



STATE PROCUREMENT OFFICE
EMERGENCY PROCUREMENT

13 JUN -4 A10 :07

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Department of Business, Economic Development, and Tourism (DBEDT)
Name of Requesting Department

Pursuant to HRS § 103D-307 and HAR chapter 3-122, Subchapter 10, the Department requests approval for the following:

1. Date or period of Emergency: April 2 thru April 30, 2013
2. After-the-Fact: [X] Yes [] No

3. Describe in detail the emergency situation that created a threat to life, public health, welfare or safety.
An electrical fault at the Foreign-Trade Zone (FTZ) No. 9, located at Pier 2, Honolulu Harbor, caused a serious malfunction of the parking and facility perimeter lighting system. The system was not properly grounded as well, causing the electrical short-circuits. The threat to safety and welfare of FTZ9 staff and tenants was two-fold: because of the 24/7 nature of tenant operations, there existed a potential threat to personal safety due to physical darkness at night when the lights were non-functional. Also, there existed a potential threat to life as it was discovered (after-the-fact) that the electrical system was faulted due to a short-circuit in the main (high power voltage) circuit of the parking lights, causing wires to fuse together and actually burn; this created a threat to the lives of the building maint. wkr, whse operators, and anyone else who could have physically come into contact with the electrical circuits, light poles, or electrical system, including the visiting electricians.

4. Vendor/Contractor/Service Provider Name: Modern Electric, Inc., Mr. Alban Oshiro, Owner/President
5. Amount of Request: \$ 8,933.40

6. Describe in detail the emergency goods, services, or construction and explain why it is necessary.
A number of recent incidents including physical break-ins and vandalism of vehicles, vagrants and derelict individuals in and around the FTZ9 parking lot and facility, and concerns from Zone staff and tenants had prompted Zone management to seek electrical service to get the malfunctioning lighting systems working to 100% capacity. Additionally, US Customs & Border Protection and Homeland Security require all FTZs to maintain optimum security 24/7, requiring an intrusion detection system and security cameras with sufficient lighting to ensure lighting in the evenings. It was discovered that the electrical fault caused failure of the perimeter and parking lights; also, the fault posed an electrical shock hazard that endangered maintenance workers, tenants, FTZ staff, and vendors.

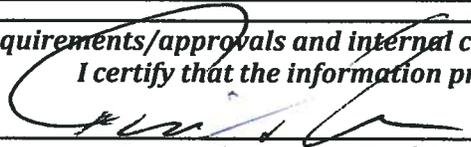
7. State the reason(s) the vendor/contractor/service provider was selected. Explain what competition, as is practicable, was conducted.
The vendor had recently been awarded a Letter of Agreement (LOA) to provide "as-needed" electrical service and had visited the FTZ facility on numerous occasions and was familiar with some of the systems and components. It was highly efficient and advantageous to the FTZ and the State to call in the vendor with whom the FTZ had a current informal contract through the LOA. The LOA was awarded pursuant to a formal bid process, and while not an actual contract, was the result of formal procurement process pursuant to HRS 103-D. Formal bids were received, opened, scored, and an award made. The emergency nature of the work, being claimed after-the-fact, is due to the severity of the electrical faults that caused the potential for threat to life and safety of the building maintenance worker, warehouse staff, managers, and the electricians who performed the work and could have resulted in fatalities because of the electrical faults. The emergency nature is also due to the recent break-ins, security breaches, and potential for injury due to darkness.

8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required.)

*Point of contact (Place asterisk after name of person to contact for additional information.)

Name	Division/Agency	Phone Number	E-mail Address
 Gregory S Yukumoto, Business Mgr	DBEDT/FTZ9	808-587-5373	gregory.s.yukumoto@ftz9.org

All requirements/approvals and internal controls for this expenditure is the responsibility of the department. I certify that the information provided is to the best of my knowledge, true and correct.



 Department Head Signature

5/30/13

 Date

For Chief Procurement Officer Use Only

Chief Procurement Officer (CPO) Comments:

This request is disapproved as the department knew of the intermittent/malfunctioning lights for at least a week prior to any action being taken. Emergency procurement is used when a situation of an unusual or compelling urgency creates a threat to life, public health, welfare, or safety and requires immediate response. The department delayed any action taken to remedy the situation upon first notification. The faulty electrical system due to a short circuit was discovered after-the-fact and the immensity of such potential threat was not considered part of the emergency when department initially requested services; professional opinion stated that due to the condition of the wires and conduit, the electrical fault could have happened at least months if not up to a year prior. The department conducted a small purchase procurement in 2012 for "as needed" electrical services for a 1-year term, which was awarded to Modern Electric, Inc. The department acknowledges that the actual work performed for this emergency procurement request would be considered to be work normally associated with "as needed" repair for electrical services. Modern Electric, Inc. charged the department the same hourly rate for these completed services as the small purchase procurement. It is recommended that the department utilize the existing small purchase procurement awarded to Modern Electric, Inc. if it falls within the 1-year term and total amount of payments, including this amount is less than \$15,000.

If there are any questions, please contact Wendy Ebisui at 586-0563, or wendy.mo.ebisui@hawaii.gov.

Approved

Disapproved

No Action Required



 Chief Procurement Officer Signature

6/14/2013

 Date