



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

11 JUL 22 AM 11:06

STATE PROCUREMENT OFFICE
 STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Department of Land and Natural Resources
Name of Requesting Department

SUBJECT: Request for Exemption

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

1. Describe the goods, services or construction.
 The vendor will provide television production services. See Attachment.

2. Vendor/Contractor Name :	Dive and Trek, LLC	3. Amount of Request:
		\$ 65000 (estimated)

4. Term of Contract:	From: 15-Aug-11 To: 6/30/2012 (estimated) <i>dlk</i>	5. Prior Exemption Reference No.:
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6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
 See Attachment.

7. In selecting the vendor/contractor, explain in detail, the process the department will utilize to maximize fair and open competition:

In addition to Dive and Trek having the experience, capability and resources to effectively render these services, the Department also polled select individuals with knowledge of the local video production field and asked what television environmental-based TV program has the best reputation for quality and viewership over a sustained period. Outside Hawaii was the consistent answer. As as measure of external validity, the department asked select partners in environmental stewardship if Outside Hawaii was the best established vehicle for conveying its message to a local audience in a local way. The answer was uniformly "yes".

Furthermore, the Department will evaluate fees of the various components of Dive and Trek's production costs against other similar services within the industry and negotiate a fair price, taking into consideration the uniqueness of this project.

8. Identify the primary individual(s) who is knowledgeable about this request, who will conduct and manage this process and has completed mandatory training. (Type over "example" and delete cells not used)

Name of Department Personnel	Division/Agency	Phone Number	e-mail address
Carty Chang	DLNR/ENG	70229	carty.s.chang@hawaii.gov
Gayle Ito	DLNR/ENG	70273	gayle.m.ito@hawaii.gov

9. The department shall ensure adherence to applicable administrative and statutory requirements, and all requirements, approvals, and internal controls for this request are the responsibility of the department.

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


 Department Head Signature

 7/21/11
 Date

For Chief Procurement Officer Use Only

Date Notice Posted 7/22/11

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from date notice posted to:

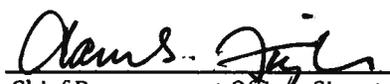
Chief Procurement Officer
 State Procurement Office P.O.
 Box 119 Honolulu, Hawaii
 96810-0119

10. Chief Procurement Officer (CPO) Comments:

Approval is granted based on the department's determination that Outside Hawaii will best meet their target audience as viewers of this program can expect environmental and outdoor education that is available by Oceanic Cable subscribers at anytime.

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

Approved
 Disapproved
 No Action Required


 Chief Procurement Officer Signature

 8/18/2011
 Date

**FORM SPO – 007 ATTACHMENT
NOTICE OF REQUEST FOR EXEMPTION
FROM HRS CHAPTER 103D**

Department of Land and Natural Resources
Request for Television Production Services

Date of Request: July 21, 2011

1. Describe the goods, services or construction.

The vendor will provide television production services to include: (a) pre-production planning, (b) production coordination, (c) audio and technical assistance, (d) post-production editing, (e) airtime costs and time slot, (f) scriptwriting, and (g) social networking; and other related tasks necessary to produce:

- (1) A 30-minute professional quality high definition video program, suitable for airing during primetime weeknights and or weekend on a local major network affiliate station.
- (2) A minimum of six 4 to 5 minute (short) video segments of professional quality for airing on OC Channel 16 in a dedicated timeslot for a period of 6 months.
- (3) Six public service announcements for airing on OC Channel 16 and/or a local major network affiliate station.

These videos will serve as tools to support the Department's campaign in increasing awareness and funding for watershed protection and restoration.

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:

Procuring the services by competitive means will not ensure that the Department's message will effectively reach its target audience within a desired timeframe for the intended purpose. The videos will communicate the importance of increased protection and restoration of watersheds to locals, visitors, policy makers and government leaders who can foster support towards the Department's campaign to increase dedicated funding towards watershed management.

The Department is targeting airing these videos prior to and throughout the 2012 legislative session, as viewership by legislators will be critical when funding is sought. Therefore, timely delivery of these services are essential in meeting the Department's objective. It is necessary to obtain the production services of professionals who have the experience, capability, and resources to produce and communicate this message effectively in a timely manner to our target audience.

P.E. 12.0000

Dive and Trek, LLC comes highly recommended by industry professionals and currently produces and airs the program “Outside Hawaii” on OC Channel 16 which is the channel’s top ranked environmental program and 3rd most watched overall. Outside Hawaii includes viewers in our target audience that already are predisposed to watching an environmental based program.

