

STATE OF HAWAII '04 APR -2 A10 :38
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: Chief Procurement Officer

STATE PROCUREMENT OFFICE
STATE OF HAWAII

FROM: Health/Communicable Disease/Hansen's Disease Branch *pc*
(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:

<p>Description of goods, services, or construction:</p> <p>Furnish and deliver approximately 30,000 gallons of unleaded, regular-89 to the Department of Health, Kalaupapa Settlement on Molokai.</p>

<p>Name of Vendor: Diamond Head Petroleum, Inc. Address: 2827 Kaihikapu Street Honolulu, HI 96819</p>	<p>Cost: est. \$65,625.21</p>
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<p>Term of Contract: From: July 1, 2004 To: September 30, 2004</p>	<p>Prior Exemption Ref. No. (if applicable) 03-61-J</p>
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<p>Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:</p> <p>In the past six (6) years, the only bid submitted for performance of above service has been Diamond Head Petroleum, Inc. No one is interested in this bid because either the bidders cannot afford to commit their vehicles (approximately five) for a minimum of six (6) days or they are unwilling to risk possible loss of their vehicles if the barge sinks. The service is further complicated by the fact that only medium sized tank trucks can be utilized due to the limited pier space and the difficulty of unloading the tankers off the barge. Purchases in the past were negotiated with Gary Kaneshiro of Diamond Head Petroleum, Inc.</p>

<p>Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:</p> <p>At least two other suppliers will be contacted in addition to Diamond Head Petroleum, Inc. to see if conditions have changed enough to warrant a bid on their part. If there is no interest, direct negotiations with Diamond Head Petroleum, Inc. would commence.</p>

A description of the agency's internal controls and approval requirements for the exempted procurement:

All calls requesting services will be documented and maintained in a file. The program's PHAO will negotiate the lowest price per gallon with Diamond Head Petroleum, Inc. if they are the only interested party as has occurred in the past six (6) years.

A list of agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Baron Chan, PHAO
 Michael Maruyama, Branch Chief
 Calvin Kuniyama, Department Fiscal Officer

Direct questions to: Baron Chan	Phone Number: 733-9831
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This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: Yes No

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.

James K. Talbot APR - 1 2004
 For Department Head or Designee Date
Deputy Director of Health
 Title (If other than Department Head)

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

APPROVED DISAPPROVED

Alan P. Figue 4/21/04
 Chief Procurement Officer Date

cc: Administrator,
 State Procurement Office

