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

- 1. TO: Chief Procurement Officer
- 2. FROM: DAGS/Division of Public Works/Project Management Branch

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:

DAGS Public Works has contracted Retro-Commissioning (RCx) consultants to test building systems and observe various State buildings' operation and maintenance strategies in an attempt to find cost effective improvements that can be implemented by an Owner's maintenance staff and service contractors.

The RCx process reports and prioritizes repair deficiencies, listing controls and maintenance items for Air Conditioning and Ventilation Equipment. Some of the cited work are already defined and included as required services in the current maintenance service Contract No. 56567 with American Controls & Equipment, Inc.

This request seeks approval to allow provision of additional, similar and related minor repair services by American Controls for RCx repair items cited, but currently excluded from the existing contract for the following buildings: Kalanimoku Building, Keelikolani Building, Kekuaaoa Building, Liliuokalani Building, State Capitol Building, and State Office Tower.

Some repair examples from the Keelikolani Building are:

- a. Calibrate 9 Each Air Handler Unit pneumatic controllers, labor and no materials. \$2,510
- b. Adjust set point on 14 Each Air Handler Unit control pneumatic controllers to 55°F, labor and no materials. \$2,603
- c. Repair controls for 10 Each Outside Air Supply Fans, which do not turn off with command from Direct Digital System, labor only. \$5,577

4. Name of Vendor: American Controls & Equipment, Inc.
 Address: 2001-A Kahai Street
 Honolulu, Hawaii 96819

5. Price: Estimated
\$50,000 per building

6. Term of Contract: From: ~~9/18/08~~ 9/22/08 *Jto* To: 1/03/09

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

See attached.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

The current vendor succeeded in obtaining a contract with the State by bidding for Maintenance Service of Air Conditioning and Ventilation Energy Management Control Systems at Various (10) State Buildings on Oahu under care of DAGS, Central Services Division, from January 4, 2008 to January 3, 2009 with extension options of 12 months increments, exercisable up to 3 times by mutual consent. The buildings are:

- | | |
|--|--|
| ✓ AAFES Building | ✓ Kekuaaoa Building also controls Hale Auhau |
| ✓ Aliiimoku Hale (DOT)
Capitol Center | ✓ Liliuokalani Building also controls Kinau Hale
OR&L |
| ✓ Kalanimoku Building | ✓ State Capitol Building |
| ✓ Keelikolani Building | ✓ State Office Tower |

Another maintenance service contract is not recommended for resolicitation for the following reasons:

- a. A complex master contract (above) is in place, where:
- 1) The required services can best be performed by American Controls, who is familiar and knowledgeable of the buildings facilities and equipment, and thereby will be the most efficient.
 - 2) By using the current contractor, responsibility for the quality of work cannot be disputed by another contractor.
 - 3) The current maintenance service contract has provisions for performance of the extra work with established labor rates.
- b. The RCx projects would be crucially less effective, if repairs are delayed by the extensive time required to prepare solicitation documents and for bidding the additional work. Repairs are needed in a timely manner in order for the RCx process to continue and building systems retested for final reporting.

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

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 was properly selected under Chapter 103D, HRS in compliance with Section 3-122-16, Hawaii Administrative Rules. They met the requirements of Invitation For Bids No. IFB-07-101-O dated July 10, 2007 and subsequently awarded Contract No. 56567.

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

- a. Request cost estimate and breakdown from American Controls for non-contract RCx minor repair items.
- b. Review cost proposal for consistency with existing contract provisions for extra work, and where appropriate, recommend and obtain administrative approval.
- c. Issue Purchase Order(s) authorized properly and in accordance with procurement rules.
- d. Limit the total cost of repair per building to approximately \$50,000. Major work cited by the RCx reports will be competitively bid.

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	
Dean Shimomura	Branch Chief	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Various	Project Coordinators	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Eric Nishimoto	Branch Chief	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Ernest Y.W. Lau	Administrator	<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

13. Direct inquiries to: Department: DAGS Division of Public Works
 Contact Name: Clifford Leong
 Phone Number: 586-0473
 Fax Number: 586-0530

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

9/18/08
 Date

Reserved for SPO Use Only

15. Date Notice Posted 9/22/08

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

