



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

12 MAY -8 P1:23

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Department of Business, Economic Development & Tourism
Name of Requesting Department

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:
 Technical analysis of spaceport infrastructure, spaceport site selection, related environmental assessment studies, flight corridor development, risk analysis, site plans to mitigate safety hazards related to launch operations (e.g. propellant storage and handling), development of launch site operating procedures, and any other studies required for an application to the Federal Aviation Administration, Office of Commercial Space Transportation (FAA/AST), for a commercial Launch Site Operator's License (spaceport license) for the State of Hawaii.

2. Vendor/Contractor/Service Provider	Reynolds, Smith and Hills, Inc. (RS&H)	3. Amount of Request:
4. Term of Contract	From: 7/1/2012 To: 6/30/2015	\$ 500,000 (State & Fed Funds)
		5. Prior SPO-007, Procurement Exemption (PE):

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
 The recent passage of SB 112 authorizing up to \$250,000 in matching State funds for a spaceport license application could be combined with an FAA/AST Space Transportation Infrastructure Matching (STIM) Grant to provide the funding required to complete a spaceport license application with the FAA. The STIM Grant application is due May 11, 2012, and requires a 10% industry contribution, which RS&H has agreed to provide as an in-kind contribution. Putting the contract out for competitive bid would exceed the allowable time frame for completing the grant application to the FAA STIM Grant program.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
 RS&H is one of the leaders in commercial spaceport licensing and has assisted State staff in identifying spaceport opportunities for several years. RS&H successfully completed the spaceport license application and associated environmental assessment studies for Cecil Spaceport, and has consulted with several other airports that are considering spaceport license applications of their own. Cecil Spaceport is the only commercially-licensed spaceport with an over-water flight corridor, similar to the launch scenario envisioned for Hawaii, making RS&H a duely and uniquely qualified contractor to assess the impact of proposed space flight operations in the State. RS&H is an active participant in the Commercial Spaceflight Federation, a professional association comprised of commercial spaceport operators and launch vehicle manufacturers nationwide and dedicated to advancing the commercial spaceport industry including the spaceport license application process). RS&H is also a leading member of the FAA Commercial Space Transportation Advisory Committee, and has performed more than 500 engineering, planning, environmental and architectural projects at the Kennedy Space Center since the 1960s. In all, this company is exceptionally well-qualified to perform the technical analysis and environmental assessment necessary to bring Hawaii's spaceport license application to a successful conclusion.

8. Identify the primary individual(s) who is knowledgeable about this request, who will conduct and manage this process, and has 1) completed mandatory training; and 2) who may contact for follow up inquiry, if any.
 (Type over "example" and delete cells not used.)

Name of Department Personnel	Division/Agency	Phone Number	e-mail address
Jim Crisafulli	Office of Aerospace	586-2388	jcrisafu@dbedt.hawaii.gov

*All requirements/approvals and internal controls for this expenditure is the responsibility of the department.
 I certify that the information provided above is, to the best of my knowledge, true and correct.*

Mary Alice Ebone
 Department Head Signature

5-7-12

Date

For Chief Procurement Officer Use Only

Date Notice Posted: 5/14/12

Submit written objection to this notice to issue an exempt contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

Request is disapproved as department did not comply with HAR Chapter 3-122, subchapter 4.5 source selection for federal grants, to select a provider or providers for a federal grant. The department may resubmit as a procurement violation explaining why the department did not comply with the procurement code. If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takaesu@hawaii.gov.

Approved

Disapproved

No Action Required

Kevin S. Takaesu
 Chief Procurement Officer Signature

6/6/2012
 Date