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STATE PROCUREMENT
STATE OF HAWAII

**STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS**

- 1 TO: Chief Procurement Officer
- 2 FROM: DLNR, Division of Boating and Ocean Recreation, Engineering

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:
Maalaea Small Boat Harbor Marginal Wharf. See Attachment.

| | |
|---|--------------------------|
| 4. Name of Vendor: Hawaiian Dredging Construction Company Address: City Financial Tower, 11 th Floor, 201 Merchant Street Honolulu, Hawaii 96813 | 5. Price: \$1,000,000 |
|---|--------------------------|

| | |
|--|----------------------------------|
| 6. Term of Contract: From: See Attach. <i>2/14/2011</i> To: See Attach. <i>2/13/2013</i> | 7. Prior Exemption Ref. No. 0 |
|--|----------------------------------|

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:
See Attachment.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
See Attachment.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
See Attachment.

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

| 12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract: | | |
|---|----------------------------------|---|
| Name | Position | Involvement in Process |
| Eric Yuasa | Boating Engrn., DOBOR | <input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration |
| Curtis Powers | Maui Engrn., Engineering Div. | <input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration |
| Gayson Ching | Constr. Engrn., Engineering Div. | <input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration |
| Dickey Lee | Branch Head, Engineering Div. | <input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration |
| Carty Chang | Chief Engrn., Engineering Div. | <input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration |
| Edward Underwood | Administrator, DOBOR | <input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration |

13. Direct inquiries to: Department: Land and Natural Resources
 Contact Name: Eric Yuasa, Engineering Branch
 Phone Number: 587-0122
 Fax Number: 587-1977

Agency shall ensure adherence to applicable administrative and statutory requirements

14. I certify that the information provided above is, to the best of my knowledge, true and correct.

W. J. ...
 Department Head

1/31/11
 Date

Reserved for SPO Use Only

15. Date Notice Posted 2/3/11

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

Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

Chief Procurement Officer's comments:

Although no written delegated procurement authority is required for a *Request for Exemption from Chapter 103D, HRS*, it is noted that Mr. Eric Yuasa, the contact person has not taken the appropriate required mandatory procurement training. It is also noted the Mr. Carty Chang, contract administrator has written delegated procurement authority but has not completed the appropriate mandatory procurement training, which he has been made aware of. As a reminder, Messrs. Yuasa and Chang cannot participate in procurement activities until the requirements of Procurement Delegation No. 2010-01 and Procurement Circular No. 2010-05 as appropriate have been met.

Approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. This award is required to be posted on the Awards Reporting System.

16. APPROVED DISAPPROVED NO ACTION REQUIRED

Adams. J. ... 3/4/2011
 Chief Procurement Officer Date

SPO-07 Attachments for the Maalaea Small Boat Harbor Marginal Wharf

3. Description of goods, services, or construction:

Construction of a new accessible aluminum marginal wharf to replace the badly deteriorated concrete marginal wharf. The aluminum marginal wharf was selected over the specified and contracted concrete marginal wharf because a wider dock width was necessary to comply with the 2010 ADA Standards for Accessible Design dated September 15, 2010, and the existing concrete piles and piles caps may be unable to support the wider concrete dock. The new aluminum marginal wharf, which complies with the ADA Standards will be lighter than the existing concrete pier and will not increase the loading on the existing piles or require new concrete pile caps.

The construction work covered by this exemption request includes the construction of a new 5 foot wide aluminum framed dock with fiber reinforced plastic grating, which replaces the specified 4 foot wide reinforced concrete planks; new modular power pedestals, which replace the specified CMU power pedestals; new aluminum railings which are welded to the aluminum framed dock instead of being bolted to the concrete plank; new plastic fendering which are attached to the aluminum frame instead of stainless steel brackets bolted to the concrete planks; new wider aluminum gangways, which replace the narrower specified concrete gangways.

