

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: OFFICE OF PROCUREMENT AND REAL PROPERTY MANAGEMENT

FROM: Financial Management Office

(Department/Program)

Pursuant to APM Section A8.220, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:

See attached.

Estimated Cost: \$ 15,000 - \$40,000

(1) Explanation describing how procurement by standard competitive means is either not practicable or not advantageous to the University;

See attached.

(2) Details of the process or procedures to be followed in selecting the vendor to ensure as fair and open competition as practicable;

See attached.

(3) A description of the Department's internal controls and approval requirements for the exempted procurement; and

See attached.

(4) A list of Department personnel, by position title, who will be involved in the approval process and administration of the contract:

See attached.

Direct questions to: Amy Kunz Phone: 956-5445

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.

Amy Kunz
Full Name of Principal Investigator, Department Head, or Administrator

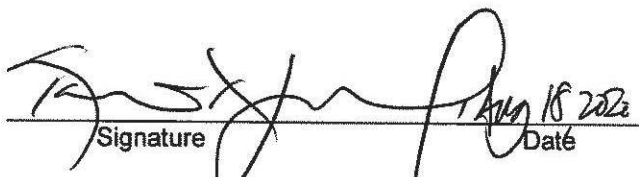
Amy S Kunz Digitally signed by Amy S Kunz
Signature Date: 2020.08.17 12:37:05 -10'00'

Neal Kumasaka
Full Name of Fiscal Officer

Neal S. Kumasaka Digitally signed by Neal S. Kumasaka
Signature Date: 2020.08.17 12:48:06 -10'00'

APPROVED:

Kalbert Young
Full Name of Vice President or Chancellor



Signature Date: Aug 18 2022

FOR OPRPM USE ONLY

OPRPM COMMENTS:

APPROVED DENIED

David Lassner
PRESIDENT, UNIVERSITY OF HAWAII

 Digitally signed by David Lassner
Date: 2020.09.04 17:24:01 -10'00'

DATE

**Request for Exemption from Chapter 103D, HRS
Attachment to OPRPM Form 138**

**Financial Advisory Services Relating to Issuance of
University of Hawaii Revenue Bonds**

Description of goods, services or construction:

Financial advisory services are being sought relating to the planned issuance of University of Hawaii revenue bonds. The services being sought require specialized expertise involving technical analysis and advice with regard to financial and capital plans, debt structuring, capital markets and bond pricing.

(1) Explanation describing how procurement by standard competitive means is either not practicable or not advantageous to the University;

Procurement by standard competitive means is not practicable and not advantageous to the University because of the specialized and highly subjective nature of services to be provided and the need to proceed expeditiously. The University is striving to issue revenue bonds to refund prior bonds for savings and proceed with projects to be funded by these bonds within timelines required by legislative authorizations while interest rates are low but during these times of high market volatility due to the effects of the pandemic.

In addition, the contractor's effectiveness will be critical to the success of the bond offering and will depend in significant part on technical expertise, experience and familiarity with the State of Hawaii's and the University's debt structure and debt management and bond environments. Few potential contractors possess the necessary combination of expertise and experience required, and standard competitive means are not well suited to identifying them.

Accordingly, conducting a standard competitive selection through preparation and advertising of a formal request for proposals would entail a prolonged timeline that would not significantly contribute to the effectiveness of a contractor selection. Furthermore, the length of the standard process would delay the overall process, putting the University at undue and unnecessary risk by jeopardizing interest rate flexibility, nimble market timing and executing an expeditious transaction.

(2) Details of the process or procedures to be followed in selecting the vendor to ensure as fair and open competition as practicable;

Because of the nature of the services to be provided, consultation with knowledgeable individuals in the industry and other State of Hawaii departments who have had experience with such services is the most effective way of identifying potential contractors with suitable experience and expertise. Following consultation with the Vice President for Budget and Finance/CFO, a review committee comprised of three individuals with appropriate education, experience and background, will contact at least three to five potential contractors and request submittal of proposals to provide the financial advisory services relating to the issuance of University of Hawaii revenue bonds. See attached Invitation to Submit Proposals for further information. The proposals received will be reviewed by the review committee taking into consideration the following factors: prior experience in providing financial advisory services relating to revenue bond offerings by higher education institutions, state agencies, and State of Hawaii agencies in particular; familiarity with the University's and the State's debt structure and

bond environment; technical expertise and experience of the firm and the individuals to be assigned to this contract; client references; and the proposed cost of the services to be provided.

The review committee will review and evaluate each proposal, and present its comparative evaluation of the proposals to the Vice President for Budget and Finance/CFO, who will select the proposal which can best meet the University's needs and objectives with respect to the services to be performed.

(3) A description of the Department's internal controls and approval requirements for the exempted procurement; and

The Office of Procurement Management will assist in reviewing and/or drafting a contract with the firm whose proposal is determined by the Vice President for Budget and Finance/CFO to best match the needs of and to be most advantageous to the University. All services performed will be pre-approved and expenditures will be subject to review, approval and processing in conformity with University expenditure policies and procedures.

(4) A list of Department personnel, by position title, who will be involved in the approval process and administration of the contract:

Kalbert Young, Vice President for Budget and Finance/CFO
Amy Kunz, AVP Budget and Finance/Controller-UH
Karlee Hisashima, Interim Director of Procurement
James Yoneda, University Bond System Controller
Kenneth Lum, Tax Manager
Neal Kumasaka, Fiscal Administrator