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STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D-102(b)(4), HRS, AND CHAPTER 3-120, HAR

- 1. TO: Chief Procurement Officer
2. FROM: Micah A. Kane, Chairman, Hawaiian Homes Commission

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:
To acquire the necessary credit reports for DHHL beneficiaries through the Home Ownership Assistance Program's software Counselor Max. (Credit reports through the Counselor Max system are used to help DHHL beneficiaries qualify for a mortgage loan and/or repair credit.)

4. Name of Vendor: First American Credco
Address: PO Box 509019, San Diego, CA 92150
5. Price: \$20,000.00

6. Term of Contract: From: 04/15/2009 To: 4/14/2010
7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:
DHHL's Home Ownership Assistance Program (HOAP) uses a web-based counseling program (Counselor Max) that has the ability to access credit reports of DHHL clients entered into the Counselor Max system. Counselor Max has established a credit report module within their system, based on an agreement with First American Credco, to supply all of its credit reports. DHHL must procure these services directly from First American Credco, however the access will be granted though the Counselor Max system. The fee paid for credit reports are paid directly to First American Credco and not to Counselor Max.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
First American Credco has been pre-selected for this service as the Counselor Max module allowing access to credit reports can only be done with First American Credco.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
1. Exemption procurement approved by the Chief Procurement Officer.
2. P.O. awarded to First American Credco.
3. HOAP Manager tracks and monitors vendor's performance and remits payments.
4. Payments for services performed conducted monthly.

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

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
Micah A. Kane	Chairman	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Kaulana Park	Deputy	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Kamana'o Mills	Special Assistant	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Sam Moku	HOAP Manager	<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: Hawaiian Home Lands Contact Name: Sam Moku Phone Number: 620-9514 Fax Number: 620-9529
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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.*



4/13/09

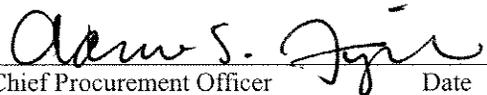
Department Head

Date

Reserved for SPO Use Only	
	15. Date Notice Posted <u>4/16/09</u>
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: <p align="center">                     Chief Procurement Officer                      State Procurement Office                      P.O. Box 119                      Honolulu, Hawaii 96810-0119                 </p>	
Chief Procurement Officer's comments: <p>The sole source approval granted by the department head on October 5, 2007 to upgrade CounselorMax, in the amount of \$37,190 was not the proper procurement method. If the original CounselorMax program, of \$700 required changes or modifications, a new solicitation should have been issued that incorporated the department's additional requirements. This would have allowed for fair and open competition. Based, on current use of the database, approval is granted based on the department's representation that CounselorMax is the department's web-based counseling program, through which a credit report can be generated. Access to the credit report is through ConselorMax, however, the actual report and payment for the credit reports must be made directly to First American Credco. Approval is granted for the period 4/15/09 to 4/14/2010.</p>	

16.

APPROVED   
  DISAPPROVED   
  NO ACTION REQUIRED


 \_\_\_\_\_ 6/22/09  
 Chief Procurement Officer                      Date