



21 P4:10

PROCUREMENT OFFICE
STATE OF HAWAII

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

- 1. TO: Chief Procurement Officer
- 2. FROM: State Department of Land and Natural Resources

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: Gasoline/Diesel fueling and gas credit card services for the Department of Land & Natural Resources, Divisions of Conservation & Resources Enforcement and Forestry & Wildlife on the island of Maui.	
4. Name of Vendor: Maui Petroleum, Inc. (Hawaii Fueling Network) Address: 385 Hukilike Street Kahului, Hawaii 96732	5. Price: \$3.88/\$4.11 per gal
6. Term of Contract: From: 01/01/2011 To:	7. Prior Exemption Ref. No.
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: The vendor will be utilized by employees of the department when Tesoro or other brands are not available or do not have the locations or number of stations required. Tesoro stations will continue to be used to the fullest extent possible.	
10. A description of the agency's internal controls and approval requirements for the exempted procurement: Each division will maintain a list of employees and/or vehicles requesting exemption from Chapter 103D, HRS, for gasoline/diesel fueling and gas credit card services due to location, operating hours of gas stations, or type of vehicle/vessel that requires fuel. A purchase order (PO) will be made to the vendor by each division to purchase fuel. The PO will be signed by the respective program manager or division head and approved by the Fiscal Office. Invoices will be submitted to the Fiscal Office for payment with all necessary approvals and accurate records will be maintained of all fuel expenditures.	

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
Juliet Kazanjian	Fiscal Management Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Dennis Takahashi	Accountant	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
See attached division's		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
listing for additional		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
detail.		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to: Department: Dept. of Land & Natural Res.
 Contact Name: Dennis Takahashi
 Phone Number: 587-0347
 Fax Number: 587-0360

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.*


 Department Head

1/21/11
 Date

Reserved for SPO Use Only	
15. Date Notice Posted _____	
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: <p align="center"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 </p>	
Chief Procurement Officer's comments:	

16. APPROVED DISAPPROVED NO ACTION REQUIRED

 Chief Procurement Officer Date

**ATTACHMENT TO NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS**

ISLAND OF MAUI

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

DEPARTMENT

Our employees' duties, areas of work and time when on duty require them to fill up gasoline or diesel where Tesoro or other brands are not available or they do not have the locations or number of stations that our department requires, but, which Maui Petroleum can provide on the island of Maui.

Tesoro, the contractor selected to provide gasoline & diesel for the island of Maui under SPO Price List 11-05, has only one station in Kahului and two in Kihei, which is inadequate to suit our needs. The long distances and time involved to get to a Tesoro station for fill up make it impractical and cost prohibitive especially given the remote areas that our employees live and work in and the lack of Tesoro stations within a reasonable distance of these areas.

Maui Petroleum (HP) has 9 stations dispensing a combination of gasoline and diesel fuel. After checking all other brands of gas stations, Hawaii Petroleum was found to have the most locations that were ideally situated to fulfill our needs with respect to distance from work areas, the operating hours of the gas stations, and the ability to dispense diesel fuel at these stations.

Staff based in Kahului and Kihei can fuel at Tesoro, but, must go to outlying areas for their work assignments and must refuel in these remote areas before returning home or risk running out of gasoline.

Maui Petroleum not only has more stations that are more widely distributed than the other brands of gasoline, but, their hours of operation are more suitable for our department's activities. Routine patrol duties for our enforcement officers and emergency responses require stations that are open beyond the hours of Tesoro's operations (6a.m. to 6p.m.). Maui Petroleum stations are open longer than 12 hours per day and several stations are open 24 hours a day, seven days a week. The one Tesoro station in Kahului and one in Kihei are located in flood prone areas and tsunami inundation zones which more than likely would cut them off during emergency situations.

For this gas exemption, the divisions of Conservation and Resources Enforcement and Forestry and Wildlife utilize 98 vehicles on the Island of Maui at the estimated yearly cost of \$45,255.

Our staff will continue to use Tesoro to the fullest extent possible. However, we also request the use of Hawaii Petroleum for the reasons stated above.