The construction work not covered by this exemption request, and the work deemed necessary to construct the new marginal wharf, regardless of which type of dock is selected includes but is not limited to the demolition of the existing badly deteriorated concrete marginal wharf, steel railings, electrical and water utilities; and landside electrical work. This work will be performed by Hawaiian Dredging Construction Company, herein referred to as the Contractor under the Maalaea Small Boat Harbor Utility and Pier Improvement project. This project was combined with the interrelated Maalaea Small Boat Harbor Ferry System Improvement project, and contracted to Contractor for their low bid of \$14,506,220 (Contract No. 59624). Prior to the bid solicitation, it was decided to combine the two (2) projects because many of the improvements are interrelated and/or interdependent. It was also determined that it would be easier to manage one contractor and the impacts to the harbor would be reduced by having just one contractor.

If this exemption request is approved, the specified concrete marginal wharf and CMU pedestals, and concrete gangways will be deleted, and in its place the aluminum marginal wharf and modular power pedestals, and aluminum gangways will be constructed by the Contractor. Work on both projects is tentatively scheduled to begin on February 14, 2011.

6. Term of Contract: From: Approval date or after February 14, 2011
 To: Start date plus 730 days

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

It is not practicable or advantageous for the State to procure the new aluminum marginal wharf and modular power pedestals, and aluminum gangways by competitive means because it would not be practicable to have two (2) different contractors working in the same area and having to coordinate two (2) different projects for the following reasons:

1. The Maalaea Small Boat Harbor is a busy harbor with limited parking, mooring space for vessels and contractor staging areas. Construction at this harbor is anticipated to be disruptive and will most likely negatively impact the many small business at the harbor and recreation boaters, who have their vessels moored in the harbor or use the boat ramp. The ongoing project will be implemented in eight (8) or more phases to minimize disruptions to harbor activities. The Contractor is required to coordinate the construction activities with the harbor users, Harbor Staff and businesses. A different contractor would most likely have different specialty subcontractors, including but not limited to plumbing, electrical, concrete and steel fabrication for the construction of the new marginal wharf. The different contractor and their subcontractors would require additional parking stalls and staging areas, that are already limited and inadequate to support the harbor activities. Both contractors would need space in the harbor to store their work boats and platforms that are needed to work on the marginal wharf, this may impact the already limited mooring space.
2. The Contractor is contracted to demolish the existing concrete marginal wharf, steel railings, electrical and water utilities and to repair the existing concrete pile caps. This work needs to be performed before the new aluminum marginal wharf can be installed. The Contractor also has to install the landside electrical and water utilities that will provide electricity and water to the new marginal wharf and modular power pedestals. If a different contractor is contracted to install the new aluminum marginal wharf, the coordination between the two (2) different contractors and their subcontractors for two (2) different projects would be very difficult. This will increase the Construction Management costs and require additional DLNR staff time to manage both projects. It will most likely delay the completion of the new marginal wharf, which would adversely impact the 19 vessels of which 5 are commercial vessels moored on the marginal wharf. These vessels will need to be relocated to other slips or areas within the harbor during the construction of the new marginal wharf. This will impact other vessels moored in the harbor, as there are few vacant slips and/or areas within the harbor to accommodate the displaced vessels.
3. If two (2) different contractors are involve in the replacement of the existing marginal wharf it would be difficult to address and resolve construction deficiencies and problems

with the new marginal wharf. For example, an electrical problem with the power pedestal would be especially difficult to diagnosis, as the problem with the power pedestal could have originated on the landside electrical work, which was constructed by the Contractor. The electrical and water system for the new marginal wharf are integrated into landside side electrical and water system improvements.

It is also not practicable and feasible to delay the new marginal wharf project until the ongoing projects are completed in 730 days, because the existing concrete marginal wharf is badly deteriorated and poses an immediate safety hazard to the boaters and public that use the marginal wharf.

