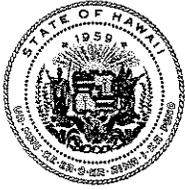


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STATE PROCUREMENT OFFICE NOTICE OF AND REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

1. TO: Chief Procurement Officer
2. FROM: Department of Land and Natural Resources

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:
To install and maintain the statewide day-use mooring buoy system. The Hawaii Day-Use Mooring System is an innovative public-private partnership to protect the State's coral reefs from anchor damage at popular dive and snorkel sites. Currently there are 285 day-use moorings in use statewide. The proposed funds would be used to purchase materials, and provide trained divers to install and maintain moorings. The project includes installation of about 63 moorings and inspection and repair of 75 moorings. In order to install moorings at new locations, DLNR is required to obtain a new federal permit from the U.S. Army Corps of Engineers (USACE). Malama Kai Foundation (MKF) has assisted DLNR in previous permit applications and will again assist with the USACE permit application in helping identify sites statewide where additional day-use moorings are needed. MKF will also work with the Division of Aquatic Resources (DAR) to develop standards and protocols for mooring installation and maintenance.

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| 4. Name of Vendor: Malama Kai Foundation Address: P.O. Box 6882 Kamuela, Hawaii 96743 | 5. Price: \$75,000 |
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| 6. Term of Contract: From: 01/01/2006 To: 06/30/2007 | 7. Prior Exemption Ref. No. N/A |
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8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:
a) MKF has an extensive network of dive operators, community groups, and volunteers. The volunteer divers trained by MKF donate their time and expertise at no cost to the state, an estimated savings of \$22,000 to \$50,000 to the DLNR. b) The MKF is required by the existing USACE mooring permit to standardize installation and maintenance procedures, and to maintain a statewide day-use mooring database for use by DLNR, other agencies or the community. This will minimize the time and cost to obtain the federal permit for new moorings. c) MKF receives a heavily discounted rate for mooring materials from a major supplier. d) MKF and its network of cooperating dive businesses already own the specialty drilling equipment needed for installation. This network also supplies boats and fuel at discounted rates for the installation and maintenance of moorings. MKF has raised or obtained via grants matching fund of \$75,000 that will also be used to install these moorings statewide.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
As stated above, MKF is selected because of its unique expertise in day-use mooring. MKF is dedicated to ocean stewardship for current and future generations through community service and public education. MKF was formed in part to foster a partnership among Hawaii's ocean users and businesses, the university and government to take responsibility for installing and maintaining the statewide day-use mooring buoy system. The current USACE permit for mooring buoys identifies MKF as the lead nonprofit organization in Hawaii responsible for the statewide mooring buoy system in partnership with DLNR, Division of Boating and Ocean Recreation (DOBOR). MKF has additional funds of \$75,000 to bring to the project. See attached sheet for the budget proposal.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
DLNR will enter into an agreement with MKF that will be reviewed by the Fiscal Office and approved by the Chairperson. The Boating Division and the Aquatic Resources Division of DLNR will monitor the progress of the project and ensure that funds are used for the intended purpose.

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

| 12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract: | | | |
|---|----------------------------------|--|--|
| Name | Position | Involvement in Process | |
| Peter Young | Chairperson, BLNR | <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> Administration |
| Juliet Kazanjian | Fiscal Management Officer | <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> Administration |
| Leroy Taira | Auditor | <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> Administration |
| Athline Clark X70099 | Special Projects Program Manager | <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> Administration |
| Richard Rice | DOBOR Administrator | <input type="checkbox"/> Approval | <input checked="" type="checkbox"/> Administration |
| Kevin Yim | DOBOR- Staff Officer | <input type="checkbox"/> Approval | <input checked="" type="checkbox"/> Administration |

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| 13. Direct inquiries to: | Department: Land and Natural Resources Contact Name: Juliet Kazanjian, FMO Phone Number: 587-0340 Fax Number: 587-0360 |
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Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*


 Department Head

2-22-06
 Date

| Reserved for SPO Use Only | |
|---|---------------------------------------|
| | 15. Date Notice Posted <u>2-24-06</u> |
| The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to: <p align="center"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 </p> | |
| Chief Procurement Officer's comments: The SPO, on behalf of the DLNR (Kevin Yim, DLNR Engineer), has issued solicitations and awarded contracts for similar services. This DLNR request does not clarify the exact services being requested or provide justification on why procurement by competitive means is either not practicable or advantageous to the DLNR. The SPO recommends that an Invitation for Bids be used as the method of procurement for these services. | |

16. APPROVED DISAPPROVED


 Chief Procurement Officer 3/23/06
 Date