

**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) Facilities and Grounds for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

Replacement transformer and procure electrical contracting services to replace defective transformer and remove the temporary transformer to meet electrical and environmental codes.

**Vendor:**  
(If known)  
**Address:**

|  |             |           |                        |
|--|-------------|-----------|------------------------|
| <b>Term of Contract:</b><br>(If known) | From: ----- | To: ----- | Cost: \$150,000 (est.) |
|--|-------------|-----------|------------------------|

|  |  |
|--|--|
| <b>Direct any inquiries to:</b><br>Department: Facilities and Grounds<br>Contact Name/Title: Tom Katsuyoshi, Director<br>Address: 2002 East West Road, PPB<br>Honolulu, HI 96822 | Phone Number:<br>956-4801<br>Fax Number:<br>956-2165 |
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Date Posted: August 26, 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: Office of Facilities and Grounds  
(Department/Program)

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

**Description of goods, services, or construction:**

This request involves the need to engage an electrical contractor to remove and dispose of an existing non-functional transformer from the basement of Bilger Addition, purchase a new unit substation grade transformer that has the same dimensional and electrical parameters of the non-functional transformer, install the new transformer in Bilger Addition, provide and connect all necessary power cables, test the system components, and energize the system. The contractor shall also de-energize and detach a temporary transformer that has been providing electrical power to Bilger Addition and parts of Bilger Hall, and transport the transformer to the Facilities Management Office's....continued on attached

Estimated Cost: \$ 150,000

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

An electrical power failure occurred at Bilger Hall and Bilger Addition on Wednesday, March 11, 2009. The problem was traced to a failed transformer in the basement of Bilger Addition. Without power to operate the air conditioning, ventilating, lighting, and fume hood systems to both buildings, the buildings were shutdown for health and safety reasons and classes were suspended. An emergency procurement request to purchase a temporary transformer was generated by the Facilities Management Office that was approved by President McClain. The temporary transformer was delivered and installed on the southeastern corner of the exterior of Bilger Addition on Thursday, March 26, 2009, and after power was restored and testing of all systems was performed, ....continued on attached

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

We propose to select a minimum of three qualified electrical contractors that are highly skilled in this type of work who have "working" access to the manufacturer of the required transformer. This is extremely important for preferred pricing and for ensuring that the installation is done correctly and with minimal building power disruptions. The work will require a "Union Certified" electrician splicer. There are only a handful of companies in Hawaii with such individuals on their payroll. The Facilities Electrical Engineer will conduct a site visitation with the three prospective contractors. All the necessary information is available through this site visitation. The transformer nameplate data basically provides most of the necessary information.

(Attach Additional Sheets if Necessary)

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

The transformer replacement project will be managed by the Head of the FMO's Electrical Engineering Division. He will coordinate the Electrical Contractor selection process, and work with the Office of Facilities and Grounds Fiscal Office to obtain and issue a Purchase Order for the work. All payments will be made based on the Project Manager's written .... contined on attached

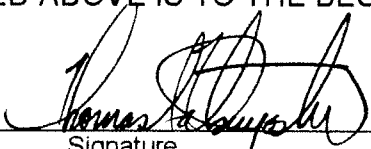
(4) A list of Department personnel, by position title, who will be involved in the approval process and administration of the contract:

- FMO Electrical Engineer - Dennis Kamite
- OF&G Fiscal Officer - Carol Yoshida
- OF&G Director - Tom Katsuyoshi

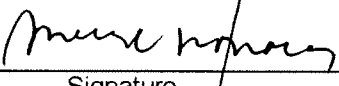
Direct questions to: Tom Katsuyoshi Phone: 956-4801

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


Thomas S. Katsuyoshi  
Full Name of Principal Investigator, Department Head, or Administrator

 8/13/09  
Signature Date

Carol A. Yoshida  
Full Name of Fiscal Officer

 8/14/09  
Signature Date

APPROVED:  
Virginia S. Hinshaw  
Full Name of Vice President or Chancellor

 8-17-09  
Signature Date

FOR OPRPM USE ONLY

OPRPM COMMENTS:

Recommend Approval.

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

APPROVED  DENIED

  
PRESIDENT, UNIVERSITY OF HAWAII

9-30-09  
DATE

**Description of goods, services, or construction . . . . . continued**

. . . . warehouse. Upon completion of all work, the contractor shall leave the Bilger Addition basement and the site of the temporary transformer clean.

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

. . . . the buildings were reopened for use on March 30, 2009.

The temporary transformer is called “temporary” because its intended use was to provide temporary power as quickly as possible to avoid jeopardizing student coursework which would have required students to repeat the course the following semester. To replace the failed transformer with a permanent transformer would have required the manufacture of a transformer of similar size and capacity (such substation grade transformers are not off-the-shelf stock items), and the process of ordering, manufacturing, shipping and installing the replacement transformer would have taken seven or eight months to complete.

The temporary transformer was installed with high voltage cables connecting to the existing power source in the basement of Bilger Addition. These cables are enclosed in exposed conduits that extend from the basement through an opening in the wall, and connect to the temporary transformer adjacent to the wall. These exposed conduits are a safety hazard, since a permanent transformer installation does not permit exposed conduits. Furthermore, the temporary transformer was placed on a makeshift oil catchment system in the eventuality of an oil leak from the transformer. It is only a matter of time before the temporary oil catchment system will deteriorate and cause any spilled oil to flow into the surrounding soil. Therefore, from a safety and environmental standpoint, a permanent replacement transformer is urgently needed, and needs to be installed as expeditiously as possible.

Basically, the replacement transformer needs to be a proprietary unit. All of its dimensions and specifications have to be exactly as per the original transformer. A new unit not meeting the specific dimensions will require the hiring of an electrical consultant to do the replacement documentation, and the subsequent construction of an entirely new unit substation assembly. This is not acceptable because of the projected much longer design and reconstruction time this would require, and the much larger cost for such total reconstruction. Only the manufacturer that built the original transformer has the exact specifications of the transformer. Anyone who bids on this job will have to go back to the original manufacturer to obtain this transformer.

There are only a handful of local electrical contracting firms that have the expertise and personnel to perform the type of high voltage installation required in the transformer

replacement. An open bid for this project would most likely invoke interest from these three or four qualified companies. The Facilities Management Office proposes that a bid by invitation involving these electrical contracting companies be conducted in lieu of the usual open bid.

As noted at the last sentence of the second paragraph of subsection (1) above, even with the above proposals in place, the process to order, manufacture, ship, and install the replacement transformer would take seven to eight months. Pursuing the proposed exemption to the standard procurement process by using the proprietary manufacturer of the original transformer would eliminate the need to procure the services of an electrical consultant. The exemption would also eliminate the open bid process in favor of a bid by invitation involving a minimum of three qualified electrical contractors. This process would allow the University to complete the project within seven to eight months, and reduce the project time by five or six months---reducing by that amount the time that the high voltage hazard and environmental contamination potential exists.

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

.... authorization to make payment, and payments will be made based on all documents being signed by the Director and Fiscal Officer of the Office of Facilities and Grounds (who have been fully informed of the details and urgency of this project).