

**UNIVERSITY OF HAWAI'I
NOTICE OF EXEMPTION FROM CHAPTER 103D, HRS**

The President, University of Hawai'i, is in the process of reviewing the request from (Department/Campus) Honolulu Community College for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

Flight training agreement with Galvin Flight Services Hawaii, LLC (GFS Hawaii) to develop training course outlines and all related materials as required for FAR Part 61/141 certification approval and operation of the flight school at Kalaeloa Airfield, Hawaii.

Vendor: Galvin Flight Services Hawaii, LLC
(If known)
Address:

Term of Contract: (If known)	From:	To:	Cost: \$100,000 (est.)
--	-------------	-----------	------------------------

Direct any inquiries to: Department: Honolulu Community College Contact Name/Title: Ken Kato, Vice Chancellor, Administrative Services Address: 874 Dillingham Blvd., Honolulu, HI 96817	Phone Number: 845-9123 Fax Number: 845-9173
--	--

Date Posted: June 10, 2009

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days from the date posted to:

Office of Procurement and Real Property Management
1400 Lower Campus Road, Room 15
Honolulu, Hawai'i 96822

OPRPM Form 138
(Rev.01/2009)

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: OFFICE OF PROCUREMENT AND REAL PROPERTY MANAGEMENT

FROM: Honolulu Community College

(Department/Program)

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

Description of goods, services, or construction:

Flight Training Agreement with Galvin Flight Services Hawaii, LLC (GFSHawaii) to develop training course outlines and all related materials as required for FAR Part 61/141 certification approval and operation of the flight school at Kalaeloa Airfield, Hawaii. Produce and implement academic and pilot ground school classes required under the FAA FAR Part 61/141 certification and HCC's academic accreditation standards. Conduct collegiate and ab initio and customized airline specific flight training curricula for commercial pilot training under FAA certified programs, including supervising FAA flight training records, documentation grading and criteria using record-keeping software in accordance with FAA directives. Provide sufficient single-engine and twin-engine and FAA approved flight training devices, simulators and services sufficient to accommodate projected HCC student enrollment for each program. Provide certified flight instructors that are properly licensed and qualified to meet FAA FAR Part 61/141. +

Estimated Cost: \$ 100,000

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

Galvin Flying Services, Inc (GFSI) sold its interests in Galvin Flight Services-Hawaii (GFSH) to their partners, Peter and Sarah Anderson, to operate the Flight Training Agreement dated September 17, 2007 between HCC and GFSI. GFSI decided not to execute a Novation Agreement and will pursue the termination of the Flight Training Agreement with HCC. . Therefore, a new Flight Training Agreement with the same terms and conditions needs to be executed between GFSHawaii and HCC. The original request for procurement exemption with GFSI was approved by President McClain on May 7, 2007.

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

Embry-Riddle Aeronautical International Airport Training Center was contacted in addition to UND. Embry-Riddle was interested in providing bachelor's degree coursework for an aviation management degree, but would not commit to the investment necessary to build a training aircraft and simulation fleet in Hawaii. UND offered the use of its curriculum and wanted the partners to hire them. Embry-Riddle and UND were the only other suitable training partners by Boeing and Flight Safety International standards. Neither organization opted to participate in a vertically integrated curriculum driven by the needs of airlines. After UND declined, HCC began discussions with Galvin Flying Services, a trusted Altheon service provider and Boeing partner. A cooperative relationship with Galvin will result in quality training for HCC students, technically advanced aircrafts, attracting air carrier contract flight training, a revenue sharing financial arrangement whereby HCC will eventually not have to pay for any HCC degree student flight services as all services will be covered by student fees.

(Attach Additional Sheets if Necessary)

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

The development and review of the original agreement with Galvin Flying Services were done by consultation with Legal counsel, Associate Vice President for Administrative Affairs, CC, Chancellor of Honolulu Community College (HCC) and Vice Chancellor of Administrative Services. Furthermore, the scope and benefits of the original Agreement were discussed at an Executive session of the UH Board of Regents. It was agreed that HCC should pursue this agreement because of the benefits to the college and its students.

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

Michael Rota, Interim Chancellor
Erika Lacro, Vice Chancellor of Academic Affairs
Ken Kato, Vice Chancellor of Administrative Services
Ralph Hiatt, Director of the Pacific Aerospace Training Center
Duff Zwald, Director of Procurement and Real Property Management.

Direct questions to: Ken Kato

Phone: 845-9123

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

Erika Lacro, Vice-Chancellor, Academic Affairs



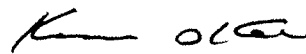
6/1/09

Full Name of Principal Investigator, Department Head, or Administrator

Signature

Date

Kenneth Kato, Vice-Chancellor, Administrative Services



6/1/09

Full Name of Fiscal Officer

Signature

Date

APPROVED:

Michael Rota, Chancellor



6/1/09

Full Name of Vice President or Chancellor

Signature

Date

John Morton, VP Community Colleges

Signature

JUN 24 2009

FOR OPRPM USE ONLY

OPRPM COMMENTS:

Recommend Approval.



APPROVED

DENIED



PRESIDENT, UNIVERSITY OF HAWAII

6/25/09

DATE

#2- Cont.) These were HCC's objectives in its vision to develop an aviation program that best serves HCC's students professionally and for promoting business opportunities with the aviation industry for flight training that will serve the Asia Pacific region.

#3-Cont.) Many reviews were done at different levels to ensure good internal controls and the need to obtain an exemption to Chapter 103D.