



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

Received By
State Procurement Office
09/22/2015

TO: Chief Procurement Officer

FROM: Director, Department of Transportation
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 and/or services:
The work consists of disposing the submerged fishing vessel the JUDY K. The Contractor will determine the method and means to deliver the 77' wood and fiberglass vessel, in part or whole, from its current location at Pier 16 in Honolulu Harbor, to Pier 20, so that the vessel, in part or whole, can be deposited into the Oahu Harbor District's 30 cubic yard refuse containers in the Pier 20 yard. The Contractor's work follows work by the US Army 7th Dive Detachment (who is performing the work as a training exercise - at no cost to the State) extracts the boat from the state pier; an MOA between the US Army and DOT Harbors was provided by the US Army on 8 September 2015. The Contractor accepts the vessel and may tow or lift the vessel onto a barge and transport it to Pier 20. The Contractor will remove the vessel from the harbor by lift or bucket crane and place the vessel debris into 30 cubic yard refuse containers. DOT Harbors' Oahu Harbor District will dispose of the debris at its own cost.

2. Vendor/Contractor/Service Provider: Healy Tibbitts Builders, Inc. (HTBI)	3. Amount of Request: \$ 123,000
4. Term of Contract From: <u>9/21/2015</u> To: 10/15/2015	5. Prior SPO-007, Procurement Exemption (PE): None.

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
Currently Healy Tibbitts (HTBI) is using its barge crane to build the DOT's new Piers 12 through 15. Healy Tibbitts has a barge crane that can lift the Judy K out of the ocean, place it on a barge, and lift the vessel from the barge with a bucket crane into the State's 30 cubic yard dumpster. It is the only known available crane on Oahu that can perform the required work, and is available to coincide with the ongoing extraction (salvage) of the Judy K from the State pier 16. The Oahu Harbor District has explored different scopes of work. The best alternative and least risk to interfering with the Harbors Division's mission (to ensure the flow of commerce) is to lift the Judy K with a barge crane and remove the vessel from the ocean and place it into State owned containers. Towing the 77' wood and fiberglass vessel inside Honolulu Harbor risk's the sinking of the vessel and interfering with the fishing fleet operations should the Judy K's hull crack from the pressure of the tow. Towing the Judy K is a larger risk as the vessel may sink while undertow at the harbor entrance or in vital shipping lanes. Therefore the best alternative while minimizing the risks is to remove the Judy K with the Healy Tibbitts barge crane.

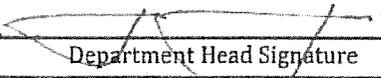
7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
Harbors' attempted to procure disposal services through small purchase methods without success. Despite pre-bid estimates, in February 2015, a HiePro solicitation yielded bids from \$130,000 to \$190,000, all above small purchase limits. Harbors' then reduced the scope of work and re-solicited, but the effort yielded one unresponsive bidder at \$160,000. With the addition of US Army Divers doing part of the salvage, a new attempt was made to procure services in September 2015, but that yielded one bidder - HTBI for \$123,000. On 8/28/2015 and 8/31/2015, the two drydocks in Honolulu Harbor confirmed their facilities were committed for other obligations. Two leading tug companies also requested indemnity from the State to participate in the salvage operation. Lastly, a day prior to the closing, a competitor bidder earlier in the process--the unresponsive bidder who previously quoted \$160,000--called and advised DOT Harbors that Healy Tibbitts was the only company on Oahu that had the required crane and could perform the work. On 9/14,2015, DOT Harbors requested to contract the services of Healy Tibbitts as Sole Source, but on 9/21/2015 was advised by the SPO that the request should be a Request for Procurement Exemption. On 9/25/2015, the US Army's commitment will cease and the boat is tentatively planning to be purposely sunk and anchored in the harbor in the vicinity of Pier 16, away from the pier as an obstruction to navigation, but removed from the pier where it could do more costly damage.

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
Davis K. Yogi 	Harbors Division	587-1928	davis.k.yogi@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.

 _____ Department Head Signature

 _____ Date 9.22.15


For Chief Procurement Officer Use Only

Date Notice Posted: 9/22/15

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 based on the understanding that the Healy Tibbitts Builders, Inc. is the only vendor that can perform the services to lift the damaged vessel and be placed on a barge to be transported to Pier 20 for disposal on short notice. 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 provide proof of compliance and may use the Hawaii Compliance Express) and the award is required to be posted on the Awards Reporting System. Copies of compliance and the awards posting are required to be documented in the procurement/contract file.

If there are any questions, please contact Stanton Mato at 586-0566 or email stanton.d.mato@hawaii.gov.

Approved
 Disapproved
 No Action Required

 _____ Chief Procurement Officer Signature

 _____ Date 9/22/15