13 2007



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

- 1. TO: Chief Procurement Officer
- 2. FROM: Department of Agriculture / ADD / MDB

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 Livestock Feed Reimbursement Program was created by Act 221, SLH 2007. The purpose of the program is to create a livestock revitalization and food security program to administer and disburse funds to qualified cattle, dairy, hog and poultry farms, that apply for and receive a reimbursement for up to sixty percent of each farms's feed expenses. The program will be funding \$3M per year for FY 2007-2008 and FY 2008-2009. Producers can qualify for up to \$250,000 per producer per fiscal year. Each vendor is required to submit quarterly and an annual financial statement to along with copies of feed cost receipts. (see attached copy of Act 221 for complete program parameters).
 Note: Large producers may reach the \$250,000 limit in a single reimbursement period.

4. Name of Vendor: Qualified Program Applicants Address:	5. Price: \$max \$250K per year
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6. Term of Contract: <i>Upon LPO Approval</i> From: <i>July 1, 2007</i> To: December 31, 2009	7. Prior Exemption Ref. No.
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8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:
 The established State procurement process is not practical for the Livestock Feed Reimbursement Program since this program is designed to assist a specific segment of the livestock industry without a bid process. However, the program is competitive within the program parameters due to limited funds so producers are being urged to submit information on a timely basis.

 To ensure industry knowledge of the program, HDOA is conducting informational meetings on each of the islands to explain program parameters and the required forms.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
 The producers will be submitting three forms in the reimbursement process. Form A qualifies the producer as a legitimate program candidate - verification of operation size and State procurement requirements (W-9, blank invoice, Certificate of Good Standing (DCCA), Tax Clearance Certificate (DOTAX) and Certificate of Compliance (DLIR)). Once qualified, the producer will submit Form B & C - financial statement and invoice information. HDOA will administer the financial verification process and ensure that the producers remain within the stated financial parameters of the program. Once Form B & C are approved, the reimbursement request will be processed through the State fiscal system following established procedures.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 Producers of the program are required to meet the operation size and financial requirements of the program. Compliance to program requirements will be verified and documented by HDOA. Also, HDOA has contracted KMH, LLC to provide accounting consulting and financial review services to support the program.

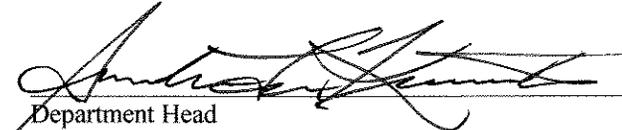
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

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
Matthew Loke	ADD Administrator	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Todd Low	MDB Manager	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Barbara Schafer	MDB Staff	<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
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to: Department: Department of Agriculture
 Contact Name: Todd Low
 Phone Number: 973.9594
 Fax Number: 973.9590

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

11/7/07
 Date

Reserved for SPO Use Only	
15. Date Notice Posted	11/13/07
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 request is approved based on the DOA's representation that they are aware of and will inform all known potential producers that would qualify for the program. 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 11/21/07
 Date