

07 DEC -5 P2:20

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

1. TO: Chief Procurement Officer
2. FROM: Department of Taxation

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 Department of Taxation (Department) requires outside legal counsel to represent the Department in a tax appeal case.

4. Name of Vendor: TBD

Address:

5. Price:

\$200,000 estimate

6.

Term of Contract: From: 12/2007 To: 12/2010

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 would delay the tax appeal case due to the additional time required to write the solicitation, allow applicants to respond, evaluate the responses and select the highest scoring vendor. It is imperative that the case proceedings begin as soon as possible in order to avoid jeopardizing the Department's position, including potential discovery sanctions for delay. Delaying the appeal would be disadvantageous to the state as it could result in prejudicing the taxpayer.

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

There are few attorneys with expertise in the narrow field of tax law who do not have a current conflict of interest with the Department. The Department has identified several attorneys that fit this criteria and that we believe will offer a reasonable rates. An in-house Attorney and the Compliance Division Administrator will meet with each of these attorneys and discuss their knowledge, experience, qualifications, and pricing. Based on these discussions, they will provide their recommendation for selection.

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

The selection will be approved by the Director of Taxation and by the Department of the Attorney General.

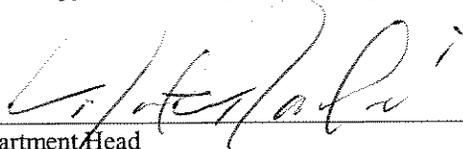
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

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
Suzanne Eghan	Administrative Services Officer	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Kurt Kawafuchi	Director of Taxation	<input checked="" type="checkbox"/> Approval <input 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
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to: Department: Department of Taxation
 Contact Name: Suzanne Eghan
 Phone Number: 587-1500
 Fax Number: 587-1506

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.*

 12/4/07
 Department Head Date

Reserved for SPO Use Only

15. Date Notice Posted 12/5/07

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: Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

Chief Procurement Officer's comments:

This approval is subject to the DOTAX sending a letter to the Hawaii State Bar Association inviting attorneys in the tax section to submit proposals (qualifications and experience) if they are interested in representing the DOTAX in a tax appeal case. This approval is for the solicitation process only, section 103D-310(c), HRS, and section 3-122-112, HAR, shall apply.

16. APPROVED DISAPPROVED NO ACTION REQUIRED

 12/12/07
 Chief Procurement Officer Date