



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

15 SEP 24 P1:39

TO: Chief Procurement Officer

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

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 salvaged fishing vessel JUDY K at Honolulu Marine Shipyard at Kewalo Basin. Following an approximate five mile tow of the vessel from its present location at Pier 16 in Honolulu Harbor, the named Contractor will properly dispose of the 77' wood and fiberglass vessel. The Contractor's work followed a refloat of the vessel by the US Army 7th Dive Detachment, who performed the 16 day operation as a training exercise - at no cost to the State.

2. Vendor/Contractor/Service Provider: Hawaii Resource Group, LLC		3. Amount of Request: \$ 52,000
4. Term of Contract From: 9/25/2015	To: 10/5/2015	5. Prior SPO-007, Procurement Exemption (PE): PE16-016S

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
Previously, the Harbors Division obtained approval for another Contractor, Healy Tibbitts (HTBI), to use a barge crane to lift the Judy K out of the ocean, place it on a barge, and place it into State-owned dumpsters at Pier 20. Following the refloat of the vessel by the Army Divers, however, HTBI opted not to honor its previous offer given the amount of oily debris it observed in the vessel--and more particularly--to avoid scrutiny of the media given the conspicuous location of the planned crane hoist. Prior to its refloating, the Army Divers speculated that the hull had been breached and a full refloat was not possible. However, their successful efforts and an on-site assesement by an independent salvage company (after the refloat on 9/24/2015) suggested that a tow was indeed possible. Notwithstanding, those repairs to the vessel hull are temporary patches and the US Army Divers have since de-mobilized their team. In the event of a hull breach, there is no ready resource to stop a leak and the vessel could again sink at the pier. Therefore the best alternative is to proceed at soonest with a tow and move the vessel to a drydock that avoids the complications and likely spillage of oily debris and miscellaneous fishing gear (i.e., hooks, line, etc.) from a crane hoist.

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 HlePro 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 the refloat, 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. 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 SPO that the request should be a Request for Procurement Exemption. On 9/24/2015, following the refloat, the US Army's commitment under the MOA ended. The current proposal for a drydock is the only such facility available, as noted above. In fact, the one of the two named drydocks above (PSI) is currently out of service. The Honolulu Marine Shipyard at Kewalo Basin (aka Hawaii Resource Group, LLC), located approximately five miles by tow from Pier 16, was initially not considered since it was outside of Honolulu Harbor. However, the current assesement of the vessel (after the refloat) suggests that a tow could successfully occur.

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
Darrell T. Young <i>DMY</i>	Harbors Division	587-3651	Darrell.T.Young@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.*

J. T. Portley

Department Head Signature

9/24/15

Date

For Chief Procurement Officer Use Only

Date Notice Posted: *9/24/15*

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 Hawaii Resource Group is available to dispose the salvaged fishing vessel at the Honolulu Marine Shipyard 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

[Signature]

Chief Procurement Officer Signature

9/25/15

Date