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

1 TO: Chief Procurement Officer

74703

2 FROM: DHS/HPHA/CPO

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, H.A.R., the Department requests a procurement exemption to purchase the following.

3. Description of goods, services or construction:  
Repair and maintenance of the Kuhio Park Terrace - Building B Elevator Car #5 on the island of Oahu by ThyssenKrupp Elevator for a 19-month period beginning 12/22/08.

4. Name of Vendor: ThyssenKrupp Elevator  
Address: 2880 Ualena St, Honolulu, HI 96819

5. Price:  
\$50,000 estimate  
Not to exceed  
ASR

6. Term of Contract: From: 12/22/08 To: 7/31/10

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:  
Kone Elevators has the contract to repair all 34 elevators owned by Hawaii Public Housing Authority. Despite putting in \$138,000 worth of materials and labor it has not been able to keep #5 operating. Thyssen Elevators is the successor company to the company that manufactured #5 (which is no longer manufactured), and has unique access to both 1) parts, materials, and 2) experienced mechanics capable of repairing and maintaining #5. HPHA's elevator consultant, Gordon Ernst, recommends that Thyssen be contracted to do this work because of all elevator repair companies, it has the greatest probability of bringing #5 to operational levels and maintaining it there while modernization of the other two cars at Tower B is completed. Others knowledgeable of Hawaii elevator operations concur. Tower B has 3 elevators; only one (#6) is working. Putting #5 into operation is necessary to safeguard the health and safety of 300+ families in Tower B.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:  
Kone Elevators was procured by competitive sealed bid. Other than this elevator, Kone has performed competently, according to HPHA's elevator consultant, who has 48 years in the elevator industry. The consultant recommended that Thyssen be contracted. Others familiar with the Hawaii elevator industry concur.

HPHA also issued a competitive sealed bid for the modernization of all six elevators at KPT towers A and B. Thyssen did not bid on this. Thyssen's contract will only continue until the modernization contractor installs the first modernized elevator, where HPHA will have two functioning elevators. At that point #5 will be shut down for modernization.

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

10. A description of the agency's internal controls and approval requirements for the exempted procurement: HPHA's Construction Management Section will be responsible to monitor Thyssen's performance, including all requests for payment, with the assistance of its elevator consultant. Except for the requirement to engage in a competitive selection process the HPHA does not intend to waive any other established internal controls.

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                       |  |
|----------------|----------------------------------|--|--|
| Rick Sogawa    | Acting Chief Procurement Officer | <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> Administration            |
| Chad Taniguchi | Executive Director               | <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> Administration            |
| Sahar Ibrahim  | Project Engineer                 | <input type="checkbox"/> Approval            | <input checked="" type="checkbox"/> Administration |
| Glenn Sunakoda | Project Engineer                 | <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            |

13. Direct inquiries to: Department: Hawaii Public Housing Authority  
 Contact Name: Rick Sogawa  
 Phone Number: 832 6038  
 Fax Number: 832 6039

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.

Chad K. Taniguchi 12/19/08  
 Department Head Date

15. Date Notice Posted 12/24/08

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

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

Chief Procurement Officer's comments:

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APPROVED
  DISAPPROVED
  NO ACTION REQUIRED


1/16/09  
 Chief Procurement Officer Date