

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

12 SEP 26 P3 58

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: DBEDT/Natural Energy Laboratory of Hawaii Authority
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:
The work to be performed under the contract awarded 7/17/12 (HePS bids closed 5/24/12) to repair a portion of a 40 inch HDPE plastic deep seawater intake pipeline (installed - 1987) in waters off NELHA near Kailua-Kona, Hawaii. This work is to be conducted approximately 0.5 miles from shore in seawater of 460 feet deep in the area where the 40 inch pipeline holdowns have deteriorated and are in danger of failing. The original scope cannot be completed until another pipeline is removed

2. Vendor/Contractor/Service Provider:	Healy Tibbitts Inc. Builders, Inc.	3. Amount of Request:
	<i>DA 19/12</i>	\$ 412,000 - \$700,000

4. Term of Contract From: July 2012 <i>9/26/12</i>	To: July 2013 <i>11/30/12</i>	5. Prior SPO-007, Procurement Exemption (PE): None
<i>DA 9/26/12</i>	<i>DA 10/11/12</i>	

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
We are requesting authoity to add funds (change order) to address an unforeseen condition for the recovery and removal of an abandoned 12" pipeline which broke loose from its moorings and is presently crossed over and severely impacting the integrity of NELHA's 40" deep seawater pipeline. This change order would be completed on a time and materials basis due to the worsening sea surface conditions during the winter months For further details see Attachments No. 1, 2, 3.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
This approval is to add funds for a change order. The situation with the 12" pipeline was discovered on 6/23/12 during a routine submarine inspection of all pipelines. A concrete weight attached to the 12" pipeline is rubbing against the top of the 40" pipeline at 83 meter depth and could cause a hole or tear in the 40" pipeline. The 40" pipeline is NELHA's main deep seawater resource for aquaculture tenants and cannot be compromised.

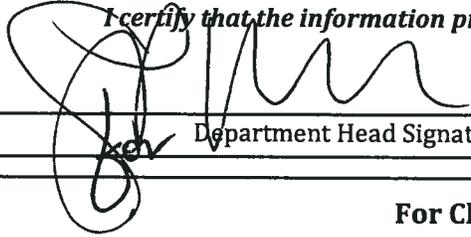
8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required).

*Point of contact (Place asterisk after name of person to contact for additional information).

Name	Division/Agency	Phone Number	e-mail address
Gregory P Barbour	NELHA/Executive Director	327-95-85 ext 225	gb@nelha.org

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.



 Department Head Signature

9/26/12

 Date

For Chief Procurement Officer Use Only

Date Notice Posted: 9/27/2012

Inquiries about this request shall be directed to the contact named in No. 8. 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:

Approval is granted for the period 09/26/12 to 11/30/12. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting System.

If there are any questions, please contact Bonnie Kahakui at 587-4702, or bonnie.a.kahakui@hawaii.gov.

Approved Disapproved No Action Required



 Chief Procurement Officer Signature 10/9/2012

 Date

**ATTACHMENT NO. 1
CHANGE ORDER #1
SCOPE OF WORK (SOW)
FOR
NELHA 12” HDPE PIPELINE RECOVERY & REMOVAL**

The existing 12” high density polyethylene (HDPE) deep seawater pipeline, which is the subject of this SOW is divided between into two sections:

Near shore pipe: Includes all pipe, fittings, anchors and appurtenances from the flange fitting at the base of the sloped shoreline crossing armored steel pipe at the sea/shore interface out to the first flange fitting beyond the underwater pump station’s intake manifold. No work associated with the near shore pipe shall be included as part of this SOW.

Offshore pipe: Includes all pipe and attached chain including Danforth type anchors beginning at the first flange fitting beyond the underwater pump station’s intake manifold out to the anchored end of the pipeline. The offshore end of this pipeline was last seen on 23 June 2012 in about 141m water depth about 60’ north of the existing NELHA 40” pipeline.

Offshore Pipe Tasks:

1. Prepare a written schedule of work detailing the timing for execution of the tasks listed below. Submit this schedule to the OIC at least seven days prior to the commencement of the Offshore Pipe Tasks.
2. Make required preparations to recover the 12” HDPE pipe and anchoring hardware between the underwater pump station’s intake manifold flange to its offshore anchored end. These preparations shall include:
 - a. Arrange for and mobilize required equipment and labor necessary for use onshore to pull, lift, handle and cut 12” pipe and remove concrete anchor block weights as they are brought to the shoreline.
 - b. Arrange for and mobilize required equipment for use offshore to locate, lift, secure and re-float the 12” pipeline as necessary to allow it to be towed to the onshore site (see Figure 1).
 - c. Disconnect “Near Shore Pipe” from “Offshore Pipe” and install necessary appurtenances on shore end of offshore pipe to support the re-flotation process. The reef mounted offshore section of the 12” pipe can be disconnected at any flange location suitable to the Contractor to re-float it as long as the entire length of pipe and all anchoring devices are ultimately removed from the offshore flange of the pump station seaward.
 - d. All 12” pipe anchoring system metal hardware and HDPE pipe shall be entirely removed from anchor location #11 at the offshore end of the pump station intake

