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

1. TO: Chief Procurement Officer
2. FROM: DBEDT/SID

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: Milici Valenti Ng Pack or MVNP Address: 999 Bishop Stret, 21 st Floor, Honolulu, HI 96813	5. Price: \$195,000 (tax incl)
6. Term of Contract: From: 10/25/11 To: 4/30/12	7. Prior Exemption Ref. No.

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:
First, the procurement is submitted by the project manager to the SID Contracts/Fiscal Office and then to the SID Administrator for review and approval. Then, it is forwarded to the DBEDT Director for approval, before it is submitted to SPO for consideration.

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	Director, DBEDT	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Mark Glick	Energy Program Administrator	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Susan Gray-Ellis	Contracting Specialist	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Jeffrey Pang	Research Statistician	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Lois Hamaguchi	Energy Analyst	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Kathy Yim	Energy Analyst	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration

13. Direct inquiries to: Department: DBEDT's State Energy Office
 Contact Name: Lois Hamaguchi
 Phone Number: 587-9006
 Fax Number: 586-2436

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.*

Mary Alice Evans
 Department Head

Oct 25, 2011
 Date

Reserved for SPO Use Only

15. Date Notice Posted 10/26/11

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:

Request is disapproved as it would be inappropriate to increase the contract amount by 40% with six months remaining on the contract. The DBEDT solicitation, (RFP 10-005-SID) section 2.3 COMPENSATION states: "2. Only Proposals priced at or below \$500,000 shall be considered. . . .The Contractor shall perform all of the above requirements within but not to exceed the amount specified by Contract; . . ." Although the solicitation states ". . . the Contract may be extended and additional funding provided . . .", it is unclear how this would be accomplished. It would be inappropriate and unfair to the other participating offerors if an additional \$195,000 is added conflicting with the solicitation's requirement of proposals submitted were not to exceed \$500,000.

The State Procurement Office received several comments and objections from concerned individuals/organizations. However the objections are largely concerning DBEDT's program policies and decisions as opposed to concerns on procurement law and practices and did not factor into this disapproval.

16. APPROVED DISAPPROVED NO ACTION REQUIRED

David T. Fagan
 Chief Procurement Officer Date 11/17/2011

SPO-07 ATTACHMENT

3. Description of goods, services or construction:

The services proposed would expand the existing scope of work for Milici Valenti Ng Pack's (MVNP) contract #59659. MVNP was contracted to develop and implement a strategic public relations and marketing plan to assist DBEDT's Hawaii Clean Energy Initiative (HCEI) in achieving its mission of 70 percent clean and renewable energy use for Hawaii by the year 2030. The additional budget amount is \$195,000 (tax included) and work needs to be completed by April 30, 2012 (ARRA funding).

Given the prominence of Hawaii's clean energy programs and efforts and increased positive attention around the world, especially on the heels of APEC, we are requesting that MVNP expand their efforts and undertake additional programs and activities during the year in the following key areas:

Design a Local, National, and International Media Campaign

- Increase media relations coverage statewide, nationally and internationally. Establish a broader media outreach network to promote an increased calendar of events for renewable energy programs/projects, energy efficiency programs/projects, and energy planning and policy to include but not limited to the upcoming Japan/NEDO/Hawaii signing ceremony, APEC workshops, and other such events.
- Establish consistent communications channels that will be used to report key economic development stories (i.e., print, radio, television, trade industry publications, website) on an ongoing basis so that DBEDT has a consistent "monthly economic report," and is consistently sourced for economic data as related to energy progress in Hawaii.

Website Development and Analytics

- Launched new website this month. MNVP will build out new content and data to strengthen the clean energy economic story at energy.hawaii.gov and increase the number of people utilizing the site.
- MVNP will work with DBEDT to translate and compile data to core messaging; produce content that builds the energy economic message; raise awareness of the site by promoting it as the primary reference point for clean energy economic information via mass media, presentations, and optimizing search content capability. Integrate content with other DBEDT managed energy sites, continue to update CMS coding making it more user friendly and easy to navigate.

