

**UNIVERSITY OF HAWAII  
NOTICE OF EXEMPTION FROM CHAPTER 103D, HRS**

The President, University of Hawaii, is in the process of reviewing the request from Financial Management Office (Department/Campus) for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

Accounting and tax advisory services from a single provider relating to post issuance bond compliances for the services listed below:

1. Private use and bond proceeds expenditure analysis and services;
2. Continuing disclosure services;
3. Record retention services;
4. Bond document compliance services;
5. Post issuance policy services; and
6. Training and education services

**Vendor:** To be determined  
(If known)  
**Address:**

<b>Term of Contract:</b> (If known)	From: To be Determined	To: To be Determined	Cost: \$100,000 (est.)
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<b>Direct any inquiries to:</b> Department: Financial Management Office  Contact Name/Title: Kenneth Lum Fiscal Accounting Specialist  Address: 1406 Lower Campus Rd, Rm 58 Honolulu, HI 96822	Phone Number: 808-956-7162  Fax Number: 808-956-5925
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Date Posted: September 4, 2013

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

**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: \$ 100,000.00

(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: Kenneth Lum Phone: 956-7162

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

Barbara Kawamoto  
Full Name of Principal Investigator, Department Head, or Administrator

[Signature] 8/27/2013  
Signature Date

Neal Kumasaka  
Full Name of Fiscal Officer

[Signature] 8/27/13  
Signature Date

APPROVED:

Howard S. Todo  
Full Name of Vice President or Chancellor

[Signature] 8/29/13  
Signature Date

FOR OPRPM USE ONLY

OPRPM COMMENTS:

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

APPROVED  DENIED

[Signature]  
PRESIDENT, UNIVERSITY OF HAWAII

SEP 18 2013  
DATE

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

Accounting and Tax Advisory Services for Post Bond Issuance Compliance

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

The University requires accounting and tax advisory 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 and advice to the University on best practices and procedures 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. Tax law compliance must be verified and documented throughout the term of each bond issue and requires stringent, specialized knowledge, proper record retention policies, and continuous training and outreach to affected university bond project personnel.

**(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 revenue bonds issued and projects financed, technical expertise, experience and familiarity with the State of Hawai'i's and the University's debt management and bond environments. 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 and unnecessary 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: prior experience in the providing pre and post-issuance compliance services; familiarity with the University's bond issues and

environment; legal expertise available within the contractor's firm; nature, amount, and availability of the contractor's professional liability insurance; administrative support capabilities; prior experience providing training and outreach services; client references; and the 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 and Real Property 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:**

Barbara Kawamoto, Interim Director of Financial Management and Controller  
Duff Zwald, Director of Procurement  
Howard Todo, Vice President for Budget and Finance/CFO  
James Yoneda, University Bond System Controller  
Kenneth Lum, University Tax Compliance Manager  
Neal Kumasaka, Fiscal Administrator  
Paul Kobayashi, Special Assistant to the VP for Budget and Finance/CFO