



OCT -7 AM '08

STATE PROCUREMENT OFFICE
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER
103D, HRS, CONTRACT

1. TO: Chief Procurement Officer
2. FROM: Micah A. Kane, Chair, Department of Hawaiian Home Lands
 Department/Division/Agency
3. Name of Contractor: James Kometani, Inc. Realtors 4. P.E. Reference No. 08-091-J

5. Description of goods, services, or construction:
 Real Estate Agent for the Lalamilo Porject - To service home buyers on the Department of Hawaii Home Lands project located in Lalamilo, Hawaii

6. Scope of work for the contract is revised as follows:
 Request to extend the terms of contract ending date from 9/30/08 to 4/30/10.

Original Contract Price: \$ 50,000 *Jto* Amended Contract Price: \$ 190,000 *Jto*

7. Reason: This / These amendment(s) are necessary because:
 See Attachment 1.

8. Direct questions to: Kamana'o Mills Phone: 620-9508

Agency shall ensure adherence to applicable administrative and statutory requirements.

9. **Pursuant to § 103D-102, HRS, and § 3-120-5, HAR, I certify that the information provided above is, to the best of my knowledge, true and correct**

Paul Park 10/3/08
 Department Head Date

Reserved for SPO Use Only

10. Date Posted: 10/07/08

11. Submit written objections to this notice of intent to amend a procurement exemption contract 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:
 Because this request was received after the expiration of the initial exemption, no action can be taken on an expired approval. If there is still justification for an exemption, a new SPO-07, Notice and Request for Exemption form may be submitted.

12. APPROVED DISAPPROVED

NAR
James S. Jeter 10/15/08
 Chief Procurement Officer Date

13. P.E. No. 08-091-J
AME-1

Attachment 1

This amendment is necessary because:

Procurement exemption No. 08-091-J was requested by the DHHL and approved by the State Procurement Office to provide continuity in the financing and building of the homes for the Lalamilo Project. The project came to an abrupt halt when Menehune Development Company notified the Department of Hawaiian Home Lands they would not be able to complete the houses they were contracted to build.

Menehune Development Company hired subcontractors to perform specific work at Lalamilo. These subcontractors were in the midst of performing work at Lalamilo when Menehune filed for bankruptcy. Procurement exemption No. 08-091-J allowed the DHHL to provide continuity in the financing and building of the homes by allowing DHHL to enter into direct contractual agreements with these aforementioned subcontractors to complete work already performed at Lalamilo.

Due to delays in obtaining permits the Lalamilo house construction has not yet started. We anticipate that all 31 houses plus a possible 6 self help houses should all be completed by the end of April 2010. James Kometani, Inc. Realtors has been meeting with the potential home buyers and has established a relationship with them therefore we would like to request that the procurement exemption be amended to allow James Kometani, Inc. to continue on until all houses have been constructed and loans have been closed, which we anticipate to take us to April 30, 2010.