

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: \$ 90,000.00

(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: James Yoneda Phone: 956-7351

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
Date: 2020.05.14 09:41:04 -10'00'
Signature Date

Neal Kumasaka
Full Name of Fiscal Officer

Neal S. Kumasaka Digitally signed by Neal S. Kumasaka
Date: 2020.05.14 10:12:13 -10'00'
Signature Date

APPROVED:

Kalbert Young
Full Name of Vice President or Chancellor

Digitally signed by Kalbert Young
DN: cn=Kalbert Young, ou=University of Hawaii System, ou=Vice President - Budget & Finance / Chief Financial Officer, email=kalbert@hawaii.edu, c=US
Date: 2020.05.14 10:07:03 -10'00'
Signature Date

FOR OPRPM USE ONLY

OPRPM COMMENTS:

APPROVED DENIED

David Lassner
PRESIDENT, UNIVERSITY OF HAWAII

Digitally signed by David Lassner
Date: 2020.06.10 16:46:41 -10'00'
DATE

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

Private Business Use Analysis and Compliance Services

Description of goods, services or construction:

The University requires private business use analysis and compliance services relating to post issuance bond compliance with Internal Revenue Service regulations. Post-issuance tax compliance is an integral part of the University's debt management process.

The selected contractor will provide critical technical analysis to the University on its use of tax-exempt bond financed property to ensure tax law requirements are met and to remain in compliance throughout the life of each bond so that that bond interest retains tax-exempt status. Private business use is determined over the life of the bond issue and tax law compliance must be verified and documented throughout the term of each bond issue.

(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, unique and highly subjective nature of services to be provided and the need to proceed expeditiously. The contractor's effectiveness will depend in significant part on intimate knowledge of the University's revenue bonds issued and projects financed along with their technical expertise and experience. Very few potential contractors possess the necessary combination of expertise and experience required, and standard competitive means are not well suited to identifying them. Conducting a standard competitive selection through preparation and advertising of a formal request for proposals would delay the process significantly, putting the University at undue risk.

(2) Details of the process and 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 is the most effective way of identifying contractors with suitable experience and expertise. Following consultation with the Vice President for Budget and Finance/ CFO, a review committee comprised of three individuals from the University Financial Management Office with appropriate education, experience and background, will contact at least three to five potential contractors and request submittal of information regarding each respective contractor's experience and qualifications. Responses will be compiled and reviewed by the review committee taking into consideration the following factors:

- a. Prior experience in providing private business use and compliance services;
- b. Familiarity with the University's bond issues;
- c. Legal expertise available within the contractor's firm;
- d. Organization and staffing;
- e. Nature, amount, and availability of the contractor's professional liability insurance;
- f. Client references;
- g. Proposed cost of the services to be provided.

The review committee will review and evaluate each contractor, and present the list to the Vice President for Budget and Finance/CFO, who will make a comparative evaluation of the potential

contractors and select the contractor who 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 contract:

The Office of Procurement Management will assist in reviewing and/ or drafting a contract with the firm determined by the Vice President for Budget and Finance/CFO that best matches the needs of and that will 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
Karlee Hisashima, Interim Director of Procurement
James Yoneda, University Bond System Controller
Kenneth Lum, University Tax Compliance Manager
Neal Kumasaka, Fiscal Administrator