STATE OF HAWAII

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

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STATE PROCUREMENT OFFICE
STATE OF HAWAII

To: Chief Procurement Officer

From: DHS/BESSD/Employment & Training Program Office (ETPO)
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): The Department of Human Services seeks to provide statewide case management, employment and support services, through the Department's work program, referred to as the First-To-Work (FTW) Program, for two-parent and non-citizen households eligible for Federal and State funded Temporary Assistance for Needy Families (TANF). Services to be provided include, but are not limited to, orientations and intakes; assessments and employability planning; barrier assessments and barrier reduction planning; structured job readiness; work placement services; ongoing case management services; and issuance of support services such as child care and transportation which are needed to attain and maintain employment. The purpose of the FTW Program is to provide case management, employment and support services to work eligible individuals of two-parent and non-citizen TANF applicant and recipient households, pursuant to Public Law 104-193, "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," reauthorized by the Deficit Reduction Act of 2005, and the Hawaii Work Verification Plan, which mandates that TANF recipients meet prescribed work performance requirements and progress towards self-sufficiency.	
2. Provider Name and Address:	Goodwill Industries of Hawaii, Inc. 2610 Kilihau Street Honolulu, HI 96819
3. Total Contract Funds: Contract Funds per Year (if applicable):	$181,500
4. Reference number of Previous Request for this Service (if applicable):	
5. Term of Contract:	Start: 1/1/2010 End: 6/30/10

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

The contract with Goodwill Industries of Hawaii, Inc. ended June 30, 2009 with no further extensions. However, the Department extended the contract until December 31, 2009, pursuant to HAR §3-149-301, because it is currently in the process of re-procuring the services.

The Department intended to post the RFP (HMS 903-10-02-S) on September 14, 2009, to award the contracts by October 26, 2009, and to begin contract services effective December 1, 2009. The RFP was not posted as scheduled because there are issues regarding the structure of the Compensation and Method of Payment section that may impede in the awarding and execution of the contracts. The RFP's Compensation and Method of Payment section will be incorporating a cost-reimbursement and performance-based payments structure. The Department does not have performance-based payments structures in any of its existing work program contracts including the above-mentioned services. Therefore, the Department's Deputy Attorney General reviewed the Compensation and Method of Payment section of the RFP prior to publication and requested major changes to the language. The section has been revised several times and currently is being reviewed by the AG's office. The Department is pursuing this exemption request to properly address the issues concerning the RFP's Compensation and Method of Payment section during the RFP process in order to avoid any need to make substantial changes after the contracts have been awarded. Any substantial changes made after the contracts have been awarded may require the Department to cancel the RFP and start the procurement process again.

If applicable, the exemption is also requested to allow a new provider(s) a transition period of up to 3 months as provided for in the RFP, to set-up operations and allow the current provider to transfer existing FTW clients to the new provider without disruption of services.

The effective date of the contracts awarded through this RFP (HMS 903-10-02-S) is tentatively scheduled for February 1, 2010.

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:

Goodwill Industries of Hawaii, Inc. is the current service provider of FTW Program for two-parent and non-citizen households in Hilo. Goodwill has the infrastructure and the program knowledge necessary to continue providing uninterrupted services to clients.

Goodwill Industries of Hawaii, Inc. was selected and awarded the contract to provide the services which was procured competitively through RFP HMS-903-05-07-EH.

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

The contract will be monitored by the Benefit, Employment and Support Services Division (BESSD), Employment and Training Program Office (ETPO). Goodwill Industries of Hawaii, Inc. will continue to provide BESSD/ETPO monthly expenditure and performance reports and statistics on clients serviced.

Goodwill will continue providing services according to the exisiting contract, DHS-06-BESSD-3031.

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

Scott Nakasone, Acting ETPO Administrator
Catherine Dela Cruz, Program Specialist

10. Direct questions to (name & position): Catherine Dela Cruz, Program Specialist

Phone number: 586-7095

e-mail address: cdelacruz@dhs.hawaii.gov

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

Department Head Signature — *Date* 11/25/09

Lillian B. Koller
Typed Name PB 11/25/09

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 — *Date*

Please ensure adherence to applicable administrative requirements.