

SPO From 2 Emergency Procurement Request cont'd.

#5 Nature of the emergency

October 2, 2007 made a solicitation using the Hawaii Electronic Procurement System or HEPS, to remove and dispose of five wooden barges. On October 8, 2007 we received three bids \$98,850.00, \$86,400.00 and the lowest bid at \$48,910.00 by RRL, Inc. A purchase order was awarded to RRL, Inc. to remove and dispose of the five wooden barges. However, RRL, Inc. stated they cannot do the project for the amount that they had submit, and asked for another \$12,000.00. We informed them both by e-mail and phone conversation that we could accommodate their request because it would a violation of procurement law. The contractor then stated they would not be able to do the project and its now in our hands. Therefore, we cancelled the purchase order. It is our understanding that it would take four to six months for a formal contract to remove and dispose of the barges being that the next lowest bidder is \$86,400.00.

At present the barges are deteriorating in the Marina causing a safety, health, and welfare issue to the general public and boaters, and on the verge of becoming an environmental issue. In addition, our staff is spending 3 to 4 hours a day pumping the barges to keep them afloat. We need the barges ~~remove~~ ^{Removed} from the water until a formal contract can be implemented.

E.P. 08-125-D