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

STATE PROCUREMENT OFFICE
STATE OF HAWAII

HAR-EE
8993.11

1. TO: Chief Procurement Officer
2. FROM: TRANSPORTATION/HARBORS

DATE: OCTOBER 13, 2010

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:
See attached.
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'10 OCT 14 P2:12

4. Name of Vendor: Iwilei District Participating Parties (IDPP) LLC
Address: c/o RBZ Business Management, 11755 Wilshire Boulevard
Los Angeles, California 90025-1586
5. Price: \$400,000/yr (Approx.)

6. Term of Contract: From: 3/1/2011 To: 6/30/14
7. Prior Exemption Ref. No. 05-01-J

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:
The DOT Harbors and Highways Divisions along with six other entities make up the IDPP LLC. The IDPP hires consultants and contractors to carry out the objectives of the voluntary Environmental Response Agreement (ERA). In addition to the contractors named above, other contractors may be required in the future to complete the requirements of the ERA. DOT is a minority member in the IDPP LLC and Chapter 103D, HRS, is not applicable to IDPP LLC. Therefore, it is not practicable for DOT contributions toward IDPP LLC expenditures to meet the requirements of Chapter 103D. This request updates P.E. Number 05-01-J, approved by the Chief Procurement Officer on July 13, 2004 and subsequently amended on May 11, 2006 and May 29, 2008. P.E. Number 05-01-J expired on June 30, 2010.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
The IDPP LLC usually selects consultants and contractors based on their qualifications and pricing, and usually seeks proposals from several sources before making a selection. In cases where responses are required to address emergency situations under the direction of DOH, the IDPP also selects contractors and consultants based on their ability to meet time constraints. Selections are made in accordance with the terms agreed to by the LLC members. While DOT provides input into the selection process, it does not have the final say in any selection.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
DOT's internal controls are as described in the attached memorandums PPB 12.0451 and CON 5.5984. Additionally, for this undertaking, staff participates in weekly and quarterly meetings with IDPP members to keep track of IDPP activities. IDPP financials are regularly reviewed by all members and majority approval is necessary for major expenditures. DOT payments to IDPP require approval of the Administrator, Deputy Director and Director.



3. Description of goods, services, or construction:

Based on a voluntary Environmental Response Agreement (ERA) between the Department of Health and the Iwilei District Participating Parties (IDPP) LLC, executed on February 1, 2001, consultant and contractor services are required to study, investigate, plan, remediate, monitor, manage, design and construct projects to address the subsurface petroleum contamination problem in the Iwilei district of Honolulu, in the vicinity of Honolulu Harbor. Progress has been made in this effort, particularly in the highly impacted areas, including the successful elimination of potential sources of releases into the ocean by tapping and draining several hundred feet of abandoned oil lines, sealing and capping of these oil lines, replacing old storm drain systems, characterizing the extent of the petroleum contamination, removing product to the extent practicable and developing remediation and management plans. In the upcoming years, additional implementation of remedial plans is expected to take place as well as further planning and investigation activities at remaining areas of the district. This additional work is expected to take at least another four years. These services are funded by means of cost-sharing between members of the IDPP LLC of which the DOT is a member. The IDPP LLC has hired an accounting firm to manage its finances. Occasional cash calls are issued by the financial manager based on the estimated expenditures that the IDPP LLC is expected to incur. DOT, as a member of the IDPP LLC, is required to contribute its share of funds each calendar year as the need arises.

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'10 OCT 14 P2:12