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**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: Genesys Design Group, Inc. 4. P.E. Reference No. 08-094-J

5. Description of goods, services, or construction:  
 Architect for the Lalamilo Project - To design residential homes on the Department of Hawaiian 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: \$ 70,000 <sup>jt</sup> Amended Contract Price: \$ 266,000 <sup>jt</sup>

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

[Signature] 10/7/08  
 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  
[Signature] 10/15/08  
 Chief Procurement Officer Date

13. P.E. No. 08-094-J  
Amd. 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. Due to Genesys Design Group's involvement with the Lalamilo project from the beginning they are the most familiar with the design and will be able to provide the best construction administration services as outlined in their existing contract with the DHHL therefore we would like to request that the procurement exemption be amended to allow Genesys Design Group's contract be extended until April 30, 2010