The State would incur additional mobilization and demobilization costs if a different contractor is contracted to install the new aluminum marginal wharf. Also, additional equipment costs would be incurred, as the demolition of the existing marginal wharf and construction of the new aluminum marginal wharf requires similar types of equipment, including but not limited to a dump truck, crane (landside), flat bed truck, floats, work boat, truck, generator and compressor. Additional labor cost would also be incurred as the labor skilled in waterfront construction is required for the demolition and construction of the new marginal wharf. In addition, both contractors would have to prepare a submit Site Specific Best Management Practices to the Department of Army and State DOH.

A portion of the funding for the marginal wharf replacement lapsed on June 30, 2010. If this request is disapproved the new marginal wharf would need to be funded by a new legislative appropriation and/or the Boating Special Fund.

In summary, it would be expeditious, efficient and cost effective to negotiate directly with Hawaiian Dredging Construction Company for the construction of the new marginal wharf. The Contractor has the necessary skilled labor and equipment, and expertise to construct the new marginal wharf. The Contractor has recently successfully completed similar type projects at the Ala Wai and Haleiwa Small Boat Harbors.

The approval of this exemption will allow the State to construct the new aluminum marginal wharf in a timely manner, which will eliminate an immediate public safety hazard and will provide vessel owners with an accessible, modern, safe and fully functional docking facility.

Time is of the essence as Hawaiian Dredging Construction Company is scheduled to begin construction on February 14, 2011, and the contractor needs to coordinate the marginal wharf work with other harbor improvements to take advantage of on site equipment and labor.

9. Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

The Contractor, Hawaiian Dredging Construction Company was selected by competitive sealed bids in accordance with HRS 103D for the construction of the Malaea Small Boat Harbor Improvements Ferry System, Pier and Utility Improvements. Their low bid of \$14,506,220 was nearly 50% less than the Engineer's Prebid cost estimate of \$27,000,000 and \$120,000 less than the second lowest bidder. There were a total of six (6) bids opened on June 28, 2010. The highest bid was \$24,943,292. See the attached Tabulation of Bids. The negotiated cost of the aluminum marginal wharf will be less than \$1,000,000 (the bid price for the new concrete marginal wharf).

The negotiated cost of the aluminum marginal wharf will be compared to a similar aluminum dock projects being constructed by a different contractors at the Lahaina Small Boat Harbor and Ala Wai Small Boat Harbor. The Contractor will be required to provide the State with breakdown of all costs associated with the construction of the new marginal wharf. These costs will be evaluated by the State's consultant and construction management company, DOBOR Boating Engineer and Engineering Division staff.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

Performance plans and specifications will be prepared for the new marginal wharf. The Contractor will be required to comply with the plans and specifications. The installation of the new marginal wharf will be monitored by the DLNR Maui District Engineer and State contracted construction management company. The contractor will be paid only upon acceptance of the completed work by the construction management company, Maui Engineer, Construction Engineer and Engineering Branch Head and Chief Engineer, and the Boating Engineer.

Notes:

The DLNR ADA Coordinator has indicated that the new marginal wharf must comply with 2010 ADA Standards and Companion Guidance dated September 15, 2010.

The present contract concrete marginal wharf design can't be modified to comply with the 5' minimum dock width required by the ADA standards, as it would require the demolition and construction of new concrete pile caps. The increased weight of the wider concrete planks and pile caps would increase the loading on the existing concrete piles, which may exceed the pile's design capacity and/or lead to premature pile failure. See the attached memo from the Structural Engineer, Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc dated January 31, 2011.

Maalaea Small Boat Harbor Marginal Wharf Photos



The existing concrete plank near slip 17 is badly deteriorated the bottom reinforcing steel has completely rusted through at the center and near the concrete pile cap. Photo taken on 11-10-09.

