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/FAP(LIHEAP)
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):	Low-Income Home Energy Assistance Program (LIHEAP) with the Department of Human Services is a federal program that provides heating/cooling to residences of low-income households. It is the only federal program that provides actual fuel or energy payments to low-income households. This program has been continuous since 1984 and is likely to grow as a mainstay of federal energy policy because of the rising costs of energy and weather-related issues, including deaths due to extreme heat or cold. Although DHS has administered as State grantee since 1982, there is only one employee, therefore, provider services are necessary to process 7000+ applications from low-income households throughout the state.
2.	Provider Name and Address:	1. Honolulu Community Action Program (HCAP) 33 S. King St., Room 300 Honolulu, HI 96813 2. Hawaii Country Economic Opportunity Council (HCEOC) 47 Rainbow Drive Hilo, HI 96720 3. Maui Economic Opportunity, Inc. (MEO) 99 Mahalani Street Wailuku, HI 96793 4. Kauai Economic Opportunity, Inc. (KEO) 2804 Wehe Road Lihue, HI 96766
3.	Total Contract Funds: Contract Funds per Year (if applicable):	$250,00 - $400,000 annual approximate. Block grant varies year to year based on Congresssional appropriation, Emergency Contingency funds which may be released by the President and federal formula deriving each grantee's share based on heating needs. Shall not exceed 10% LIHEAP administrative cost cap.
4.	Reference number of Previous Request for this Service (if applicable):	PEH 06-49 to 52, PEH 05-27 to 30, PEH 04-26 to 29, PEH 03-28 to 31, PEH 02-09 to 12, PEH 07-38
5.	Term of Contract:	Start: 06/01/10 End: 9/30/12 LIHEAP has been reauthorized by Congress through FFY 2011.

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

There are no other agencies in Hawaii that exist nor receive funds under the Economic Opportunity Act of 1964 (17 years prior to LIHEAP) as required by Public Laws 97-35 and 98-558. The laws require as a condition for state grantees to received LIHEAP funds, the Governor shall assure that special consideration be given only to local nonprofit agencies which: 1)were receiving federal funds under any low-income energy assistance or weatherization program under the Economic Opportunity Act of 1964, and 2) have the capacity to undertake a timely and effective energy crisis intervention program and the ability to carry out the program in the local community. There only four such community action agencies (HCAP for Oahu, HCEOC for Hawaii, MEO for Maui and KEO for Kauai). No other agencies meet a single requirement, much less both. These are the only agencies that exist in Hawaii that are federally approved.

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:

All providers within the state were looked at to ensure none were adversely affected or wrongly denied participation. HCAP, HCEOC, MEO and KEO are the four community action agencies (CAPS) formed in 1964 in the Governor's office and the Health and Community Services Council. These are the only agencies in Hawaii established under the Economic Opportunity Act of 1964. They were the original operators of the low-income energy assistance program from the program's inception in 1980 until the the Governor assigned LIHEAP administration to the Department of Human Services circa 1982. These four agencies are also the only agencies in Hawaii that have operated and continue to operate to this day, the federal Weatherization program for the Dept of Energy. In addition to LIHEAP and Weatherization, the CAPS implement for the State other Community Services Block Grant programs, such as Head Start, as well as food distribution programs. They are the most effective in providing service to their communities and outreaching to potenial LIHEAP eligibles because of their grassroots organization established over 40 years ago.

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

Each year the Department requests participation and establishes Memorandum of Agreement with the four community action agencies. Training of CAP staff and monitoring performance is conducted by the LIHEAP Program Specialist who is an employee of the Department of Human Services. Reviews and additional controls are established by having the publicly regulated utility companies check and compare every record submitted by the CAP against utility company data. The Department designs and provides the computer programs given to each CAP and establishes procedures by which each agency must document its records, including controls designed to check for duplication and to flag inconsistent data or unusual activity. The Department intakes all data into the State dateabase and monitors for waste, fraud and abuse. The Department gathers and validates federally required information for congressionally required and other mandatory and scheduled federal reports. CAP agencies are limited to processing applications and submitting records to the State. The Department, not the CAP agencies, processes payments to eligible households. Payments are processed through the State's fiscal operations, DAGS and FAMIS. No direct funds are issued or administered by the CAPS. Required procedures (outreach for the county of responsiblitiy, consistent application processing, uniformity of policy application, appropriate response to applicants and recipients, confidentiality, fair hearing and appeal activitties, repsonsiveness to Department reviews and reviews and audits,etc.) are built into training, monitoring and case review activities the Department shall oversee.

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

Doreen Harada, Program Specialist
Lorie Young, Acting Financial Assistance Program Administrator
Pankaj Bhanot, Benefit and Employment Support Services Division Administrator

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10. Direct questions to (name & position):	Doreen Harada
Phone number:	586-5734
e-mail address:	dharada@dhs.hawaii.gov

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

Department Head Signature — *Date* 03/15/10

Lillian B. Koller
Typed Name PB 03/10/10

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.