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

1. TO: Chief Procurement Officer
2. FROM: Department of Health, Adult Mental Health Division *aj*

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:

Installment of a sprinkler system in the vendor's facility on Maui that is being rehabilitated. The vendor is using funds from a U.S. Department Housing and Urban Development Section 811 Supportive Housing for Persons with Disabilities grant to rehabilitate and operate a 14 bed hybrid Safe Haven/24 hour group home. The facility will be used to provide housing for homeless individuals with severe and persistent mental illness that are placed there by the Adult Mental Health Division (AMHD).

4. Name of Vendor: Mental Health Kokua
Address: 1221 Kapiolani Blvd., Suite 345
Honolulu, Hawaii 96814

5. Price:
\$92,000.00

6. Term of Contract: From: upon approval To: 6/30/08

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 is not advantageous to the State because because the vendor has received a federal grant for the rehabilitation of the housing facility and for operational subsidies for over 40 years but it does not include the installation of a sprinkler system. The vendor needs to install a sprinkler system in order to comply with Maui County variances and to complete the rehabilitation of the facility. The funds are being provided by the Hawaii Public Housing Authority specifically for the vendor's sprinkler system. The housing facility will be used to provide housing for adults with severe and persistent mental illness that are authorized for services by the AMHD.

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

The vendor applied for the competitive federal grant and was awarded funds for the rehabilitation and operation of a housing facility. These funds will assist in the completion of the rehabilitation of the housing facility. The vendor engaged the services of an architectural firm, Luersen Architects, to assist them in the design, permitting, and renovating of the facility. The architectural firm went out to bid to secure the services of Dugied Construction. Subsequent to obtaining the variance from the Maui County, Luersen Architects negotiated with Dugied Construction to obtain the price for the installation of the sprinkler system.

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

The AMHD Chief and AMHD Housing Services Director have reviewed and approved the exempted procurement.

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
Thomas W. Hester	AMHD Chief	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Bernice Miranda	AMHD Housing Services Director	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Amy Yamaguchi	AMHD Public Health Admin Officer	<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: Health Contact Name: Amy Yamaguchi Phone Number: 808 586-4681 Fax Number: 808 586-8296
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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.*


JAN 16 2008

 Department Head Date

Reserved for SPO Use Only

15. Date Notice Posted 1/18/08

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 is the second procurement exemption request for the installation of a sprinkler system at the Safe Haven home on Maui. The first request was returned with no action taken due to lack of supporting documentation. Because there are no significant changes to this request from the first request, this request has been disapproved.

There are also concerns that this may not be the correct procedure to contract for the required services and the management of grant funds. If the agency would like a reconsideration of this disapproval, please call Justin Fo at 586-0577 to arrange a meeting.

16. APPROVED DISAPPROVED NO ACTION REQUIRED

 2/4/08
 Chief Procurement Officer Date