manifold flange seaward. The anchoring hardware to be removed shall include all chain, saddles, saddle flanges, fasteners, HDPE pipe, hold down hardware, metal fittings and fasteners. Concrete bags and the large Danforth type anchors together with their associated anchor chains may be left in place on the bottom. It is felt that removing these will be an impact to marine life colonizing their surfaces.

- e. A schedule of the anchor types and their locations relative to the shallow reef mounted area of the offshore section is included below as Figure #2.
- f. Please reference 12" pipeline plan set (1981) for further details and specifications. The contractor will also be given two VHS video inspection tapes (1995 & 1997) of the 12" pipeline in the shallow reef and offshore areas to 80 ft. depth.
- g. Coordinate with Coast Guard to post Notice to Mariners as necessary related to this work.
- h. Coordinate all preparations with OIC (see also Tasks to be completed by NELHA at the end of this SOW).

Figure #2 – Description of Anchor Types and Location in Shallow Offshore Section

<u>Anchor#</u>	<u>Anchor Type</u>	<u>Notes</u>
11-14	S	Saddles 11 & 12 on same rock / Flange shoreward of #11
15	SM	Flange just seaward of #15
16-17	S	
18	SM	Flange between 18 & 19
19-20	S	
21	CB	
22	TP	Only "tee pee" in the nearshore area. Flange shoreward of TP
23-26	CB	Flange between 24 & 25
27	CB	Flange seaward of 27
1	Concrete Block	Point B Anchor Block chains through block to 2X Danforth anchors
2	Concrete Block	Point B Anchor Block chains start here and go to #1
3	Concrete Block	Concrete blocks anchors from #2-25 seaward may include pipe legs as shown on 12" pipeline drawings; sheet #3, detail "E".

Offshore Anchor Types for Figure #2 (seaward of pump station):

12" Pipeline Anchor Types

- a. Concrete bag / steel saddle & chain = **CB**
- b. Steel saddle bolted to bottom = **S**
- c. Tee Pee (Hold Down Assembly) = **TP**
- d. Steel saddle, bolted to side (side mount) = **SM**
- e. Concrete Block Anchors with saddle strap (seaward of nearshore anchor #27)

3. Using an appropriate Remotely Operated Vehicle (ROV) or underwater camera system follow the 12" offshore section of pipe from a convenient shallow water location (60-70 meter depth) to the point at which the 12" pipeline was last reported to cross over the existing 40" HDPE pipe on June 23, 2012 at 85 meter depth. As seen on June 23rd an inverted concrete pipe weight on the 12" pipeline has rubbed and possibly deeply gouged the 40" pipe at the cross over location. It should be noted that the 12" pipe may have moved relative to the position in was in on June 23rd.
4. Upon reaching the cross-over point observed on June 23rd, closely inspect the 40" HDPE pipe for any damage that can be documented with ROV or cameras. Contractor shall survey this known cross over location including all locations in shallower and deeper water where the 12" pipeline may have come in contact with the 40" pipeline. Contractor shall continue the ROV inspection of the 40" pipeline to the location of Holdfast #2.
5. Using Remotely Operated Vehicle continue to offshore end of the 12" pipeline. As noted above, on June 23rd the offshore end of the 12" pipeline was located approximately 60 ft. north of the 40" pipeline at 141meter depth.
6. Contractor shall provide a video record of the entire ROV inspection of the 40" and 12" pipelines during the survey, including the 12" pipeline recovery process until the 12" pipeline has been towed away and has cleared the area of the 40" pipeline. The OIC shall be verbally informed of all damage recorded to the 40" pipeline as soon as possible after they are discovered and documented.
7. Attach suitable lines, cable, chain, etc. to lift the offshore anchored end of the 12" pipeline onto a stable floating work platform.
8. Recover deployment cable, anchor and chains attached to the offshore end and prepare pipe end to facilitate re-floatation of Offshore Pipe section. Contractor may remove and leave the 12" pipeline deployment cable on the bottom as long as it does not interfere in any way with the 40" pipeline or its anchors and transition bridle hardware.
9. Contractor is advised that as soon as the offshore end of the 12" pipeline is brought to the surface, the floating and lightly anchored sections of the pipeline will begin to move relative to ocean currents and in association with the Contractor's vessel or barge (if live boating). It is advised that the ROV watch the location where the 12" pipe crosses over the 40" pipeline to monitor the action of the 12" weights relative to the 40" pipeline during the lifting, air hose rigging, and floatation processes.
10. Install a suitable sized foam pumping pig into the offshore end of the 12" pipeline to facilitate the controlled re-floatation of the pipeline.
11. Contractor shall controllably re-float offshore section of the 12" HDPE pipe as quickly and safely as possible while the ROV observes the status of the pipeline where it is crossed over or will cross the 40" pipeline during the floatation process. Contractor shall have necessary vessels in place to control the floating pipe and to avoid damage to the shoreline or marine life on the reef near the recovery area.

