

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

15 DEC 23 AIO:28

TO: Chief Procurement Officer

FROM: Hawaii Department of Agriculture - Agribusiness Development Corporation
Name of Requesting Department

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

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 following is a list of goods to be supplied and assembled by the vendor: (4) mixers, (1) pump cart, (4) micro pure air filter, (1) air flow meters, (4) ball valves with cleanout, (1) air compressor, (4) TC style O2 sensors, (4) TC style pH sensors, (4) high-pressure manways, (4) steam jacket insulation, (8) TC style probe receivers, (100) - feet CIP transfer hose, (1) air filter cart, (1) air system component, (4) flow meters, (4) sight glass, (4) thermowell, (4) pressure gauge TC mount, (4) PRV Valves, (4) CIP spray ball, (4) piston spring check valves, (48) curbstones, (200) so cord - power cord, and labor. For this project, the Agribusiness Development Corporation ("ADC") will purchase specialized equipment from Pacific Biodiesel Technologies, LLC ("PBT") who is an expert in biofuel production. In addition to the equipment, PBT will assemble and house the equipment temporarily until it's built to ADC's specifications and can be transferred to a permanent demonstration facility.

2. Vendor/Contractor/Service Provider: Pacific Biodiesel Technologies, LLC		3. Amount of Request: \$ 350,000
4. Term of Contract From: Jan-16	To: Jul-16	5. Prior SPO-007, Procurement Exemption (PE): PE15-020

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

This request for exemption from 103D, Hawaii Revised Statutes, is for purchasing supplementary equipment from PBT for the successful operation of the zero waste conversion facility. The ADC has been given a unique opportunity to meet its needs that would be most advantageous for the State by partnering with PBT. To verify the request amount, ADC obtained the list for the critical pieces of equipment from its research consultant and conducted a cost analysis on the internet ("Attachment 1-B"). Doing a cost analysis proved to be challenging due to the fact that all of the companies we researched were located out of State and ADC's lack of knowledge about the specific engineering aspects that are required to get precise quotes. It is not practicable for ADC to procure the additional specialized parts because it does not have the expertise or engineering background to specify the configurations of the parts. The State will save time and resources by acquiring the equipment from PBT.

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

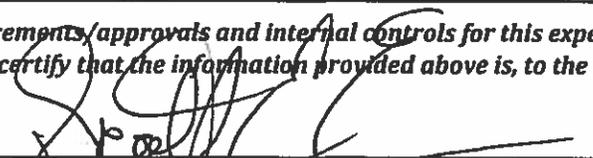
To expedite the research and development with limited resources, ADC sought partners who could help take the project to the next level. After searching the internet and local directories (i.e. phonebook), the ADC could not find any other companies on Hawaii Island in operation besides PBT who has expertise in the conversion process, labor and space to assemble the equipment, and willing to take on the project. Subject to the approved request (SPO PE15-020) for an exemption from procurement, which was posted on November 12, 2014, equipment and parts were purchased from PBT and modified specifically for the project. The initial test runs were successful and it was determined that the project should be expanded. However, it was also determined that more parts and equipment are needed to complete the expansion.

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
James Nakatani	HDOA/ADC	586-0186	James.Nakatani@hawaii.gov
Lynn Owan	HDOA/ADC	586-0187	Lynn.Owan@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

10-22-15
Date

For Chief Procurement Officer Use Only

Date Notice Posted: _____

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 2/8/2016 to 8/31/2016, with the understanding that the department has determined it is not advantageous to conduct a competitive procurement based on its analysis of customized equipment. The department has determined that the Contractor has the expertise to design and build the necessary equipment because of its experience in the operation of a zero waste facility in the State of Hawaii. Contractor shall also provide a temporary facility to assemble equipment and assist the department throughout various stages.

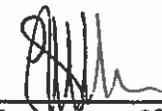
Approval is for the solicitation process only. Pursuant to HRS section 103D-310(c) and HAR section 3-122-112, the procuring officer shall verify compliance (i.e., the vendor is required to provide proof of compliance and may use the Hawaii Compliance Express) and the award is required to be posted on the Awards Reporting System.

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

2/8/16
Date