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10 JAN 21 P1:24

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

- 1. TO: Chief Procurement Officer
- 2. FROM: High Technology Development Corporation (HTDC)  
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:  
Sponsorship of conferences, seminars, workshops, etc. conducted by economic development organizations, Hawaii's universities and other economic development stakeholders that focus on entrepreneur support services. HTDC successfully obtained a \$100,000 federal U.S. Dept. of Commerce Economic Development Administration (EDA) grant (07 79 06344) for the period July 1, 2009 through Dec. 31, 2010. The scope of work indicates HTDC to organize entrepreneur support services by bringing together a collaboration of State-wide economic development organizations, chambers of commerce, Hawaii universities and other key stakeholders. Conference/seminar/workshop sponsorships will be funded by this grant.

4. Name of Vendor: Various economic development organizations		5. Price: \$100,000.00
Address: State-Wide State of Hawaii		
6. Term of Contract: From: 1/14/10 To: 12/31/10		7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: In accordance with Section 206M-2, Hawaii Revised Statutes, HTDC's mission is to foster the growth and development of the high technology sector in Hawaii. One means to accomplishing this mission is through entrepreneur support services, which include, but are not limited to, equity financing, utilizing Hawaii university research to launch new Hawaii businesses, proper business plan composition, ownership structure, and valuation best practices. To effectively achieve the outreach of these various topics/services to the locations that benefit entrepreneurs throughout the State requires the use of economic development partners. HTDC plans to seek out appropriate events currently and normally planned by these economic development partners which specialize in addressing entrepreneur support services. These organizations (see attachment for continuation)

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:  
HTDC will seek those appropriate events currently and normally planned by economic development organizations, chamber of commerces and other organizations that achieve the entrepreneur support services requirements of and within the time period of the EDA grant for sponsorship. It is not practicable for HTDC to solicit in advance for these kinds of opportunities.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:  
1. Obtain proposals from event organizers and review for appropriateness to the grant's objective and timing. 2. Obtain HTDC Executive Director's approval for sponsorship. 3. Prepare SPO-10 in accordance with department procedures, citing exemption for DBEDT Director's signature. 4. Complete HTDC internal purchase request (PR) detailing vendor information, funding source, object code, description, etc., and obtain Program Manager and Executive Director's signatures. 5. Open vendor code, if needed. 6. Receive event flyers and assist with marketing and disseminating event information to HTDC tech company tenants and clients base 7. Attend event. 8. Complete write-up of event for EDA reporting 8. Receive invoice after the event from the organizer. 9. Compose acknowledgement letter and send check.

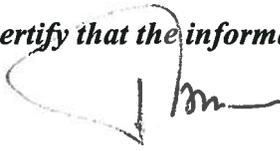
**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)**

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
Yuka Nagashima	Executive Director	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Steve Sakuda	Controller	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Coleen Yoshina	Executive Secretary	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Sandi Kanemori	Prog Spclt, Business Development	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Russell Au	Bus. Development Mgr.	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: HTDC Contact Name: Russell Au Phone Number: 539-3845 or russell@htdc.org Fax Number: 539-3795
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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.*



JAN 14 2010

Department Head

Date

**Reserved for SPO Use Only**

15. Date Notice Posted 1/22/2010

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

Chief Procurement Officer's comments:

This approval is based on the department's representation that this sponsorship serves to promote their objectives as supporters of entrepreneur services as directed by the US EDA grant (077906344) scope of work. Department is reminded that procurements \$2,500 or more are required to be posted on the Procurement Reporting System.

16.  APPROVED  DISAPPROVED  NO ACTION REQUIRED

  
 Chief Procurement Officer

3/3/2010  
 Date

*Attachment to Notice and Request for Exemption from Chapter 103D, HRS SPO-7  
High Technology Development Corporation (HTDC)*

8. (continued)

also have the longstanding ties, presence, market base and resources within their respective island communities. It would not be practical for HTDC (with fewer staff and dollars to meet the required matching contribution) to duplicate these efforts on its own in the multiple locations. HTDC utilized this model with past EDA grant funding, and requested and received prior exemptions (PE Nos. 09-060-B, 09-061-B, 09-062-B, 09-063-D, 09-069-D, 09-082-D) for sponsorship of events as they were individually held by the entities. (In a meeting with the SPO Procurement Officer, HTDC was recommended to submit exemption requests for sponsorships.) However, HTDC was not always able to award a sponsorship in time for an event due to:

- Events usually having a short lead time
- Reduction in HTDC and DBEDT staff, resulting in a longer paperwork preparation, review and approval process
- Reduction in SPO staff, resulting in a longer review process

HTDC is therefore requesting one exemption for sponsorships funded by this EDA grant. Without the exemption, HTDC's ability to expend grant funds within the required grant period will be hindered, as these events must first meet the objective of the grant and then be held within the grant's time period. HTDC's success in fulfilling its obligations under the terms of the grant directly impact the State's ability to receive future federal awards of this kind. This also comes at a time when the extent of Hawaii's overall economic climate is resulting in more requests for State financial involvement from entities that traditionally did not require HTDC's involvement. Furthermore, the grant provides HTDC with operational funding to develop and conduct entrepreneur programs that help revive Hawaii's economic climate and diversify Hawaii's economy. Sponsorship is the best way to effectively complete this grant successfully and show the necessary impact for the State to win future awards.