12. As much as possible, Contractor shall limit the amount of time that the 12" pipeline is pulled or floating over the 40" pipeline during the recovery and initial towing process. Concrete anchor block weighs may fall off the 12" pipeline during this stage of the recovery operation.
13. Once the Offshore Pipe Section is floating, tow the pipe to the previously prepared landing zone and recover pipe onto shore. The following conditions apply to this process:
 - a. Provide picket boat(s) to warn and advise any vessels entering the towing area of the floating pipeline and any safety hazards associated with the towing and alignment process to the shore landing area.
 - b. Incidental damage to 12" HDPE is not a concern, except as it might impede contractor's ability to float or fully recover the pipeline onto shore.
 - c. All concrete anchor weights on the 12" pipe are to be removed from the pipe on shore and stored in the pipe weight stockpile zone shown in Figure 1. It is understood that some pipe weights may fall off of the pipeline while it is being recovered, under tow, or pulled onto the shoreline.
 - d. NELHA will take possession of the removed pipe weights once all weights are brought ashore, removed from the pipe and stored in the stockpile zone show on Figure #1.
 - e. The recovered 12" HDPE pipe shall be kept in the longest lengths possible. If the pipe is cut in sections in order to facilitate recovery (especially pipe with weights attached), these pipe sections with weights attached may be temporarily stockpiled with one end adjacent to the pipe weight stockpile zone and the other extending down toward the shoreline with the understanding that ultimately, all pipe weights will be removed from the 12" pipe and stored in the designated stockpile zone. All sections of pipe must be stored so that they remain far enough back on the shoreline to be out of the wave inundation area.
 - f. Contractor shall not block the existing public access jeep road except for the period of time that the pipe is being dragged on shore.
 - g. NELHA will take possession of the pipe sections and removed pipe weights provided they are stored in a location acceptable to the OIC.
 - h. It is preferred that the long section of pipe with no weights attached to it be pulled up the landing zone, around the turning fenders (see Figure 1) and down the sandy jeep road to the south. This unpaved, sandy road is not open to the public and runs parallel to the coastline. If this pipe can be kept in one long piece that is preferred by NELHA.
 - i. The holdfast that is attached to the offshore end of the pipe shall be cut off as it arrives on shore with 3-4 feet of 12"HDPE pipe remaining out of its end and stored in the same stockpile zone as the concrete pipe weights. Cutting off the heavy holdfast end will create less drag and dragging obstructions while the long length of pipe is brought onshore.

14. Completion Activities: Contractor shall be responsible for the removal and safe disposal of all metal hardware removed from the ocean including chains, shackles, bridle plates, anchors, fasteners, flanges, etc. that were or are attached to the 12" HDPE pipe.

Tasks to be completed by NELHA

1. Provide Contractor with 12" pipeline construction drawings and VHS video tapes of 1995 & 1997 underwater inspection of 12" deep seawater pipeline within diver's depth (80 ft.).
2. Prepare a "pipe pull road" on the sand (remove rocks, obstacles, etc.) parallel to the coast where Contractor vehicles can drag pipe (see Figure 1).
3. Prepare shoreline landing area by placing sand on the slick algae covered surfaces near shore and filling any significant low spots leading back from landing zone toward the stockpile area (see Figure 1).
4. Install fenders (at least 2) to make broad radius turning points on land in order to turn long sections of recovered pipe from landing area to the prepared jeep road running parallel to coastline (see Figure 1).
5. Obtain required permits and permissions from US Army Corps of Engineers, State of Hawaii and County of Hawaii to allow activities described in this SOW to be completed by Contractor.