Division of Forestry and Wildlife (DOFAW)

The current awardee (TESORO) has limited sites from which fuel may be purchased. One (1) in the Kahului area and two (2) in South Maui. While Maui DOFAW has bulk fuel at our baseyard in Kahului, there have been times when our supply has been depleted and we have been unable to get replenishment in a timely manner. During emergency events such as fires, responding personnel rely on our bulk fuel storage, but also need to refuel in other parts of the island. Staff must also go to outlying remote areas for their work assignments and must refuel in these remote areas before returning home or risk running out of gasoline. Maui Petroleum has stations distributed throughout the island, minimizing the need to either return to our fuel supply or the Tesoro station, thus, reducing travel by as much as 60 miles and time by up to 3 hours.

In the last 12 months, DLNR DOFAW Maui spent approximately \$1,580.86; the previous year, our Division spent approximately \$5,254.59 for other than baseyard/bulk vendor fuel. The total number of vehicles utilized is 80; however, purchases would be only on an "as needed" basis and particularly for vehicles headed to and from remote areas.

Division of Conservation and Resources Enforcement (DOCARE)

The Division of Conservation and Resources Enforcement maintains an enforcement staff of eighteen (18) officers that patrol the Island of Maui, on road and off, from mountaintop to the shoreline. DOCARE has an administrative office in Kahului, but staff activities are primarily patrol/field oriented throughout the island.

DOCARE has a variety of vehicles/vessels in their inventory, including: 4x4 pick-up trucks and SUVs, diesel trucks, long-range vessels, mid-range vessels, personal watercraft, and all terrain vehicles.

DOCARE officers work weekends, holidays and various hours staggered throughout a 24 hour day to provide as much enforcement coverage as possible. Resource violations occur at all hours and flexibility in scheduling is essential in order to respond to complaints, conduct surveillance, conduct investigations and assist other agencies.

DOCARE is a part of a network of agencies prepared to respond to civil defense emergencies and officers are required to respond to emergencies at all hours, on days off, and at times when on authorized leave.

DOCARE also assists other agencies in search and rescue missions and public safety hazard response. Being available to provide immediate response is critical in these types of emergencies. County fire and police personnel rely on DOCARE presence as they have knowledge of remote lands and vehicles capable of reaching those areas.

Areas of patrol are often far from the three Tesoro locations (two in Kihei, one in Kahului). In addition, Tesoro's hours of operation (6 am to 6 pm) are not the most favorable for routine patrol/emergency response. HFN has nine fueling locations around the island, most are open longer than 12 hours and several are open 24 hours a day/seven days a week.

One of the Tesoro station located in Kihei and the one located in Kahului are located within flood prone areas and tsunami inundation zones. Evacuation of these stations during an emergency would eliminate fuel availability for any DOCARE officers called out for response.

No Tesoro stations are available for the officers that live and work up-country or in East Maui. Traveling twenty or more miles for the sole purpose of refueling is a significant waste of an officer's time and taxpayers' money.

Vendor will be utilized by those officers who live or work in areas where Tesoro stations are not available. In addition, vendor may be utilized by those officers that need diesel/biodiesel fuel for vessels, trucks and other vehicles that require that type of fuel.

DOCARE - Maui will utilize 18 vehicles and spend an estimated \$40,000 per year on gasoline/diesel.

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract.

DOFAW

Name	Position		Involvement in Process		
John S. Cumming	Branch Manager, Maui District	X	Approval		Administration
Jo-Ann S. Kono	Secretary I, Maui District		Approval	X	Administration
Evonne L. Rodrigues	Account Clk. II, Maui District		Approval	X	Administration
			Approval		Administration
			Approval		Administration
			Approval		Administration

13. Direct inquiries to:

Department: Land and Natural Resources, DOFAW
 Contact Name: John S. Cumming
 Phone Number: (808) 984-8100
 Fax Number: (808) 984-8111

12. DOCARE

Name	Position		Involvement in Process		
Randy K. Awo	Acting Chief of Enforcement	X	Approval	X	Administration
Patricia Edwards	Acting Deputy Chief of Enforcement	X	Approval	X	Administration
Brooks Tamaye	Maui Branch Manager	X	Approval		Administration
			Approval		Administration
			Approval		Administration
			Approval		Administration

13. Direct inquiries to:

Department: Land and Natural Resources, DOCARE
 Contact Name: Patricia Edwards
 Phone Number: 587-0076
 Fax Number: 587-0080