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STATE OF HAWAII
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103F, HRS

23OCT'08 AM 9:42 SPO-RT

To: Chief Procurement Officer

From: **DHS BESSD ECCPO**
Department/Division/Branch or Office

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

1. Title and description of health and human service(s):	Application and Child Care Subsidy processing to benefit eligible children using DHS rules. Subsidies help families to pay for a school readiness experience in a preschool for a school year prior to the children entering Kindergarten. Services include promoting the Preschool Open Doors (POD) program Statewide to families with four year old children, and three year old children with special needs, to enable eligible children to experience a year of preschool prior to entering kindergarten.
This is a supplementary request to the first one approved on 7/8/08 by the State Procurement Office.	
2. Provider Name and Address:	ARBOR E&T 901 S. Mopac Expwy, Bldg. II, Suite 450 Austin TX 78746
3. Total Contract Funds:	\$169,472
Contract Funds per Year (if applicable):	\$0
4. Reference number of Previous Request for this Service (if applicable):	PEH No. 08-31
5. Term of Contract:	Start: 12/01/08
	End: 6/30/09

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6. Describe how procurement by competitive means is either not practicable or not advantageous to the State:

The SPO approved the DHS' first request for Exemption from Chapter 103F competitive procurement for this service for the period July 26, 2008 through November 30, 2008. The initial FY 09 POD contract period is funded by prorating the Federal funds (\$293,750.00) allocated for the contract staff and operating costs in the entire FY 09. Maximus, Inc., the Contractor in FY 08, agreed to provide POD services for a portion of FY 09 from July 1, 2008 - July 25, 2008 for \$22,596.00. Subsequently, SPO approved the request for exemption from Chapter 103F for the period July 26, 2008 - November 30, 2008 for \$101,682.00, awarded to ARBOR E&T, LLC. The Governor's recent directive to all State departments to restrict State expenditures caused an examination of State appropriations in all programs, including the State monies used for the child care subsidies in the POD program. The resulting decision is that the DHS BESSD budget using Federal and State funds can, with certainty, continue the operations of the POD program, and provide the subsidy level for eligible families, for the balance of FY 09: December 1, 2008 through June 30, 2009, for \$169,472.00. Continuing a contract with ARBOR E&T, LCC is less disruptive than conducting a formal RFP procurement at this time.

There is uncertainty about the availability of State funds for POD subsidies beyond June 30, 2009. DHS won't know the POD subsidy funding status for a future period until the State Legislature concludes its session in early May 2009. If no POD monies are appropriated by the Legislature, the POD contracted services would end on June 30, 2009. Extending the present POD contract by executing a Supplemental Agreement with ARBOR E&T, LLC would permit existing staff to continue to provide the POD services without interruption for the rest of FY 09 to the current clients and new applicants under the terms of the original RFP #HMS 302-04-03-S PRESCHOOL OPEN DOORS (POD) CHILD CARE SERVICES. The POD staff is already trained in the DHS child care rules and electronic system of issuing proper payments to eligible families. The office space and equipment to operate the POD program already exists in a State building, minimizing the need to set up shop and receive training for another contracted entity. Doing a Chapter 103F competitive procurement for a POD contract for the brief contract period of December 1, 2008 through June 30, 2008 and for any future period when funding is unknown does not provide cost benefits and security for any potential bidder. Another approval to the request for exemption for the rest of FY 09 would provide continuity since the POD funds are available for the balance of FY 09.

7. Describe the reason for the selection of the provider including a description of how the procedure ensured the maximum fair and open competition practicable:

There were no other appropriate proposals for the Preschool Open Doors competitive procurement in RFP #HMS 302-04-03-S that was originally awarded to Maximus in 2004. In November 2007, ARBOR E&T was awarded a DHS contract, solicited via a Ch. 103F competitive procurement method in RFP #HMS 305-08-02-S, to promote a separate DHS child care services program, process child care applications, interview clients, determine eligibility, and issue the proper amounts of federally-funded child care payments. ARBOR E&T has staff already trained by DHS BESSD in the DHS child care services rules and DHS electronic system to process the DHS POD child care payments, and currently operates this POD program.

8. Describe the state agency's internal controls and approval requirements for the exempted procurement:

The process involves following the terms of the RFP #HMS 302-04-03-S. DHS already has policies and procedures for soliciting and awarding services, and adheres to the SPO process. The contract goes through a review and approval process with the Department of the Attorney General. The DHS Director then signs the contract, and also any subsequent supplemental contracts.

9. List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Ethel Fleming, Child Care Program Specialist, Scott Nakasone, Acting ECCPO Supervisor, Pankaj Bhanot, Acting BESSD Administrator

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10. Direct questions to (name & position):	Ethel Fleming
Phone number:	586-0978
e-mail address:	efleming@dhs.hawaii.gov

I certify that the information provided above is to the best of my knowledge true and correct.



Department Head Signature

OCT 22 2008

Date

Lillian B. Koller

Typed Name

NOTICE

The chief procurement officer is considering this request for exemption and, if there is good cause, the state intends to exempt the purchase as described in the request. Any inquiries regarding the purchase shall be directed to the contact person noted in item 10 of the request. Any concerns regarding the exemption shall be in writing and received by the chief procurement officer within seven days of the date the notice was first posted. Concerns shall be mailed to: Aaron Fujioka, Chief Procurement Officer, State Procurement Office, 1151 Punchbowl St., #230A, Honolulu, HI 96813.

FOR CHIEF PROCUREMENT OFFICER USE ONLY

Chief Procurement Officer's Comments:

APPROVED DISAPPROVED NO ACTION

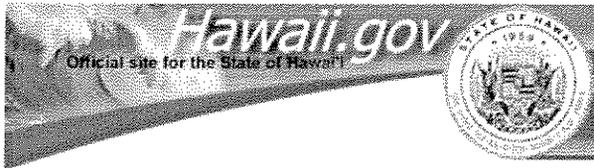


Chief Procurement Officer Signature

11/24/08

Date

Please ensure adherence to applicable administrative requirements.



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Requests for CPO Approvals for Health and Human Services Detail

Type: Exempt
Number: 09-13
Department: Human Services
Division: Benefit, Employment, & Support Services
Branch:
Provider(s): Arbor E&T
Total Contract Amount: \$169,472
Amount Per Year: \$0
Start Date: 12/01/2008
End Date: 06/30/2009
Service: Application and Child Care Subsidy processing to benefit eligible children using Dept. of Human Services' rules.

CPO Comments:

Other Comments: This request is for an additional extension to PEH No. 08-31, previously approved for the period 7/26/08 to 11/30/08.

Date Posted: 11/03/2008

Status: Pending

Status Date: 11/03/2008

See the Request

(Click on the name to view in a new window. Right click the name and click on "Save Target As" to download to your computer)

PEH NO. 09-13 (Uploaded: 11/03/08)