Preparation of Change Order Quotation

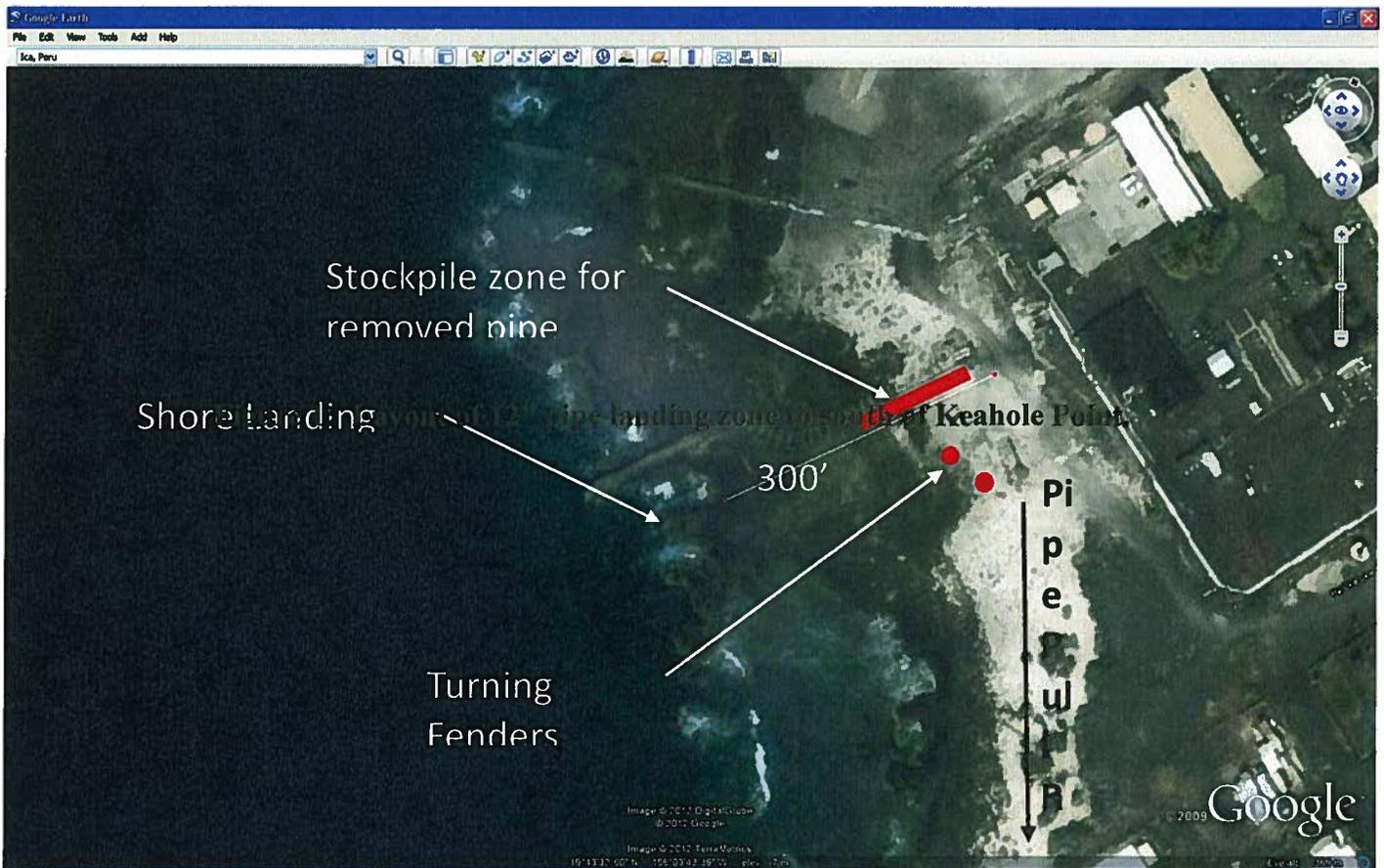
Contractor shall provide detailed pricing data to perform all work associated with this Change Order as outlined in the Scope of Work (SOW) to include (but not limited) to following individual price categories:

1. Offshore Mobilization / Demobilization
2. Onshore Mobilization / Demobilization
3. Remotely Operated Vehicle (ROV) Operations
4. Removal of 12" pipeline within shallow depth (pump station intake flange to 80 ft. depth)
5. Removal of 12" pipeline offshore of first concrete pipe anchor (80 ft. depth to offshore anchor end)
6. Towing 12" pipeline to shore landing area
7. Removal of 12" pipeline at shore landing area
8. Removal of concrete block anchors from 12" pipe on shore
9. Cleanup of work sites
10. Change order price

In addition to the request for detailed pricing data outlined above, Contractor shall refer to and provide the necessary details outlined in:

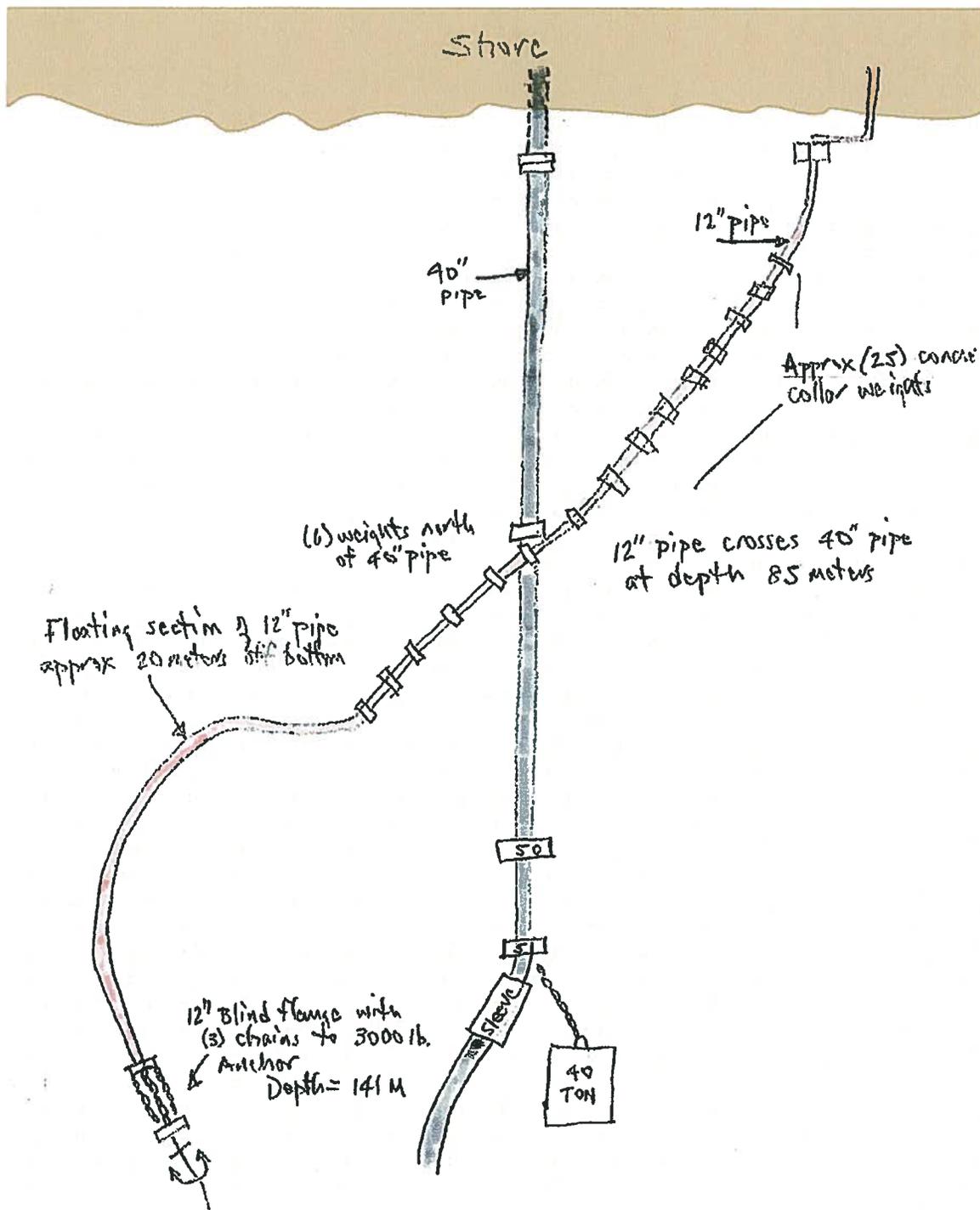
Relevant General Condition sections (Attachment 4 of 40" eIFB-12-03-NELHA)

- DAGS Amendment to Interim 1999 GC: Pages 00700-6 through 00700-8 and Page 00700-16
- DAGS Interim 1999 GC: Pages 11 through 14 and Pages 38 through 40
- Change order template form on page 74 of DAGS Interim 1999 GC
- Section 4.5.1 (Amendment to Interim GC, page 00700-8): Allowance for profit shall not exceed 20%.
- Section 8.3.4 (Interim 1999 GC, pages 38-40): Describes in detail how payment for additional work is accounted for.



ATTACHMENT NO. 2

Sketch of 12" pipeline crossing over 40" pipeline as discovered on 6/23/12



Photographs of 12" pipeline on top of 40" pipeline.