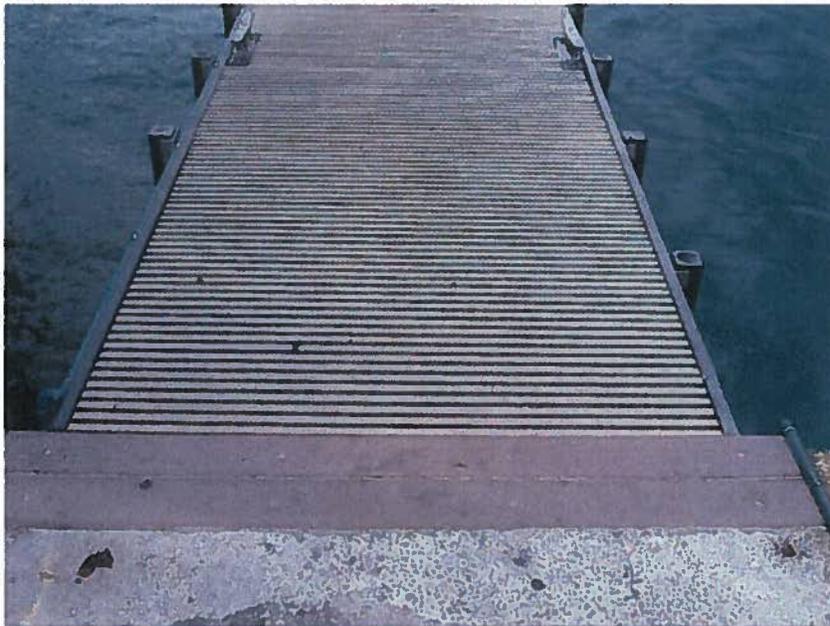


The existing concrete plank near slip 31 is badly deteriorated the bottom reinforcing steel has severe corrosion and the concrete near the steel has broken apart (spalled). Photo taken on 12-16-08.

Maalaea Small Boat Harbor Marginal Wharf Photos (cont.)



The surface of the existing marginal wharf concrete plank is cracked. The concrete transition between two concrete planks is cracked and the outside edge has broken away. Photo taken on 12-3-10.



Aluminum framed dock with fiber reinforced plastic grating at Kihei Boat Ramp, Maui. Photo taken on 2-21-08.



Modular power pedestal on new aluminum framed dock with FRP grating and plastic lumber fendering at Keehi Small Boat Harbor, Honolulu. Photo taken on July 30, 2010.



Partially constructed CMU power pedestal at Maalaea Small Boat Harbor. This type of pedestal would be inappropriate on a new aluminum framed dock. Photo take March 21, 2007.

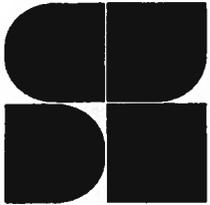


New aluminum gangway with aluminum railings and security gate for the Ala Wai Small Boat Harbor F Dock. Photo taken November 7, 2009.



Existing concrete gangway with steel pipe railings to the marginal wharf at Maalaea Small Boat Harbor. Photo taken November 10, 2009.

1916 Young Street, 2nd Floor
Honolulu, HI 96826
PH (808) 942-9100
FAX (808) 942-1899
E-mail: slsh@lava.net



SHIGEMURA, LAU, SAKANASHI, HIGUCHI AND ASSOCIATES, INC.

Jan 31, 2011

Andrew Amuro
Fukunaga and Associates
1357 Kapiolani Blvd #1530
Honolulu, HI 96814-4540

Howard K.C. Lau
Craig H. Sakanashi
Wayne K. Higuchi
Beverly Ishii-Nakayama

**Subject: Maalaea Small Boat Harbor
Marginal Wharf Repair**

Andrew,

It has been brought to our attention that DLNR wants to increase the width of the planks for the wharf from 4 feet to 5 feet. As you know we don't have information about the pile's vertical or lateral capacity from a geotechnical perspective. Although the magnitude of the dead load increase going from 4 to 5 feet in plank width is relatively small when looking at typical pile capacities, we cannot say for certain that the piles would be able to support the increase in load.

As such an aluminum system would lighten the dead loads and would not add any additional load to the existing piles.

