

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

12 JUN 29 P1:23

STATE PROCUREMENT OFFICE
STATE OF HAWAII

To: Chief Procurement Officer

From: Department of Labor and Industrial Relations/Office of Community Services
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): Title: Weatherization Assistance Program for Low-Income Persons- American Recovery and Reinvestment Act Summary Description: The services provide permanent utility relief for low-income persons through the installation of energy efficiency and conservation measures, as well as energy conservation education for clients to make informed energy choices	
2. Provider Name and Address:	Maui Economic Opportunity, Inc P.O. Box 2122 Kahului, HI 96733 Honolulu Community Action Program 33 S. King Street, Suite 300 Honolulu, HI 96814 Kauai Economic Opportunity 2804 Wehe Road, Lihue, HI 96766
3. Total Contract Funds: Contract Funds per Year (if applicable):	\$45,598
4. Reference number of Previous Request for this Service (if applicable):	
5. Term of Contract:	Start: 7/1/12 End: 12/31/12
6. Describe how procurement by competitive means is either not practicable or not advantageous to the State: The original services were issued according to a normal RFP process, with an expected completion date of 3/31/12. Four applicants participated in the process, one in each county, and each one was issued an award for their respective county. In a letter dated March 23 and received by OCS March 27, 2012, four days before contract termination, one contractor notified OCS they would not be able to expend the contract funds (see attached). All other contractors fulfilled their contractual obligations, and in fact most would have exceeded their outcomes had more funding been available. OCS is requesting a procurement exemption for three reasons: 1) The return of funds was unexpected and OCS does not have reasonable time to re-procure the remaining amount of \$47,756 as the ARRA grant completion date is 12/31/12. 2) All the applicants who applied for the competition received awards, and these would be the contractors among whom the remaining funds would be divided. 3) OCS has invested over \$30,000 in State funds to train the applicants in the Weatherization service, and if provider outside the current awardees who has not been trained in a similar manner will not likely be able to complete the service according to specifications.	

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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:

The three applicants in question were previous awardees of ARRA funds, are duly trained, and were also the only remaining applicants to apply for the previous grant. In a new solicitation, it is likely they would again be the only applicants, and are the only applicants possessing experience. This small amount of money would likely only serve an additional eight clients, and each applicant has already accrued enough clients through intake to meet this demand. The remaining funds subject to restrictive procurement total only 1.6% of the total amount of the ARRA grant to the State, of which the rest was awarded competitively. This process will ensure Hawaii, as a state, fully maximizes our awarded funds.

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

The procurement in question will be a performance-based fee for service. The providers must submit written documentation the installations and education services were completed. This must be verified by the homeowner, the provider, and the OCS program staff. The provider is unable to submit for payment beyond their verified outcomes.

OCS completed the following actions to ensure an exemption is the best course of action:
March 31-April 15- OCS contacted each contractor remaining on the ARRA grant to ascertain their interest in competition for these funds.

OCS also consulted with the US Department of Energy to recommend areas for other possible investment of funds or training opportunities. It was decided the most prudent use of the funds would be the return of program funds to the community through program measures.

OCS contacted other providers providing similar services for other Departments such as DBEDT. Because of the small amount of money, no contractors indicated interest in spending the time for a competitive grant. (Previous awards were multi-million dollar contracts)

Previous contractors indicated there are clients on a wait list, should more funding become available

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

Mila Kaahanui, Executive Director
En Young, Contract Administrator
Terry Visperas, Program Specialist

10. Direct questions to (name & position): En Young, Contract Administrator

Phone number: (808) 586-8680

e-mail address: En.H.Young@hawaii.gov

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



Department Head Signature

JUN 28 2012

Date

Dwight Takamine

Typed Name

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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:

This approval is for the procurement process only. Service provider(s) are required to be compliant with applicable laws, and verified on the Hawaii Compliance Express. This award is required to be posted on the Awards Reporting System. If there are any questions, please contact Corinne Higa at 587-4706, or corinne.y.higa@hawaii.gov.

APPROVED DISAPPROVED NO ACTION



Chief Procurement Officer Signature

7/10/2012

Date

Please ensure adherence to applicable administrative requirements.



H. C. E. O. C.
Hawaii County Economic Opportunity Council
47 Rainbow Drive Hilo, Hawaii 96720
(808) 961-2681



March 23, 2012

Ms. Mila Kaahanui, MSW
Director, Office of Community Services
State of Hawaii, Department of Labor and Industrial Relations
Office of Community Services
830 Punchbowl Street, Room 420
Honolulu, Hawaii 96813

2012 MAR 27 P 12:51

OCS
D.L.I.R.

Re: Request From HCEOC To Return Funds for Contract No. OCS-ARRA-12-01 Weatherization Assistance Program Services for Low-Income Persons, American Recovery & Reinvestment Act

Dear Ms. Kaahanui:

It is with much sadness that I, on behalf of the Hawaii County Economic Opportunity Council (HCEOC), write this letter to ask for your permission to return to OCS the full \$47,756.00 awarded to us under the terms of Contract No. OCS-ARRA-12-01 Weatherization Assistance Program Services for Low-Income Persons, American Recovery & Reinvestment Act.

The reason for our request is that we do not have enough applicants who meet the eligibility criteria for our ARRA WAP grant. We have a sufficient number of qualified applicants for our regular WAP grant, and we are confident that the goals for this grant will be achieved.

It should be noted that we have done extensive outreach to many residents, and we have many completed applications. We have also conducted numerous energy audits. However, only a few of the applicants meet the requirements for WAP.

We hope that the ARRA WAP funds which we are requesting to return can be redistributed and kept within our state.

Respectfully,

Lester Seto
Interim Executive Director