



FEB 22 A11 :04

PROCUREMENT OFFICE OF HAWAII

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

1. TO: Chief Procurement Officer
2. FROM: DLNR/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:
DIESEL FUEL AND CREDIT CARD SERVICES for one (1) vehicle on the island of Hawaii for DLNR Engineering Division.

approx \$1,200

4. Name of Vendor: Hawaii Petroleum, Inc.
Address: 16 Railroad Avenue, #202
Hilo, Hawaii 96720

5. Price:
\$4.09/gallon

6. Term of Contract: From: 2/22/11 To: 10/26/2011

7. Prior Exemption Ref. No.

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

SEE ATTACHED PAGE 3.

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

Staff will normally refuel at the DOFAW Hilo Baseyard or the one (1) Tesoro station that dispenses diesel fuel. For the periodic occasion when it is neither practical or possible to refuel at these two locations, we request to utilize Hawaii Petroleum, Inc. and its credit card to purchase diesel fuel at competitive unit prices. Unit prices on the receipts will be compared with unit prices of comparable fuel at other suppliers to ascertain that prices are competitive.

It should be noted that Hawaii Petroleum, Inc. had been previously utilized via SPO Price List and they have been fair, competitive in fuel pricing, provided excellent customer service and offered good refueling location options.

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

Only one staff member will have access to the credit card for the occasional refueling. The periodic purchases will be made with credit card. Refueling receipts will be reviewed for quantity and costs.

Furthermore, invoices will be submitted to the Fiscal Office for payment with all necessary approvals and accurate records will be maintained of all fuel expenditures.

11-067-D

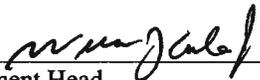
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

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
Carty Chang	Chief Engineer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Juliet Kanzanjian	Fiscal Management Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Dennis Takahashi	Accountant V	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: DLNR Contact Name: Alyson Yim Phone Number: 587-0259 Fax Number: 587-0283
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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.*


2/17/11

 Department Head Date

Reserved for SPO Use Only

15. Date Notice Posted 3/2/2011

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 Ms. Alyson Yim has not taken the appropriate required mandatory procurement training. By e-mail to SPO staff, Ms. Yim has confirmed she is aware of the requirements of written delegated procurement authority and mandatory training requirements. As a reminder, Ms. Yim 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 granted for the limited occasions when it is neither practical or possible to refuel utilizing the normal practices and 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



 Chief Procurement Officer Date

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FROM CHAPTER 103D, HRS**

(continued)

8. This commodity is on SPO Price List Contract No. 11-05, entitled "Gasoline/Diesel Fueling & Gas Credit Card Services-Statewide," specifying Tesoro as the vendor. There are four (4) Tesoro stations on the island and only one (1), in Kona, dispenses diesel fuel. It is neither practical nor feasible to commute to Kona to refuel the vehicle, which is based in Hilo. Normally staff refuels from the bulk tank at the DOFAW Hilo Baseyard; however, staff member also conducts site visits and inspections at various locations throughout the island and periodically requires refueling "on the road." Again, it may be impractical and sometimes impossible to drive to only these two specific locations to refuel due to dispensing or tank maintenance issues, distance from station, etc. On the contrary, Hawaii Petroleum, Inc. has eight (8) stations throughout the island, all dispense diesel fuel. With the HFN card, staff can also refuel at Honokohau Harbor.

On the island of Hawaii, DLNR Engineering estimates an annual expenditure of \$1,200.00.