



3/15/08

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

- 1. TO: Chief Procurement Officer
- 2. FROM: DBEDT - Hawaii Housing Finance and Development Corporation

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 Kekuilani Gardens, 91-1045 Kekuilani Loop, Kapolei, Hawaii 96707.

4. Name of Vendor: <del>R&amp;L Property Management LLC</del> <b>Realty Lana LLC</b> Address: 1505 Dillingham Boulevard, Suite 215 Honolulu, Hawaii 96817	5. Price: \$76,415.00
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6. Term of Contract: From: 2/1/08 To: 6/30/08	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: HHFDC is currently contracting with Urban Real Estate Company (Urban) for management and maintenance services at Kekuilani Gardens. The current contract contains provisions for an additional option year to the existing contract. However, when contacted, Urban indicated that they are getting out of the subsidized housing business and concentrating on other endeavors. They are not interested in extending an additional year, and will terminate on January 31, 2008. Upon learning of Urban's withdrawal, HHFDC staff immediately started preparing document for competitive procurement. However, due to the short time frame, this is neither practical nor advantageous to the State.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:  
HHFDC staff contacted other property management firms about taking over Kekuilani Gardens for the five month period. However, due to the short time frame and uncertainty related to the level of resources that must be committed to properly maintain the project, fair and open competition would not be practical. Urban's Director of Property Management has formed a new property management firm called R&L Property Management LLC. (R&L). R & L plans to hire the existing staff, who are knowledgeable and familiar with the existing rules, regulations, property management and maintenance issues related to the property.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:  
Except for the requirement to engage in a competitive selection process, the HHFDC does not intend to waive any other established internal control. All procurement and contract documents will be reviewed by the Property Management Coordinator, Asset Manager, Fiscal Manager, Executive Director and the Office of the Attorney General, as appropriate. The Asset Management Branch will be responsible to monitor the contractor's performance, including reviewing all request for payments.

