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STATE 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: Agriculture/Agricultural Division/Market Development

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:
 On May 1, 2011, Peter Licata, the Barista from Honolulu Coffee Company (HCC) brewed the best cup of coffee at the United States Barista Competition in Houston, Texas, using a blend of 100 percent Hawaii coffee from Kona and Ka'u. As a result of this win, HCC represented the United States in the World Barista Competition in Bogota, Colombia, from June 2-5, 2011, and finished in second place -- distinguishing the Hawaii coffee as one of the top two cups of coffee in the world. This high profile national and global event showcased and firmly established the Hawaii Coffee Industry as a source of superior quality coffees. The Hawaii Department of Agriculture recognizes the significance of the accomplishment and feels support of the Barista and Honolulu Coffee Company by assisting with the cost of shipping the equipment (customized grinder and espresso machine, glassware, pottery, other tools) and coffee to Bogota, Colombia and return to Honolulu is an appropriate request as this event can result in increased sales for Hawaii producers. .

4. Name of Vendor: Honolulu Coffee Company Address: 1122 Makepono Street, #400 Honolulu, Hawaii 96819	5. Price: \$1782.00 <i>\$1563.54</i> <i>Per email + letter</i>
6. Term of Contract: From: 05/30/2011 To: 06/10/2011	7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:
 The Department's intent was to support the winner of the competition, thus, there could be only one awardee. Additionally, there was a month's time between the US Barista Competition in Texas and the World Barista Competition in Colombia, a time frame shortened by the need to be in Colombia in advance to set-up and prepare for competition. It was essential for the equipment and Hawaii coffees to arrive safely and the recommendation from the Colombian Coffee Federation was to ship the the boxes as checked baggage as this maximizes the chance the tools and coffee would not be lost. It would be a disaster if the customized grinder and espresso machine and coffee was misrouted. HCC used the websites of FedEx, UPS, and Continental Airlines to figure out the approximate cost of shipping five boxes.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
 The time frame and need to ensure the equipment and coffee would not be lost impacted the process to select a vendor as noted. The intent of the department was to provide support in transporting the coffee and equipment and advised HCC to request three quotes and they selected the lowest one (attached). The means of support relieved the state and department of the liability for the goods because HCC coordinated with the transportation company and any damage would have been the responsibility of the transporting company.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 The Department discussed options with Honolulu Coffee Company that included renting equipment at the competition -- this was not practicable because the grinder used was a \$6,000 customized espresso grinder with two separate grinders for the Kona and Ka'u coffees to be brewed; the Hawaii coffee needed to be transported under controlled conditions where the temperature could be controlled and the chance of damage was reduced.
 Department internal controls include the Division Administrators approval, Fiscal Office review, Administrative Services Officer review and Chairperson's approval .

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
Russell Kokubun	Chairperson, Board of Agricultur	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
James Nakatani	Deputy to the Chairperson	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Sharon Hurd	Economic Development Specialist	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Sue Sakamoto	Secretary	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: Agriculture Contact Name: James Nakatani Phone Number: 973-9553 Fax Number: 973-9613	<i>Sharon Hurd</i> 973-9465
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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.*

Russell Kokubun _____ 6/20/11
 Department Head Date

Reserved for SPO Use Only

15. Date Notice Posted 6/22/11

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:

No action is required. Information contained in this request regarding the services acquired is a small purchase. Department should process following small purchase method pursuant to Procurement Circular No. 2009-15.

16. APPROVED DISAPPROVED **NO ACTION REQUIRED**

Clara S. Felt _____ 6/30/2011
 Chief Procurement Officer Date

WORLD BARISTA CHAMPIONSHIP
SHIPPING COSTS - COMPARISON

	Weight	Dimension	Value	UPS	FedEx	Continental Airlines	Actual Shipping Method
Ship from Honolulu to Boulder, CO:							
Box 1	12 lb	16 x 13 x 12	\$75			25	
Box 2	23 lb	20 x 20 x 17	\$200			35	
Box 3	14 lb	16 x 16 x 16	\$350			100	
Box 4	65 lb	20 x 20 x 17	\$5,000			250	\$149.66 UPS for 4 boxes
Box 5	20 lb	Suitcase	\$700			100	\$50.00 Continental
Box 6:	30 lb	Suitcase	\$1,050			100	\$50.00 Continental
TOTAL				224.64	320.13	610	\$249.66
Ship from Boulder, CO to Bogota, Colombia:							
Box 1	12 lb	16 x 13 x 12	\$75			0	
Box 2	23 lb	20 x 20 x 17	\$200			35	
Box 3	14 lb	16 x 16 x 16	\$350			100	
Box 4	65 lb	20 x 20 x 17	\$5,000			250	
Box 5:	30 lb	Suitcase	\$1,050			100	
TOTAL				\$1,097.76	1856.83	485	\$500.00 Checked 5 boxes on Continental
Ship from Bogota, Colombia to Honolulu							
Box 1	12 lb	16 x 13 x 12	\$75			0	Due to luggage embargo after June 3 on Continental Airlines from South America they do not accept more than 2 pieces of luggage from any passenger
Box 2	23 lb	20 x 20 x 17	\$200			35	
Box 3	14 lb	16 x 16 x 16	\$350			100	
Box 4	65 lb	20 x 20 x 17	\$5,000			250	
				1032	1299.48	385	\$1,032.00 Estimated as we have not received the final invoice
TOTAL SHIPPING COSTS				\$2,354.40	3156.31	1480	\$1,781.66

P.E. 11-103-K