Other reasons why it is not practicable or not advantageous to procure by competitive means are as follows:

- (1) Dive and Trek has five years of consistent history airing new environmental-based programming,
- (2) Dive and Trek has experience and an excellent record of producing professional quality/high definition videos,
- (3) Dive and Trek already holds a dedicated time slot on OC Channel 16 for the airing of “Outside Hawaii,”
- (4) OC Channel 16 has approximately 400,000 subscribed viewers and airing the short videos on OC Channel 16 as a part of “Outside Hawaii” ensures high probability of reaching our target audience and a wide segment of the population within our desired timeframe,
- (5) Through the production of Outside Hawaii, Dive and Trek has already established themselves, and is widely acknowledged by many, as being the appropriate vehicle to convey the Department’s message to a local audience in a local way.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



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STATE PROCUREMENT OFFICE
STATE OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORY PRESERVATION
KAIHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

August 12, 2011

MEMORANDUM

TO: Ms. Donna E. Tsuruda-Kashiwabara, C.P.M, Procurement Specialist
State Procurement Office

FROM: Guy H. Kaulukukui, Ph.D., Deputy Director
Department of Land and Natural Resources *Guy*

RE: Request for Procurement Exemption – Dive and Trek Hawaii, LLC

Thank you for your initial review of our responses to the State Procurement Office request for additional information regarding “target audience” and cost savings by contracting with a single source.

With respect to cost savings, the Department submits the following response:

As previously noted, the department expects to benefit from significant cost savings through its proposed plan to contract with Dive and Trek Hawaii, LLC (Dive and Trek) to exclusively produce a single 30-minute program, six 5-minute short segments, and a minimum of six public service announcements. The department did not cost out the alternative of producing each deliverable independently. Instead, it made this assertion based on an analysis of selected components of Dive and Trek’s proposed production budget, included here in order to illustrate our point.

<u>Activity</u>	<u>Cost</u>
Producer	\$12,000
Production Coordinator	\$5,000
Audio and Technical Assistant	\$5,000
Script Writing	\$10,000
Travel, Lodging, Food, Supplies	\$10,500

The four person production team consists of a producer, production coordinator, audio technician, and script writer. A four person team is required in order to achieve a production quality that meets the standards set by Oceanic Time Warner Cable (Oceanic) and local network affiliates (we are having preliminary discussions with KHNL/KGMB) for airing on their channels. The local affiliate, in particular, indicated that they reserve

the right of final approval of the finished product, and will reject the program if it does not meet their standards.

Due to the nature of the project, the production team will be required to stage and shoot video footage in remote areas of our mauka watersheds. In order to accomplish this, travel, food, lodging, and supply expenses have been included in the proposed budget. The travel budget also includes helicopter time necessary to fly them and their equipment into areas inaccessible by roads. Because of these costs, Dive and Trek will shoot all of the footage it needs to produce each of the three deliverables at the same time during a single production phase.

If, for the sake of argument, the department contracted with three different production teams, each would have to access these remote areas independently (separate production schedules and limited helicopter capacity) and the travel costs could be expected to triple from (in this case) \$10,500 to \$31,500. The difference in travel costs alone would represent a 50% increase in total production costs as a result of having three production teams in the field instead of a single team. Additionally, department staff time would triple because the production teams will need to be escorted by staff familiar with these remote areas, and interfaces between department staff and producers for story development, continuity, and quality control will also scale up accordingly.

Please feel free to contact me at 587-0402 or Carty Chang at 587-0229 if we can be of further assistance.

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STATE PROCUREMENT OFFICE
STATE OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

WILLIAM J. AILA, JR.
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STATE PARKS

August 11, 2011

MEMORANDUM

TO: Ms. Donna E. Tsuruda-Kashiwabara, C.P.M, Procurement Specialist
State Procurement Office

FROM: Guy H. Kaulukukui, Ph.D., Deputy Director
Department of Land and Natural Resources *Guy*

RE: Request for Procurement Exemption – Dive and Trek Hawaii, LLC

Thank you for the opportunity to submit additional information in support of the Department's request for a procurement exemption for production services provided by Dive and Trek Hawaii, LLC, the entity with proprietary rights to the television program called Outside Hawaii which airs on Oceanic Channel 16. Specifically, the State Procurement Office requested (a) published information regarding Outside Hawaii viewership indicating that the program meets our "target audience", and (b) analysis of the cost savings by contracting with a single source to produce all three outcomes (i.e., 5-minute short segments, 30-minute program, and public service announcements).

The Department submits the following responses:

(a) Oceanic Time Warner Cable (Oceanic) reports that they provide a diverse selection of entertainment and information services to nearly 350,000 households, schools, and businesses in the state. An additional 200,000 subscribers can be reached via an Oceanic Internet connection. And Outside Hawaii, a long running environmental and outdoor education television program, is consistently ranked among the top 10 shows on Oceanic Channel 16 (OC 16) with an average ranking of #6 out of 45 shows comprising OC 16's standard weekly programming. These statistics are based on readings derived from the actual number of Oceanic subscribers that tune into Outside Hawaii at any given time. Additionally, Oceanic's 24x7 website views and on-demand feature results in an even larger audience. Given Outside Hawaii's programmatic theme combined with its robust viewership, and the department's desire to reach a target audience pre-disposed to embrace messages of proper environmental stewardship, we assert that positioning our 5-minute short segments in this program provides us with the best opportunity to have them viewed by our audience. Dive and Trek Hawaii, LLC produces a new Outside Hawaii segment each month, and the show airs six days a week throughout the month before it is

replaced by a new segment. Given this frequency the department's 5-minute segments shown over a six month period will result in at least 144 viewing opportunities on OC 16 alone. Subscribers that access the program via the Internet or the channel's on-demand feature have the potential to increase this number dramatically.

