STATE OF HAWAII

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

STATE PROCUREMENT OFFICE
STATE OF HAWAII

To: Chief Procurement Officer

From: DHS/BESSD/ETPO
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):		To provide case management, employment and support services to work eligible two-parent and non-citizen household TANF (Temporary Assistance For Needy Families) and TAONF (Temporary Assistance For Other Needy Families) applicants and recipients. The services are provided by two contractors for two regions statewide.
2. Provider Name and Address:		Parents And Children Together (PACT) 1485 Linapuni Street, Suite 105 Honolulu, Hawaii 96819
3. Total Contract Funds: Contract Funds per Year (if applicable):		$620,365
4. Reference number of Previous Request for this Service (if applicable):		
5. Term of Contract:	Start:	07/01/11
	End:	12/31/11

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

Effective May 1, 2011, the Department will be implementing changes to the First-To-Work Program which impacts how services are provided and the number of clients being serviced through the Contracts awarded under RFP HMS-903-10-02-S. As a result of the programmatic changes, the Contractor's caseload and responsibilities will increase significantly.

It is not feasible for the Contractor to provide increased services under the existing Contract which includes compensation based on performance measures. The Contractor is compensated based on cost-reimbursement, but is not able to claim more than 65% of the total budget using this payment structure. The remaining 35% of the budget may be claimed if the Contractor meets performance-based measures. However, to provide the Contractor the ability to serve a larger population, more of the Contract's budget must be made available to increase personnel, office space, interpreter services, etc.

The Contract's Scope of Services and Compensation and Payment Schedules must be amended in order to provide the Contractor greater access to the Contract funds through a cost-reimbursement payment structure only. However, the amendments may be considered substantive changes.

The Department plans to terminate the current contract effective close of business, June 30, 2011, then re-procure the services and have a new Contract(s) in place by December 31, 2011. However, the Department is obligated by Federal statute to continue the services. Therefore, the Department intends to retain the Contractor to continue the services until the new contract begins. PACT has the infrastructure and the program knowledge necessary to continue providing uninterrupted services to the clients residing in Region 2 which includes West Oahu, Wes Hawaii and Kauai.

An exemption from Chapter 103F will allow the Department to retain the Contractor for a 6-month period under a new contract while it re-procures the contract services.

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 above services were procured competitively through RFP HMS-903-10-02-S and two contracts were awarded. PACT was awarded a contract to provide the above-mentioned services for Region 2. The initial contract covers period from April 1, 2010 to June 30, 2011 and provides two 12-month extensions not to exceed June 30, 2013.

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

The contract will be monitored by the Benefit, Employment and Support Services Division (BESSD), Employment and Training Program Office (ETPO). The contractor will continue to provide BESSD/ETPO monthly expenditure and performance reports and statistics on clients serviced.

The contractor will continue providing services according to the exisiting contract, DHS-10-ETPO-195.

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

Scott Nakasone, ETPO Administrator
Catherine Dela Cruz, Program Specialist

10. Direct questions to (name & position): Catherine Dela Cruz, Program Specialist

Phone number: 586-7095

e-mail address: cdelacruz@dhs.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 — MAY 3 1 2011 *Date*

Patricia McManaman
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:

This award is required to be posted on the Awards Reporting System.

☒ **APPROVED** ☐ **DISAPPROVED** ☐ **NO ACTION**

Chief Procurement Officer Signature — 6/15/2011 *Date*

Please ensure adherence to applicable administrative requirements.