Create Informational Material for Media and Community Briefings

- MVNP will create the DBEDT Energy Update. This monthly report will show energy economic impacts, growth, business opportunities, and successes within the industry. Report will be produced digitally (PDF format) or as a hard copy to legislators, key industry leaders, and media.
- MVNP will update and handle production of the DBEDT energy data brochure next year. To include additional statistics, graphs, charts, etc. for distribution to legislators, industry organizations, media, etc.

PE 12-042K

Ongoing project Efforts in Support of HCEI

- As part of getting businesses, communities, and schools to engage in sustainable and clean energy behaviors, we need to provide public recognition for achievements and best practices applications. Just this month, the US Secretary of Education announced the creation of a new Green Ribbon Schools recognition program. MVNP would work with DBEDT's existing HCEI education network of organizations (30+), Governor's office, etc. to localize the awards program.
- MVNP will build upon the existing Hawaii Green Business/Office/Government Program and seek to expand it into a more formalized and sustainable Governor's Award which can be broken into categories such as businesses, hospitality, education, etc.

Issues Management

- MVNP will increase its network of outreach, partnerships, and community campaigns utilizing their existing relationships with active, trusted, and engaged community members and groups who have a clear understanding of the benefits of clean energy and are well versed in community issues on each island.
 - MVNP will strategically identify targeted programs and partnerships that move us closer to the state's clean energy goal and maximize DBEDT's involvement in those efforts. These partnerships can help DBEDT establish a positive relationship within the island communities that are being asked to consider energy development plans
 - MVNP will also work with DBEDT to make additional strategic contacts and establish relationships with key community members within the Maui county communities. These relationships can be established to create an open dialogue with the State to hear positive and negative feedback on renewable development plans. The benefits include:
 - A clearer understanding of community priorities, challenges, and motivations which lead to:
 - Insights for the State on how to shape the plans, message strategies, and community benefits;
 - A forum and ability to work with the community to correct misinformation;
 - A more balanced relationship and voice within neighbor island communities; and
 - A reduced perception of the State having an Oahu centric mindset.
8. Explanation describing how procurement by competitive means is either not practical or advantageous to the State:

Under the current contract, MVNP has completed significant work in a timely and above satisfactorily manner. If DBEDT were to have to rebid the contract and procure a difference contractor, that contractor would have to re-examine and reevaluate MVNP's work resulting in significant time delay and monetary waste. MVNP has already spent significant time and effort in getting familiar with the State Energy Office, DBEDT and HCEI's goals and programs, issues, as well as major energy stakeholders in the project. MVNP's team has already formed working relationships with community energy members and organizations. Also, if a new contractor were to replace MVNP, not only would all of MVNP's work effort be lost but the relationships they have built on behalf of the State would be minimized and thus a detriment to our efforts.

Additionally, funding for this contract comes from the American Recovery and Reinvestment Act (ARRA) grant. Such funds must be expended by April 30, 2012, or they must be returned to the US Department of Energy. If DBEDT were to rebid this additional scope of work, there would no time to complete the programs.

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

DBEDT's State Energy Office advertised a Request for Proposal No. RFP-10-005-SID statewide for services related to Public Relations Services for the Hawaii Clean Energy Initiative on April 27, 2010, with a closing date of May 28, 2010 for the current contract. Eight (8) different companies submitted timely proposals to the State Energy Office by the due date.

To evaluate the proposals, the State Energy Office assembled an evaluation committee composed of 5 members with expertise in communications, public relations, community relations, issues management, media relations, website, and fiscal management. Each proposal was reviewed independently by each evaluation committee member using an Evaluation Score Sheet.

The three firms that received the highest scores (Anthology, Ti Leaf Group, and MVNP) were placed on a priority list and letters were sent on June 22, 2010, notifying them of the evaluation committee meeting on July 8, 2010. The priority listed firms were invited to submit best and final offers.

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