



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

'12 JUL -2 P4:07

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: DAGS/Public Works Division/Project Management Branch
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: (see attachment)
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2. Vendor/Contractor/Service Provider: (Awarded Contractor to be determined.)	3. Amount of Request: \$ 9,673,000 (estimated cost)
4. Term of Contract From: (see attachment) To: (see attachment)	5. Prior SPO-007, Procurement Exemption (PE): 0

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

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider: (see attachment)

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
Lloyd Maki	DAGS/PWD/PMB	586-0473	lloyd.k.maki@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.**



7/2/12

Department Head Signature

Date

For Chief Procurement Officer Use Only

Date Notice Posted: 7/3/12

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Request has been withdrawn by the department.

Approved

Disapproved

No Action Required

 9/6/2012
 Chief Procurement Officer Signature Date

Item No. 1: Describe the goods, services or construction:

Construction of repairs and improvements at various areas within the Hawaii Convention Center, including, but not limited to, the following:

- a. 4th Floor Gutter/Trough along the perimeter of the Lobby Sail Structure and 4th Floor Ballroom.
- b. Mahealani Roof Top Garden.
- c. 4th Floor Stairwells No. 5 and No. 6 and the adjoining Terrace Deck.
- d. 3rd Floor Planter Boxes.
- e. Lobby Sail and Concourse Level Skylights.
- f. 4th Floor Ballroom Level roof.

Item No. 4: Term of Contract:

The proposed construction duration from issuance of the Notice to Proceed to completion of On-Site work is anticipated to be 270 calendar days. Close-out of the project, including the submittal of closing documents and Final Payment, will be in accordance with the terms/requirements of the Construction Contract.

Item No. 6: Explain in detail, why it is not practicable or not advantageous for the Department to procure by competitive means:

The "World Class" setting and services offered by the Hawaii Convention Center (HCC) is a major reason for visitors from around the world to hold their conventions and meetings in Hawaii. To maintain and improve that image, the construction of the repairs and improvements described in Item No. 1 is being undertaken.

In an effort to ensure that the work performed will result in maintaining the Convention Center's "World Class" setting and the services provided to its guests, it is imperative to ensure that only the best contractors, who are skilled and qualified in the type of work to be performed, and who are able to coordinate, perform and compete the wide diversity of work within the contract duration, be considered for award of the contract. To that end, contractors, and their critical sub-contractors, will be evaluated on various criteria, including, but not limited to the following:

- a. Completion of past projects of similar scale and diversity.
- b. Quality of the work performed on past projects of similar scale.
- c. Completion of past projects with limited on-site time durations.
- d. Ability to coordinate the concurrent work of a multitude sub-contractors, vendors, etc.
- e. Compliance with minimum experience criteria

In addition, in order to properly design the repairs, and address and mitigate the water infiltration into the building/structure which is causing much of the damage, extensive investigation, including topographic surveys and destructive testing, is necessary. The investigation and resolution of the problems is also exasperated by the lack to reliable as-built drawings. As such, preparation and development of the technical specifications and plans is being performed by the State's design consultant.

Given this need to qualify the bidders and to develop the technical specifications and plans, the use of the currently available methods of competitive procurement is neither practicable nor advantageous for the following reasons:

- a. Competitive Sealed Bidding [Invitation for Bids (IFB)]: Given the “World Class” setting and services offered by the Hawaii Convention Center, this single-step “low-bid” method does not avail the State the ability to qualify and rank bidders based on their capability and experience, and ensure that only the best qualified contractors are awarded the project. This method is not advantageous to the State because it could potentially allow an unqualified Contractor, who may not possess the necessary skills to achieve the quality and level of performance necessary to attain a “world class” setting, and at the same time minimize the disruptions to the event held at the Convention Center while construction is in progress.
- b. Competitive Sealed Proposals [Request for Proposal (RFP)]: This “design-build” method does not effectively work for this project because development of the technical specifications and plans requires substantial detailed investigation, including destructive testing, prior to the design work. It is not practicable for each proposer to conduct such detailed investigative work throughout the various area of the facility where work is proposed, and it would not be advantageous to the Hawaii Convention Center to accommodate and allow proposers to perform their own destructive testing at each of the proposed areas, the actual location of which may vary between proposers based on their own experience and opinions.
- c. Multi-Step Competitive Sealed Bids: Similar to the RFP process, this method also does not effectively work for this project because development of the technical specifications and plans requires substantial detailed investigation, including destructive testing, prior to the design work. It is not practicable for each proposer to conduct such detailed investigative work throughout the various area of the facility where work is proposed, and it would not be advantageous to the Hawaii Convention Center to accommodate and allow proposers to perform their own destructive testing at each of the proposed areas, the actual location of which may vary between proposers based on their own experience and opinions.

Item No. 7: Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider::

Use of a modified Invitation for Bids (IFB) process as follows:

1. The technical specifications will be prepared by the State’s consultant team.
2. An evaluation committee, comprised of representatives from the Hawaii Convention Center (HCC-SMG), DAGS Project Management Branch, the State's Consultant Team, and/or others as deemed necessary and approved by the Comptroller (in accordance with HAR Section 3-122-45.01), will perform the following tasks:
 - a. Establish minimum desirable qualifications that bidders must possess for consideration.
 - b. Evaluate each bidder's qualification proposal based on the established criteria.
 - c. Rank the bidders based on their qualifications.
3. Bidders will be required to submit their proposal (qualifications and price) in two separate envelopes. One envelope will contain the documents supporting their qualifications. The second envelope will contain their cost proposal.

4. The qualifications of each bidder submitting a proposal will be evaluated by the evaluation committee. The bidders will then be ranked, relative to other bidders, on their ability to meet and exceed the established qualification criteria.
5. The cost proposals of the top 3 ranked bidders will be opened and an award will be made to the lowest responsive and responsible bid amount received.
6. The cost proposals of the remaining bidders will not be opened and will be returned to the proposer.