



'11 SEP 27 P3:14

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

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

- 1. TO: Chief Procurement Officer
- 2. FROM: DBEDT/Strategic Industries Division/Renewable Energy Branch

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:

Please see attached.

4. Name of Vendor: AECOM Technical Services, Inc.  
 Address: 1001 Bishop Street, Suite 1600  
 Honolulu, HI 96813

5. Price:  
 \$2,102,053

6. Term of Contract: From: CPO approv. To: Dec. 2013

7. Prior Exemption Ref. No.  
 11-047-B

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

Please see attached.

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

Please see attached.

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

Please see attached.

**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
Richard Lim	DBEDT Director	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Ken Kitamura	Administrative Services Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Estrella Seese	Acting Energy Program Admin.	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Maria Tome	Renewable Energy Administrator	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Jeffrey Pang	Research Statistician	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Susan Gray-Ellis	Contracting Specialist	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration

13. Direct inquiries to:	Department: DBEDT Contact Name: Maria Tome Phone Number: 587-3809 Fax Number: 586-2536
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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.*



Department Head

9/26/11

Date

Reserved for SPO Use Only
15. Date Notice Posted <u>9/28/2011</u>
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:  <p align="center">Request has been withdrawn by the department.</p>

16.  APPROVED  DISAPPROVED  **NO ACTION REQUIRED**


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 Chief Procurement Officer      Date 9/29/2011

### 3. Description of goods, services or construction:

The services proposed would alter and expand the scope of an existing contract. The existing contract calls for the preparation of scientific and technical studies to support a programmatic Environmental Impact Statement (“PEIS”) for the Hawai‘i Interisland Renewable Energy Program (“HIREP”), the scope of which includes the analysis of areas in Maui County that are suitable for wind generation facilities. The proposed modification to the scope of the PEIS includes the same scientific and technical studies but for additional impact analyses at additional areas in Maui County that are suitable for two other renewable energy technologies: solar/photovoltaic and geothermal. Additionally, because the scope of the PEIS is to be altered, the National Environmental Policy Act (NEPA) requires that we reopen our public scoping process.

AECOM, the contractor, proposes to accommodate all of the scope changes for an additional \$1,986,488.00, bringing the total contract to \$4,984,435.00. This amount is consistent with other EISs and PEISs of this scope and scale. Based on past experience, additional related services may be required, such as unforeseen public meetings or additional community outreach. Therefore, due to these unforeseen expenses, the total budget for this exemption request is not to exceed \$5,100,000.00.

Original Contract	\$2,997,947
Proposed Scope	\$1,986,488
Future Unforeseen Changes	\$115,565
<b>Amount Requested for Exemption</b>	<b>\$2,102,053</b>
Total Budget	\$5,100,000

On March 7, 2011, Procurement Exemption P.E. 11-047-B was granted which accommodated additional studies necessary to prepare a PEIS for the HIREP. Around the same time, on March 1, 2011, the original public scoping period on the PEIS closed. The original PEIS scope considered two alternatives – (1) a program with Wind Generation Facilities, and (2) a no action alternative. DBEDT and the Department of Energy (“DOE”) had patterned the PEIS alternatives after numerous other federal PEIS, as there is no state PEIS model to follow. However, after DBEDT compiled and sorted through comments from more than 250 individuals and entities, it became apparent that the request from the public for DBEDT to study additional renewable energy technologies as a part of the programmatic EIS was an overwhelmingly common theme. Both the federal and state EIS laws require DBEDT to consider public input during the scoping process. After consultation with other federal and state agencies, DBEDT decided that the inclusion of solar/photovoltaic and geothermal technologies in the PEIS would be in the best interest of the State.

The proposed changes in scope would not have affected the original selection of AECOM. In the initial selection of AECOM, proposals were evaluated using four criteria: 1) Understanding the Contractor’s Role and State’s Needs; 2) Offeror’s Organization and Staffing; 3) Offeror’s Performance and Experience; and, 4) Offeror’s Technical Response. AECOM’s responses to the first three categories are independent of any proposed geographic expansions to the existing scope as the AECOM-State

relationship, AECOM's staffing, and past experiences remain the same. With regard to the fourth category, Offeror's Technical Response, it is also unlikely that the proposed changes in scope would have affected AECOM's original selection. As stated previously, the proposed changes in scope contemplates similar services as the original contract. The evaluation committee favorably viewed AECOM's approach and methodology to completing an EIS that only contemplated the Interisland Cable portion of the HIREP EIS. AECOM's approach and methodology to completing an EIS for the entire HIREP is similar to what was originally evaluated, and would therefore, be viewed upon just as favorably resulting in no change to the original selection of AECOM.

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

Under the current contract, AECOM has completed significant work. If DBEDT were to have to rebid the contract and procure a different contractor, that contractor would have to re-examine and reevaluate AECOM's work resulting in significant time delay and monetary waste. AECOM has already spent significant time and effort in getting familiar with all of the environmental issues, as well as the stakeholders in the project. In many cases, AECOM's team has already forged working relationships with community members and groups. If a new contractor were to replace AECOM to perform the additional analyses for the PEIS, it would spend months of staff time and budget getting up to speed on all of AECOM's progress. More importantly, the relationships it has built on behalf of the State would be destroyed and a new contractor would have to work even harder to rebuild such relationships for the State.

As this EIS process is required for the development of an interisland cable, failure to complete the EIS process would halt the entire project. As this project is the seminal in meeting Hawai'i's clean energy goals, the failure of this project would have massive negative repercussions in reducing Hawai'i's dependency on fossil fuels by 70% by the year 2030. Therefore, rebidding this contract would not be advantageous to the State and its goals for energy independence.

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

DBEDT's Strategic Industries Division (hereinafter, "SID") advertised a Request for Proposal (hereinafter, "RFP") No. RFP-10-01 on October 29, 2009 for the current contract. Six (6) different firms submitted timely proposals to SID by the due date and time of 11:00 a.m., January 14, 2010. To evaluate the proposals, SID assembled an evaluation committee composed of members with expertise in the various areas that may be impacted by the proposed project. The evaluation committee members included representatives from U.S. Department of the Interior - Minerals Management Services, Office of Hawaiian Affairs, Department of Accounting and General Services - Public Works Division, the National Oceanic and Atmospheric Administration - Hawaiian Islands Humpback Whale Marine Sanctuary, and the Department of Business Economic Development and Tourism - Strategic Industries Division.

The three firms that received the highest scores were placed on a priority list. The evaluation committee then held discussions with the priority listed firms on February 18 & 19, 2010. Subsequent to the discussions with the evaluation committee, the priority listed firms were invited to submit best and final

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offers. All three priority listed firms submitted timely best and final offers by the due date and time of 11:00 a.m. on March 8, 2010

AECOM's proposal received the highest total score. The evaluation committee, based on its assessment, determined that AECOM's proposal provides the best value to the State of Hawai'i.

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

First, the procurement is reviewed by the SID Contracts Office before it is routed to the SID Administrator for approval; then, it is routed to the DBEDT Director for approval. Upon DBEDT Director's approval, the request is forwarded to SPO for approval. If approved, agency personnel will revise the scope of the contract. Once the work has been completed and delivered, agency personnel will accept an invoice and process the invoice for payment through DBEDT's fiscal office and DAGS.

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