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STATE PROCUREMENT OFFICE
STATE OF HAWAII

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

March 22, 2010

MEMORANDUM

TO: Aaron Fujioka, Administrator
State Procurement Office

THRU: Laura H. Thielen, Chairperson
Department of Land and Natural Resources 

FROM: Morris M. Atta, Administrator
Land Division 

SUBJECT: Second Amendment of Approval for Emergency Procurement for Cutting Three (3) Trees between 2255 and 2273 Round Top Drive, Honolulu, Hawaii, Oahu; TMK (1) 2-5-003:044 and (1) 2-5-007:001

On December 2, 2008, we obtained your approval for emergency procurement pursuant to Section 103D-307, Hawaii Revised Statutes. The approval is to retain the service of Davey Tree Surgery Company (Davey) at a price of \$71,562.04 for cutting three (3) trees at Round Top Drive due to the concern of public safety. Subsequently, Davey informed the staff that they could not perform the job due to a prior commitment with Hawaiian Electric Company (HECO).

On February 11, 2009, you approved the amendment of the approval by awarding the same job to the second lowest bidder, Trees of Hawaii (TOH), at a price of \$109,182.15. A Contract for Goods and Services was approved by the Department of the Attorney General and sent to TOH for execution. The contract was signed by TOH around April 2009 and TOH has scheduled to commence the work in late May 2009 for a period of five (5) days. During the 5-day period, power will be shut down between 9:00 am to 2:00 pm for about 157 HECO customers. After TOH sent out the notification to the affected residences, staff received inquiries and complaints from the affected residents about the period of power outage and the necessity of pursuing the project. We hired a certified arborist who prepared a report and inquired with the Outdoor Circle, and both of them supported the implementation of the project. Meanwhile, the Department did not sign the contract due to tight budget situation faced by the State government. Around January 2010, the Department finally signed the contract. When TOH was notified of the execution of the contract and asked about the commencement of the project, TOH responded that its bid of \$109,182.15 was withdrawn because it was not accepted within 60 days, as noted on its bid document.

After learning TOH has chosen to withdraw the bid, staff solicited new bid in early March 2010. Please note that due to the nature of work, only three contractors, including TOH and Davey, would be qualified to bid. Davey is the only bidder at a price of \$60,000.00.

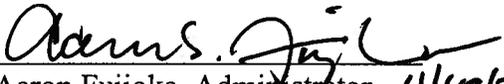
Due to the previous history of declining the project by Davey, staff inquired the feasibility of Davey to perform the work. Davey told the staff that they have a different crew, which will be working on this project. So, the subject project will not impact any current contractual commitment between HECO and Davey. Staff notes that the manpower was the underlying reason that Davey declined the project last time. Further, Davey advised the staff that they plan to shut down the power for one day lasting roughly for four (4) to six (6) hours. Davey explained that they will concentrate on the area closest to the power lines during the power shut off. Then, the rest of the trees will be removed within two weeks. Staff noted that the period of power shut off was the major concern in the community. With the revised planning by Davey scheduling for one day shut off, staff believes it will alleviate the community concern and the public safety issue can be resolved at the same time.

Staff understands the project has taken so long, but unforeseen circumstances just prohibited the successful implementation of the project in the past. The community is anxious to address the public safety issue, and we respectfully request your authorization to amend your prior approval by awarding the subject job to Davey Tree Surgery Company at the price of \$60,000.00.

We attach copies of the previous approval and relevant material for your reference. If you have any questions on the project, please feel free to contact me at 587-0422 or my staff Barry Cheung of Oahu District Land Office at 587-0430.

We look forward to receiving your approval. Thank you.

APPROVED/~~DISAPPROVED~~


Aaron Fujioka, Administrator 4/10/2010
State Procurement Office

Enclosures

CPO COMMENTS: Approval is granted due to the potential risk to residents and power lines in the area. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. Department is reminded that procurements \$2,500 or more are required to be posted on the Procurement Reporting System.