If there are any further questions, please do not hesitate to call me.

Sincerely,

Craig Sakanashi, S.E.

TABULATION OF BIDS

State of Hawaii, Department of Land and Natural Resources
Engineering Division

DLNR Project No.: **B45XM82B**

Est. Cost: **\$27,000,000**

Project: **Maalaea Small Boat Harbor Improvements,
Ferry System & Utility & Pier**

Bid Opening: **June 28, 2010**
Oahu (Honolulu) and Maui (Wailuku)

| | BIDDER / OFFEROR | BID SECURITY | TOTAL SUM BID |
|--|--|--------------|-----------------|
| | HAWAIIAN DREDGING CONSTRUCTION COMPANY, INC. | X | \$14,506,220.00 |
| | MAUI MASTER BUILDERS | X | \$14,629,366.00 |
| | LEDCOR CONSTRUCTION HAWAII | X | \$15,292,132.00 |
| | TRITON MARINE CONSTRUCTION CORP. | X | \$15,659,000.00 |
| | GOODFELLOW BROS., INC. | X | \$17,425,400.00 |
| | BODELL CONSTRUCTION CO | X | \$24,943,292.00 |

Bids Opened by: Al Satogata Curtis Powers

Recorder: Val Suzuki Holley Voegtle

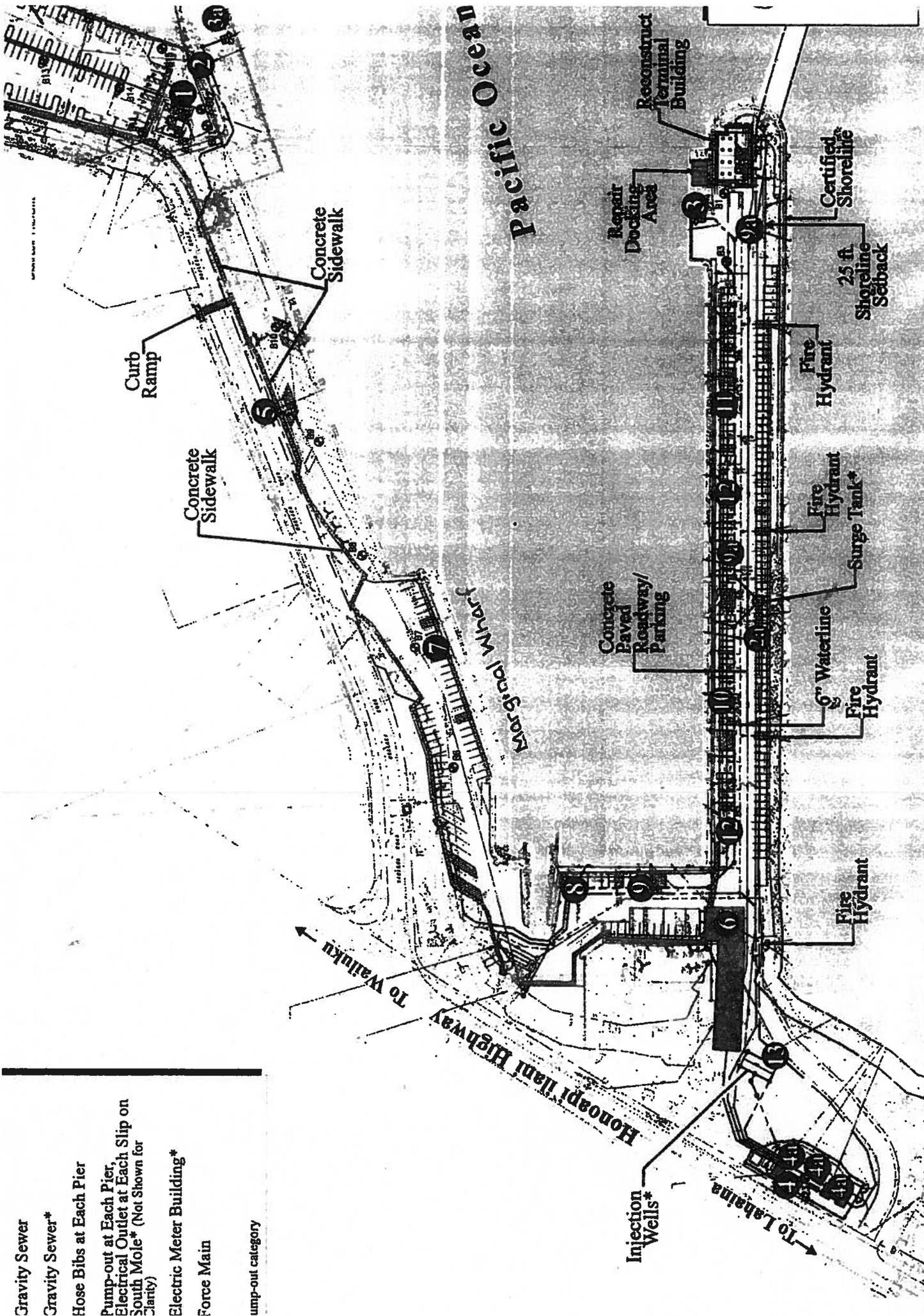
Bids opened and read publicly at the following address(s):
1151 Punchbowl Street, Room 221, Honolulu, HI 96813
130 Mahalani Street, Wailuku, Maui 96793

