

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

21 OCT '09 PM 4:21 SPO-21

To: Chief Procurement Officer

From: Department of Labor and Industrial Relations/Workforce Development Division
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):	<p>On-the-Job Training (OJT) funded under the Workforce Investment Act (WIA) program and other federally funded programs which are administered and operated by DLIR, Workforce Development Division (WDD), on the Counties of Hawaii, Maui, Oahu, and Kauai.</p> <p>Employers will hire eligible program participants lacking the minimum qualifications for employment and agree to provide the participants with the necessary training that will allow the participants to attain the knowledge and skills essential to perform the job.</p>
2. Provider Name and Address:	Various and unknown
3. Total Contract Funds:	\$450,000 <i>cyf</i>
Contract Funds per Year (if applicable):	-\$750,000 amt. is estimated
	\$150,000 amt. is estimated
4. Reference number of Previous Request for this Service (if applicable):	04-06
5. Term of Contract:	Start: upon approval 11/1/08 <i>cyf</i>
	End: 6/30/13 6/30/11 <i>cyf</i>

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

Because the needs of each participant cannot be predetermined, it is not practical or advantageous to competitively procure OJT. The OJT must be tailored to fit the needs of each participant, each of whom may have a different set of characteristics and circumstances that must be considered and accommodated to the extent possible. The specific services and activities to be provided will be based on the individual's employment barriers, interests, and skills and the short-term and long-term vocational goals identified by that individual in concert with the case manager. The design of services consists of many diverse variables that make it difficult to secure suitable worksites to accommodate the need of each individual. Variables may include but are not limited to the individual's availability in terms of worksite location, days and hours, and the type of day-to-day supervision needed for each individual. The number of job vacancies and types of jobs available by employers also cannot be predetermined. OJT contracts are possible only if the employer has an appropriate job opening and is willing to hire and provide training to participants who lack the skills level required for a specific job. DLIR had two employers that hired three OJT participants for childcare development specialist and sales associate/inventory clerk from July 1, 2007 to June 30, 2008. The individual nature of OJTs prohibits competitive procurement. The employers used by DLIR for OJT varies from year to year since it is dependent on the needs of each participant. DLIR cannot account for the needs of each participant in advance. Therefore, establishing a list of employers once a year limits DLIR's ability to use an employer who may have an immediate job opening if the employer has not submitted an application.

The placement of a participant into OJT is subject to whether an employer is willing to hire the participant for the job opening. The competitive procurement to establish a list of employers may result with a list of employers that may not have immediate job openings at the time that DLIR needs to place a participant in OJT.

The lowest price resulting in a competitive procurement is not advantageous to DLIR because it contradicts with the intent of the program which encourages self-sufficiency of participants. DLIR also reimburses the employer for up to 50 percent of the participant's wages for cost associated with training the participants of job requirements. The wages are non-negotiable since wages paid to OJT participant by the employer must be the same wages and benefits as employees similarly employed by the employer.

Section 101 (31) of the WIA states in part:

"On-The-Job Training (OJT) means training by an employer that is provided to a paid participant while engaged in productive work in a job - (A) provides knowledge or skills essential to the full and adequate performance of the job; (B) provides reimbursement to the employer of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and (C) is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate."

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:

OJTs are used on "as needed basis" and tailored to individual needs and preference. The circumstance guiding the individual service plan greatly depends on various variables which include, but are not limited to, the individual's availability in terms of hours, days, location of work site, and the type of day-to-day supervision necessary for each individual. For these services, WDD staff will attempt to provide as many employers with the opportunity to participate as possible through marketing efforts. In accordance with Section 667 of 20 CFR Part 652, dated August 11, 2000, employers must meet specific requirements before a participant is placed in an OJT with the employer. These requirements include, but not limited to, the company has operated at the location for 120 days, participant hired for the job opening do not displace other employees or reduce the hours of any currently employed employees, and participant is provided with the same terms of employment, working conditions,

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compensation and fringe benefits as the employer provides to other employees in similar occupations by that employer.

Duration of OJT is limited to the period of training not to exceed six months unless the participant warrants longer training because of exceptional circumstances.

8. Describe the state agency's internal controls and approval requirements for the exempted procurement:
 The WDD case manager or counselor will request the OJT in writing. The counselor's supervisor, local office manager, branch manager, administrator, and Director must approve the OJT request before the participant's first day on the job. DLIR will retain copies of all requests in the participant's file and fiscal office. Payments will follow normal payment procedures as for other cost items. Post performance of the employer will be analyzed and performance must be deemed at least satisfactory.

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

Ms. Elaine Young, Administrator, WDD	Mr. Blayne Hanagami, Hawaii Branch Mgr
Mr. Charles Kunz, Hilo Local Office Mgr	Ms. Jan Oshiro, Supervisor, Hilo Local Office
Ms. Lori Sasaki, Kona Local Office Mgr	Ms. Harrilyn Wong, Sup, Kona Local Office
Mr. Kevin Kimizuka, Maui Branch Mgr	Mr. Bill Grier, Acting Kauai Branch Mgr
Ms. Stephanie Rickard, Sup, Maui Local Office	Ms. Norma McDonald, Oahu Branch Mgr
Ms. Shelley Apana, Maui Local Office Mgr	Ms. Susan Lim, Honolulu Local Office Mgr
Mr. Alvin Tsukayama, Waipahu Local Office Mgr	Ms. Alberta Patchen, Sup, Molokai Local Office

10. Direct questions to (name & position):	Maricar Pilotin-Freitas
Phone number:	586-8817
e-mail address:	mpilotin@dlir.state.hi.us

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



Department Head Signature

10/13/08

Date

Darwin L.D. Ching

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.

FOR CHIEF PROCUREMENT OFFICER USE ONLY

Chief Procurement Officer's Comments:

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Approval is for the period 11/1/08 to 6/30/11.

APPROVED DISAPPROVED NO ACTION



Chief Procurement Officer Signature

11/3/08

Date

Please ensure adherence to applicable administrative requirements.



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Governor Linda Lingle

State Procurement Office

Department of Accounting and General Services

Requests for CPO Approvals for Health and Human Services Detail

Type: Exempt
Number: 09-12
Department: Labor & Industrial Relations
Division: Workforce Development
Branch:
Provider(s): various
Total Contract Amount: \$750,000
Amount Per Year: \$150,000
Start Date: 10/30/2008
End Date: 06/30/2013
Service: On-the-Job Training for eligible program participants lacking the minimum qualifications for employment

CPO Comments:

Other Comments: The funding amounts noted are estimated.

Date Posted: 10/22/2008

Status: Pending

Status Date: 10/22/2008

See the Request

(Click on the name to view in a new window. Right click the name and click on "Save Target As" to download to your computer)

PEH No. 09-12 (Uploaded: 10/22/08)