

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

06 JUL 11 08:04

STATE OF HAWAII  
 DEPARTMENT OF HEALTH

To: Chief Procurement Officer

From: Department of Health/Developmental Disabilities Division  
*Department/Division/Agency*

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

Title and description of health and human service(s):  
 Developmental Disabilities Apartment Complexes Subsidy. There are currently 48 individuals with Developmental Disabilities (DD) and/or Mental Retardation (MR) living in four (4) developmental disabilities apartment complexes operated by one agency. The agency has indicated they are at risk for terminating services if additional funding is not provided. Act 168, SLH 2005 amended HRS 321-15.9 to enable the Department of Health to enter into contracts for additional payment to operators of developmental disabilities apartment complexes and provide additional funding to ensure their availability for individuals with DD/MR. The 2006 Legislature has appropriated funding for FY 2007.

Provider Name: Arc in Hawaii	Total Contract Funds: \$230,387.00	Term of Contract:  From:            To: July 1, 2006    June 30, 2007
Provider Address:  3989 Diamond Head Road Honolulu, HI 96816	Contract Funds per Year (as applicable). \$230,387.00	

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

The Arc in Hawaii is the only agency in the state that provides apartment complexes exclusively for persons with developmental disabilities. The apartments are financed by loans from the Department of Housing and Urban Development which restricts tenants to persons with developmental disabilities. This service has been ongoing for years and provides housing for which individuals pay 30% of their income in neighborhoods that are accessible to transportation, have community supports and are in areas where people with disabilities feel safe. Since most people with developmental disabilities only have Social Security Income of \$579, rent cannot exceed \$170/month for an apartment. The Arc continues to have a net loss in the operations of the apartments each year. Act 168, SLH 2005 amended HRS 321-15.9 to authorize the Department of Health to enter into contracts for additional payments to "operators of developmental disabilities apartment complexes for residential services on terms determined by the department of health" with the intent "to ensure that developmental disabilities residential service providers are adequately reimbursed for the residential services they provide." This request seeks to provide financial assistance for the Arc in Hawaii to continue to provide apartments for individuals with developmental disabilities who would otherwise be subject to risk of homelessness.

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Details of the process or procedure to be followed in selecting the service provider to ensure maximum fair and open competition as practicable:  
 Per Act 168, SLH 2005 the additional payment for developmental disabilities apartment complexes is available to any apartment complex that meets the definition in HRS 321-15.9 which requires every unit in the complex to be dedicated for persons with developmental disabilities except for the resident manager's unit. At this time, only the four (4) apartment complexes provided by the Arc in Hawaii meet this definition.

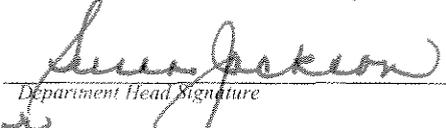
A description of the state agency's internal controls and approval requirements for the exempted procurement:  
 DDD has programmatic, administrative and fiscal staff to provide oversight of the exempted procurement.

A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:  
 Case Management and Information Services Branch (CMISB) Chief  
 Developmental Disabilities Division PHAO  
 CMISB Contracts and Resource Development Section Supervisor  
 CMISB Fiscal Supervisor

Direct questions to (name & position): Sharon Tanaka, Acting Chief, CMISB	Phone number: 733-9175	e-mail address: sharon.tanaka@doh.hawaii.gov
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This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR: Yes  No

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

  
 \_\_\_\_\_  
*Department Head Signature*  
 for Chiyome Leinaala Fukino, M.D.  
 \_\_\_\_\_  
*Typed Name*

JUL 07 2006  
 \_\_\_\_\_  
*Date*  
 Director of Health  
 \_\_\_\_\_  
*Position Title*

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Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

Approved

Denied

\_\_\_\_\_  
*Chief Procurement Officer*

\_\_\_\_\_  
*Date*

cc: Administrator  
State Procurement Office

**State of Hawaii**  
**Notice of Request for Exemption from Chapter 103F, HRS**

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 on page two 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.