



**BOARD OF WATER SUPPLY**  
**Notice and Request for Exemption From Chapter 103D, HRS**

ROUTING	
PROC	Albert Mau <small>Digitally signed by Albert Mau Date: 2021.11.24 07:18:36 -10'00'</small>
ESO	Raelynn Nakabayashi <small>2021.12.08 11:32:24 -10'00'</small>
DEPUTY	Eileen E. Kikumura <small>Digitally signed by Eileen E. Kikumura Date: 2021.12.08 11:34:21 -10'00'</small>

DATE: November 17, 2021

TO: ERNEST Y. W. LAU, P.E.  
 MANAGER AND CHIEF ENGINEER

FROM: JOE COOPER/FINANCE  
Name of Requesting Division Head/ Division

Joe Cooper  
Digitally signed by Joe Cooper  
 Date: 2021.11.17 11:44:02 -10'00'

SUBJECT: EXEMPTION FROM CHAPTER 103D, HAWAII REVISED STATUTES

Pursuant §103D-102(b)(4), Hawaii Revised Statutes (HRS), and Subchapter 9, Chapter 3-120 of the Hawaii Administrative Rules (HAR), I am requesting a procurement exemption to purchase the goods/services/ construction described below. The exemption applies only to the source selection provisions of Chapter 103D, HRS. §103D-310(c), HRS, and §3-122-12, HAR (Responsibility of Offerors) shall apply to the contract awarded. The application of this exemption will be limited to these facts and circumstances and may not be used as precedence to award any other contracts.

1. Vendor Name & Address Accuity LLP, 999 Bishop Street, Suite 1900, Honolulu, HI 96813		2. Amount of the contract. \$190,000	
3. Term of the contract. 3 years plus 2 one-year extensions		4. Prior exemption contract numbers and dates. None	
5. Description of the goods to be purchased. (Attach additional sheets if needed.) Financial audit services (see attached)			
6. Explain in detail why it is not practicable or advantageous for the BWS to procure by competitive means. (Attach additional sheets if needed.) See attached			

7. Explain in detail the process and procedures that will be or was utilized in selecting the vendor/contractor/ service provider to ensure maximum fair and open competition as practicable. (Attach additional sheets if needed.)

Under the current contract for Financial Audit Services, the same accounting firm has performed the financial and single audits for the BWS for the past six years. It is an industry practice to rotate financial auditors every three to five years.

I certify that the information provided is to the best of my knowledge, true and correct and there is no conflict of interest related to this procurement.

Name / Title: Joe Cooper/Waterworks Controller Phone: 808-748-5105  
Requestor

Date of Public Notice posting: November 29, 2021 to December 7, 2021

The Manager and Chief Engineer as the Chief Procurement Officer for the BWS is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice within seven (7) calendar days or as otherwise allowed from the above posted date to:

Manager and Chief Engineer  
Board of Water Supply  
630 South Beretania Street, Room 201  
Honolulu, Hawaii 96748  
Email: FN\_Procurement@HBWS.org

**REVIEWED AS TO PROCUREMENT FORM**

**Kathryn Hoffman** Digitally signed by Kathryn Hoffman  
Date: 2021.12.08 02:14:55 -10'00'

**PROCUREMENT OFFICE**

**CERTIFIED AS TO AVAILABILITY OF FUNDS**

**Joe Cooper** Digitally signed by Joe Cooper  
Date: 2021.11.24 14:56:43 -10'00'

**FINANCE**

**METHOD OF FUNDING**

(Select one of the following):

**Purchase Order** (Certification of Funds will be completed as part of the Purchase Requisition Review and Approval process.)

**Price Schedule Contract** \_\_\_\_\_  
Funding / Contract No.

**Funded**  **Unfunded**

2022-820-3021 (5900.4270)  
(C22590001) mh. - JY

**Standard Contract** \_\_\_\_\_  
Funding / Contract No.

**MANAGER AND CHIEF ENGINEER COMMENTS**

**APPROVED**  **NOT APPROVED**

Digitally signed by Ernest Y. W. Lau  
Date: 2022.01.12 17:08:37 -10'00'

**ERNEST Y. W. LAU, P.E.**  
**MANAGER AND CHIEF ENGINEER**

1. Scan and attach all supporting documents to this Form.
2. Division Head digitally signs the Form.
3. Email the signed Form to FN\_Procurement
4. Email Subject heading format: EX\_\_PRO - Project name or description

DIVISION ROUTING	

REQUEST FOR EXEMPTION FROM CHAPTER 103D  
TO PROVIDE FINANCIAL AUDIT SERVICES

5. Description of the goods to be purchased.

The BWS is required under Article VII, Section 7-108 of the Revised City Charter to have a certified public accountant annually examine its accounts and financial status and prepare a report for submittal to the mayor and city council. The services provided by the certified public accountant include: (1) a financial and single audit of the transactions, accounts, and books of the BWS for the fiscal year; (2) an examination of the systems and procedures for accounting, reporting, and operational and internal controls of the BWS; and (3) compliance audit of applicable Federal requirements.

6. Explain in detail why it is not practicable or advantageous for the BWS to procure by competitive means.

Project Category 22-01F for Financial Audit Services was advertised in the Fiscal Year 2021 annual Notice to Providers of Professional Services posted on the BWS Procurement website on April 30, 2021. The deadline for statements of qualifications to be eligible for consideration for fiscal year 2022 was on September 30, 2021. Only two submittals were received, leaving the BWS still short of the minimum requirement of three.

Given the project complexity, knowledge and resources required, the continued solicitation pursuant to §103D-304, HRS, is not expected to produce the required three qualified vendor submittals. It is highly unlikely that the use of a request for competitive proposals pursuant to §103D-303, HRS, would yield more responses than was received when the BWS posted the request for qualifications pursuant to §103D-304, HRS. Additionally, qualifications and experience are the main determining factors in selecting a vendor rather than price and as such, the use of the competitive sealed bid selection process pursuant to §103D-302, HRS, is not practicable.