

06 SEP -5 AET4



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

- 1. TO: Chief Procurement Officer
- 2. FROM: Kaho'olawe Island Reserve Commission (KIRC)

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:
 KIRC wishes to procure food products for its operations and program personnel and volunteers who spend four to eight days per week at KIRC's base camp at Honokanai'a, Kaho'olawe. Food is currently provided by vendors that are sub-contracted by KIRC's contractor, Parsons, which provides a large variety of base camp management and operational support. Beginning October 1, 2006, KIRC will assume many of these management and operational tasks, including the procurement of food.

4. Name of Vendor: various (see under "address" below) Address: Morrad Foodservice, VIP Food Service, Rimfire Imports Meadow Gold Dairies, Love's Bakery, King Food Service	5. Price: <p style="text-align: center;">\$50,000</p>
6. Term of Contract: From: 10/01/06 To: 1/31/07	7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:
 KIRC posted an Invitation for Bids (IFB) on August 16, 2006 for food products and various supplies. Only one vendor submitted a complete bid -- Maui Chemical and Paper Products, Inc. -- for all of the various supplies (and one food item) listed in the IFB. One vendor submitted an incomplete bid (no original signatures) for approximately 25% of the food items. Other vendors contacted KIRC to say that they needed more time to submit bids, to confirm prices with suppliers, or that they did not want to be held to a price for the duration of a 12-month contract term. KIRC wishes to re-issue the IFB with revisions that should address the problems that kept vendors from submitting bids the first time. Until the re-issued IFB process can be completed and contract(s) finalized, KIRC needs to procure food items from a variety of vendors (via purchase orders).

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
 KIRC will post the revised IFB in early September, and will allow approximately five weeks for bids to be submitted. The evaluations should take one additional week, and the drafting of contracts and submittal of forms from vendors should take an additional two weeks. Once contracts have been submitted to DLNR-Fiscal and DAGS for processing, it should take approximately six weeks for the contract to be finalized. To be conservative, KIRC estimates that contracts should be in place by February 1, 2007. Therefore, the procurement of food via purchase orders should last approximately four months (October 2006 through January 2007). Because vendors are somewhat specialized, it is expected that several vendors will be used, with KIRC spending an average of approximately \$2,000 per month with each vendor. To avoid the appearance of parceling, and to be safe from the \$25,000 threshold, contracts are ultimately desired.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 KIRC will obtain current price lists from vendors and will procure items from vendors who have the lowest cost per item. Orders will be processed through the Logistics Coordinator and the Reserve Manager, with the Executive Director approving purchase orders. Invoicing is processed through the Administrative Specialist III, with oversight by the Policy Advisor for Special Projects. Once contracts are in place, the same process will be followed, with the exception of the Executive Director's approval of purchase orders.

For all of the various supplies that were bid on by Maui Chemical and Paper Products, Inc., KIRC will proceed with a contract with this vendor for these items. The re-issued IFB will not include these items.

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	
Keone Laepa'a	Logistics Coordinator	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Stephen Fulton	Reserve Manager	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Sol Kaho'ohalahala	Executive Director	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
David Demark	Administrative Specialist III	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Michele McLean	Policy Advisor/Special Projects	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: KIRC
 Contact Name: Michele McLean
 Phone Number: 808-243-5891
 Fax Number: 808-243-5885

Agency shall ensure adherence to applicable administrative and statutory requirements

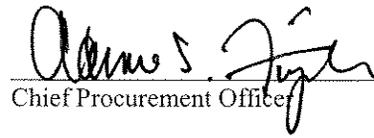
14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*


 Department Head

9/1/06
 Date

Reserved for SPO Use Only	
15. Date Notice Posted	9/08/06
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: <p align="center"> This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. </p>	

16. **APPROVED** **DISAPPROVED** **NO ACTION REQUIRED**


 Chief Procurement Officer 9/15/06
 Date