



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKA'AKO
KALAELOA

Linda Lingle
Governor

Jonathan W. Y. Lai
Chairperson

Anthony J. H. Ching
Executive Director

Ref. No.: PLWD 11.7e.3

October 31, 2008

6NOV'08 PM 4:10 SPO-

MEMORANDUM

TO: Mr. Aaron Fujioka, State Chief Procurement Officer
State Procurement Office
Department of Accounting and General Services

FROM: *Anthony J. H. Ching*
Anthony J. H. Ching, Executive Director
Hawaii Community Development Authority

DATE: October 24, 2008

SUBJECT: Request for Exemption from State Procurement Rules

The Hawaii Children's Discovery Center (HCDC) is a non-profit educational center that provides interactive, participatory learning environment for children. The Center provides an environment that encourages children to use their senses of touch, sight, hearing, and smell to gain a better understanding of the world around them. Its goals are to help children develop positive self-concept and an understanding of others in Hawaii's multicultural community, and to offer them a "window to the world" beyond our island shores. It looks to inspire children to "dream big dreams" and to know that dreams can, indeed, come true.

In 1992, the Hawaii Community Development Authority (HCDA) authorized the lease of the Kewalo Incinerator building and surrounding land to the HCDC. HCDA also agreed to contribute \$2,000,000 towards environmental remediation and restoration of the building. Some of the restoration work such as painting the smoke stack and exterior of the building were never completed.

While constructing Improvement District 12 (ID-12), HCDA design of the streets around the HCDC required relocation of the Hawaiian Electric Company's power line and Hawaiian Telcom's telephone line and HCDC paid for relocating the lines. ID-12 also affected the entry to HCDC because of the street configuration. ID-12 didn't not have an assessment for improvements levied upon adjacent landowners or tenants therefore any additional work related to the improvement district project should have been borne by HCDA.

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PE. 09-037-J

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In light of previous commitments made to HCDC as part of the lease and subsequent impact to HCDC due to HCDA's improvement district project, the Authority at its September 3, 2008 meeting approved a contribution of \$250,000 towards a recent renovation project that HCDC is undertaking. The renovation project has already started and is estimated to cost \$5,000,000. It involves expansion of the Center, and relocation of the front entry. HCDA's contribution of \$250,000 towards the project will be only 5% of the total cost of the project. Because the contribution is small compared to the total cost of the project, we are requesting exemption from State Procurement Rules to make payment to HCDC.

Your consideration of this exemption request is greatly appreciated. Please do not hesitate to call me at (808) 587-2870 should you have questions regarding this request.

APPROVED

DISAPPROVED

NAR 

AARON FUJIOKA

State Chief Procurement Officer

State Procurement Office

Department of Accounting and General Services

Date: 1/2/09

CPO Comments: As requested by the HCDA (Deepak Neupane) on 1/2/09, this request is being returned without action.

P.E. 09037