A copy of the email correspondence between Cal Hirai of Dive and Trek Hawaii, LLC and Lianne Killion and Mitzi Lehano from Oceanic Time Warner Cable is attached for your reference.

(b) The department expects to benefit from significant cost savings through its proposed plan to contract with Dive and Trek Hawaii, LLC to exclusively produce a single 30-minute program, six 5-minute short segments, and a minimum of six public service announcements. The plan is for Dive and Trek, Hawaii LLC to shoot all of the footage it needs to produce each of the three deliverables at the same time during a single production phase. The footage will then be edited into the three distinct deliverables during the post-production phase. Although post-production costs may be similar whether a single producer or multiple producers are contracted, cost savings during pre-production (story development, site selection, test shoots) and production (shoots, travel, lodging, food, and supplies) phases are all expected to scale up with the inclusion of multiple producers. For example, increased trips to the field for site selection and shoots; increased number of production crew members requiring transportation, lodging, and meals; and multiple interfaces between department staff and producers for story development and to ensure continuity between the three deliverables and quality control.

I hope the foregoing satisfies the SPO's request for additional information. Please feel free to contact me at 587-0402 or Carty Chang at 587-0229 if we can be of further assistance.



RE: Jason S. Lee video project

Lehano, Mitzi

to:

Cal Hirai, Killion, Lianne

08/10/2011 06:23 PM

Cc:

Guy Kaulukukui

Hide Details

From: "Lehano, Mitzi" <mitzi.lehano@twcable.com>

To: Cal Hirai <diveandtrek@yahoo.com>, "Killion, Lianne" <lianne.killion@twcable.com>

Cc: Guy Kaulukukui <Guy.Kaulukukui@hawaii.gov>

1 Attachment



image001.jpg

No one in the state can offer you the exact numbers of viewers because: Nielsen takes a 'sliver' sample of 400-600 diaries to determine viewership and while the TNS technology we use is the most accurate reading of digital households neither is a perfect way to determine true viewership. Because digital is two way, we can measure activity with our TNS digital readings but the analog homes which are huge in number (over 190,000) cannot measure any TV activity.

You are right that the multiple airings on OC16 for an individual show will come much higher during the course of week because of different consumer viewing patterns. The measurement used with Nielsen is outdated and probably not as accurate since the landscape has changed from 12 to over 300 channels today. Good or bad, the huge expanse of viewing options have spread viewers over many channels and result in lower viewers per channel. That's where multiple airings help.

Also, we need to factor in our 24X7 website views (which no other local broadcast network employs) as well as our on-demand viewings which no else has. To summarize, the different modes and multiple airings will reach a larger audience.

Aloha,

Mitzi



From: Cal Hirai [mailto:diveandtrek@yahoo.com]
Sent: Wednesday, August 10, 2011 5:42 PM
To: Killion, Lianne
Cc: Guy Kaulukukui
Subject: Re: Jason S. Lee video project

Hi Lianne

Thanks for providing this info. Any idea how we can translate cable box viewership into numbers of people watching? Is there a formula based on the boxes that can provide rough household or customer numbers? I think OC16's advantage over the affiliates are our multiple airings. If I can get some number figure on the boxes that would help alot. If I remember correctly, people like me that do not have boxes and only basic cable straight into my tv are not able to be counted. If thats still correct, we'll try to use that as a factor as well as social networking and the website. Thanks again Lianne.

Cal

From: "Killion, Lianne" <lianne.killion@twcable.com>
To: Cal Hirai <diveandtrek@yahoo.com>
Cc: "Boneza-Solatorio, Jenny" <jenny.boneza-solatorio@twcable.com>; "Lehano, Mitzi" <mitzi.lehano@twcable.com>
Sent: Wednesday, August 10, 2011 4:53 PM
Subject: RE: Jason S. Lee video project

Hi Cal,

Not exactly sure what it is that you need but

- "Outside Hawaii" is consistently in the top 10 for OC16 out of about 45 shows.
- Your average ranking is #6. This is just based off our digital boxes.
- VOD averages about 150 views per month.
- Commercials stay intact on VOD, the archived web shows, and on OC16 Interactive Ch. 96.
- We offer at no extra cost to you:
 - Cross-channel promos (averaging about 80-100 per month)
 - Web banners on www.oc16.tv
 - Strip ads in the Honolulu Star Advertiser

Let me know if you need anything else.

From: Lehano, Mitzi
Sent: Wednesday, August 10, 2011 3:36 PM
To: Killion, Lianne
Cc: Boneza-Solatorio, Jenny
Subject: FW: Jason S. Lee video project