

**HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AND REQUEST FOR EXEMPTION
FROM COMPETITION**

1. TO: Derek Akiyoshi, Oahu Regional CEO
 2. FROM: Scott Kawai, Director of Contracts and Project Management

The Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction: Purchase of Kwalu brand bedroom and dayroom furniture for the newly constructed Daniel K. Akaka State Veterans Home (DKASVH). Photovoltaic (PV) system to be installed on the roof of the newly constructed facility that will provide a discounted electric utility rate.	
4. Name of Project: Daniel K. Akaka State Veterans Home Kealanani Street Kapolei, HI 96707	5. Price: TBD (estimated \$1.6M)
6. Term of Contract: From: 9/1/22 To:12/31/29	7. Prior Exemption Ref. No.
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State: The State Department of Accounting and General Services (DAGS) consultant design team researched furniture for the project and designed the facility with furniture customized for the elderly: furniture material and construction designed for heavy cleaning in elderly care homes, furniture usage and comfort, durability and warranty, etc. The DAGS team recommended using Kwalu brand furniture for the bedrooms and dayrooms. With HHSC Oahu Region's newly established role in the DKASVH construction, it is not practicable or advantageous to the State for HHSC Oahu Region to reject the design team recommendations or to have the design team redesign the facility with different furniture criteria. Redesign may result in addition costs for changes and construction completion delays. The State Department of Defense (DOD) conducted a solicitation for a PV system for the DKASVH by soliciting a Request for Proposal to 11 local PV companies. Based on the review the team selected Photonworks Engineering LLP that will provide a multi-year lease with buy-out provision at year 5 and payback to start on or approximately Jul 1, 2024 to install a photovoltaic (PV) system on the roof of the DKASVH and provide the facility with a discounted electric utility rate. The installation of equipment is at no cost to the facility. Cost savings to the facility shall be reflected in the discounted utility rate in comparison to utility grid power without PV system. Although the method of procurement is not consistent with the HHSC Regional policies and procedures, it does provide evidence of procurement by competitive means to ensure the State a reasonable price for the system. Re-soliciting the proposal through HHSC Oahu Region is not practicable or advantageous to the State as staffing limitations and time restrictions will potentially result in facility completion delays and loss of revenue by the facility. Delays may also result in non-cohesive installation of the PV system due to scheduling conflicts with the construction of the rest of the facility.	

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:


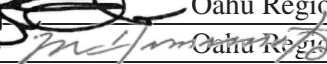
Kwalu brand furniture review and selection was based of standards of care and durability to ensure long lasting use based on cleaning requirements and product warranties.

The PV System vendor was selected by The State Department of Defense (DOD) based on highest score from the submitted proposal for the PV system.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

The exemption request will be reviewed by Senior Management and forwarded to the Oahu Regional CEO for approval.

11. A list of regional personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
Derek Akiyoshi	Oahu Region CEO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Sean Sanada 	Oahu Region CAO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Michael Hamamoto 	Oahu Region CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Department: Administration
 Contact Name: Scott Kawai
 Phone Number: 832-3025
 Fax Number:

Agency shall ensure adherence to applicable administrative and statutory requirements

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

 8/29/22
 Department Head Date

Reserved for Regional CEO Use Only

Exemption validity is dependent on provided funding for described services.

Oahu Regional CEO comments:

14. **APPROVED** **DISAPPROVED**  08/31/2022
 Oahu Regional CEO Date