

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

To: Chief Procurement Officer

From: Department of Labor and Industrial Relations-Workforce Development Council
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): State Energy Sector Partnership and Job Training Grant ("SESP").	
	<p>This service is funded by of the American Recovery and Reinvestment Act ("ARRA") through the US Department of Labor, utilizing training funds from the federal Workforce Investment Act. The grant is meant to provide job training to support a state's energy policy (Hawaii's Clean Energy Initiative). An integral component of the grant is providing training to individuals in need of updated training related to the energy efficiency and renewable energy industries and the renewable electric power industry.</p> <p>The SESP program is focused providing job training to low-income and unemployed persons and placing them into employment in green industries in Hawaii, as well as upgrading the skills of incumbent workers, thereby preventing lay-offs, and providing long-term career pathways in green industries, including the renewable electric power industry.</p> <p>A portion of the grant proposal provides funding for training incumbent workers with Hawaiian Electric Industries, Inc. and Kauai Island Utility Cooperative, the State of Hawaii's only two existing public utilities that supply energy to residents statewide. The funding will allow workers to upgrade their skills and remain employable during the utilities' transition to greater renewable energy and energy efficiency technologies and practices.</p>	
2.	Provider Name and Address:	1. Hawaii Eletrical Industries ("HEI") 2. Kauai Island Utility Cooperative ("KIUC")
3.	Total Contract Funds: Contract Funds per Year (if applicable):	\$294,000
4.	Reference number of Previous Request for this Service (if applicable):	
5.	Term of Contract:	Start: Not determined End: 1/27/13

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6.	<p>Describe how procurement by competitive means is either not practicable or not advantageous to the State: Open competition was/is not practicable to the State. The only way that open competition would have been practicable would have been to have HEI and KIUC compete against each other for funding. This was impracticable, as both entities were needed in the grant to illustrate how the proposed training activities supported the statewide energy policy. (As required by the grant.)</p> <p>A key factor in being awarded grant funding is the ability to identify key stakeholders for which training funds will be utilized. The exclusion of the only public electric utilities would have made the state's grant application less attractive, therefore HEI and KIUC were named as partners in the proposal.</p> <p>The Hawaii Clean Energy Initiative proposes to supply 40% of Hawaii's electricity needs using renewable sources by 2030. This goal cannot be met without the support and commitment of HEI and KIUC. As such, these two public utilities are also named partners to the Hawaii Clean Energy Initiative. Competitive procurement is not practicable as no other entity provides electricity to Hawaii residents.</p> <p>Fifty awards were made available under this funding request. Hawaii was one of only 17 states that was awarded the maximum grant amount of \$6 million, and only one of 34 that were actually funded by the USDOL.</p>						
7.	<p>Describe the reason for the selection of the provider including a description of how the procedure ensured the maximum fair and open competition practicable:</p> <p>Selection was based on including all public electric utility companies that provide electricity to residents of the State of Hawaii. Hawaiian Electrical Industries and Kauai Island Utilities Cooperative are the only public utilities in the state that are capable of providing electricity distribution to residents of Hawaii. While there are other entities that can produce electricity, that electricity has to be bought and transferred to HEI or KIUC in order to be distributed to residents.</p> <p>Training dollars for this grant were set aside for the utilities to train their employees either in-house or through UHCC or an outside vendor. The training offered will be based upon the specific needs of the utility and the technologies that are in need of energy efficiency/renewable energy upgrades.</p>						
8.	<p>Describe the state agency's internal controls and approval requirements for the exempted procurement:</p> <p>Approval and implementation of any forthcoming agreement are approved first by Mr. James Hardway, Executive Director of the WDC, and must be reviewed and approved by Mr. Patrick Fukuki, DLIR-ASO Business Manager, and finally approved by DLIR Director Pearl Imada Iboshi.</p>						
9.	<p>List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract:</p> <p>James P. Hardway, Executive Director, Workforce Development Council Patrick Fukukui, Business Manager, DLIR-ASO Pearl Imada Iboshi, Director, DLIR</p>						
10.	<table style="width: 100%; border: none;"> <tr> <td style="width: 45%; padding: 5px;">Direct questions to (name & position):</td> <td style="padding: 5px;">James P. Hardway, Executive Director</td> </tr> <tr> <td style="padding: 5px;">Phone number:</td> <td style="padding: 5px;">808-586-8671</td> </tr> <tr> <td style="padding: 5px;">e-mail address:</td> <td style="padding: 5px;">jhardway@hawaii.gov</td> </tr> </table>	Direct questions to (name & position):	James P. Hardway, Executive Director	Phone number:	808-586-8671	e-mail address:	jhardway@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

10-7-10

Date

PEARL IMADA IBOSHI

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.

Chief Procurement Officer's Comments:

Pursuant to HAR §3-143-614, applications for federal funding, a request for information is required to be conducted prior to selecting provider(s) for inclusion in the application. The department submitted the federal application naming HEI and KIUC because they are the only qualified providers determined by the department. In this case, the department should have submitted this request for exemption from conducting an RFI prior to submitting the application.

Although written delegated procurement authority is not required for a Request for Exemption from Chapter 103F, the appropriate procurement training is mandatory. In conversation with Mr. James Hardway, he was not aware of the requirement for mandatory procurement training or written delegated procurement authority and therefore has not taken the appropriate mandatory procurement training workshop. This request is approved based on the understanding that a contract has not yet been executed and on the condition that Mr. Hardway shall not participate in any procurement activities until he has completed the appropriate mandatory procurement training requirements for the applicable procurement method and has received written delegated procurement authority, if required for the applicable procurement activity pursuant to Procurement Delegation No. 2010-01 and Procurement Circular No. 2010-05. This award is required to be posted on the Awards Reporting System.

APPROVED **DISAPPROVED** **NO ACTION**



Chief Procurement Officer Signature

12/20/2000

Date

Please ensure adherence to applicable administrative requirements.