Listed Sub-Contractors for HAWAIIAN DREDGING CONSTRUCTION COMPANY, INC.:

| | |
|--|-------------------------------|
| JN TRANSPORT INC. | CHLORINATION |
| G. IBARA HEAVY EQUIPMENT RENTALS | DEMOLITION |
| LITE ELECTRIC INC. | ELECTRICAL |
| DAVID'S FENCING INC. | FENCING |
| FRANK COLLUCIO CONSTRUCTION CO. | JET GROUT |
| CHRIS CURTIS LANDSCAPES | LANDSCAPING |
| ENDO PAINTING SERVICE INC. | PAINTING |
| PENHALL COMPANY D.B.A. CONCRETE CORING COMPANY OF HAWAII | SAWCUTTING |
| ASSOCIATED STEEL WORKERS LTD. | REINFORCING |
| ENDO PAINTING SERVICE INC. | STRIPING |
| SF MASONRY | CONCRETE SIDEWALK & CURB |
| WAYNE'S CARPET MAUI | CARPETING (GLUE DOWN) |
| WINDOW WORLD INC. | HORIZONTAL BLINDS |
| THE SYSTEM CENTER INC. | FURNITURE SYSTEM |
| DORVIN D. LEIS CO. INC. | PLUMBING |
| DORVIN D. LEIS CO. INC. | AIR CONDITIONING |
| FORWARD CONSTRUCTION LLC | ROUGH CARPENTRY |
| QUALITY GENERAL INC. | CONCRETE MASONRY UNIT |
| MAUI INDUSTRIAL METAL FABRICATORS | METAL FABRICATION |
| MAUI INDUSTRIAL METAL FABRICATORS | STAINLESS STEEL PIPE RAILINGS |
| BEACHSIDE ROOFING LLC | BENTONITE BELOW GRADE W.P. |
| V&C DRYWALL CONTRACTORS INC. | BUILDING INSULATION |
| V&C DRYWALL CONTRACTORS INC. | EXTERIOR FINISH SYSTEM |
| BEACHSIDE ROOFING LLC | SHINGLE ROOFING |
| BEACHSIDE ROOFING LLC | BUILDUP ROOFING |

- Gravity Sewer
- Gravity Sewer*
- Hose Bibs at Each Pier
- Pump-out at Each Pier
- Electrical Outlet at Each Slip on South Mole* (Not Shown for Clarity)
- Electric Meter Building*
- Force Main

ump-out category



Proposed Ma'alaea Small Boat Harbor Improvements

Development Site Plan