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

1. TO: Chief Procurement Officer
2. FROM: DAGS, Public Works Division

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: See Attachment No. 1	
4. Name of Vendor: To be determined Address: .	5. Price: \$600k-apprx
6. Term of Contract: From: Apprx 5/2007 To: 12/2007	7. Prior Exemption Ref. No.
8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State: See Attachment No. 2	
9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Three contractors will be contacted to solicit information on their qualifications, prior similar work experience, references, resources and availability to perform this work within the time frame required. Based on the feedback from these contractors, a determination will be made as to which of the interested contractors can best provide the services needed within the available construction window. The three contractors to be contacted are: <ol style="list-style-type: none">1. Healy Tibbitts Builders, Inc.2. Sea Engineering, Inc.3. American Marine Corp.	

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

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

The contractor will be required to submit cost pricing data for DAGS to review. DAGS will also have the design consultant review the proposal.

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	
Ernest Y.W. Lau	Public Works Administrator	<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
Eric K. Nishimoto	Project Management Branch Chief	<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
Gina Ichiyama	Section Head	<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: Accounting and General Svcs.
 Contact Name: Gina Ichiyama
 Phone Number: 586-0472
 Fax Number: 586-0530

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.*

 4/26/07
 Department Head Comptroller Date

Reserved for SPO Use Only

15. Date Notice Posted 4/27/07

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:

Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

ATTACHMENT NO. 1

3. Description of goods, services or construction:

This request is for a procurement exemption to obtain the services of a contractor qualified and experienced in marine construction, to perform immediate repairs to the bulkhead wall and the pier ramp at the Kalaupapa Harbor on the Island of Molokai.

The bulkhead was previously repaired and in 2005, larger than normal winter swells caused significant damage to this rock wall structure, creating a large void at the base. In March 2007, large waves further deteriorated the wall, enlarging the cave-like void. The bulkhead is immediately fronting a national historic building and protects the building's supporting foundation.

An engineering report dated June 2005 for the harbor indicated that repairs to the bulkhead wall required **immediate** attention. The report stated that the bulkhead has little structural integrity remaining and partial collapse of this wall could occur at any time due to natural or man made forces. The report recommended to avoid civilian traffic in the areas of heavy damage.

In June 2005, The Department of Health, the responsible agency for the harbor maintenance, submitted a Request for Exemption from Chapter 103D, HRS (No. PE-05-110-C) to contract with Healy Tibbitts Builders, Inc. (HTBI) to repair the bulkhead. This request was approved on July 7, 2005. However, HTBI's price exceeded the available budget so the work was not done. DOH subsequently requested funds the next legislative session in 2006, but only design funds were approved. DOH has requested construction funds this current 2007 legislative session and is awaiting the outcome of the session. Due to the urgent nature of this repair, approval will be requested to revert and reallocate a portion of the available design funds for construction of this project.

The pier ramp pavement depression is in the middle of the vehicular path to the pier, and affects access to the pier and offloading operations. The depression has been growing and should be repaired before further deteriorating the concrete ramp and potentially creating an access problem.

It is critical that barge operations continue at the harbor as the barge is the only means of providing "long term" goods, supplies and equipment (fuel, car parts, vehicles, long term store supplies, etc.) to Kalaupapa. Barge service is normally scheduled for only twice a year, in the months of June and September, when the ocean conditions are calm. If the bulkhead wall is not repaired/replaced, the debris from the wall may prevent the barge from using the harbor and the Kalaupapa community will be cut off from receiving the necessary items it needs for the year.

ATTACHMENT NO. 2

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:

Immediate action is required to repair the bulkhead wall. Doing construction in Kalaupapa is limited to barging material, supplies and equipment to Kalaupapa during the months of June through September when ocean conditions are calm in the harbor. The time to quickly prepare bid documents and solicit formal bids is approximately 3 months. It will be difficult to prepare bid documents for this type of work so that all bidders can fully understand the extent of the work. If formal bids are done, bidders may inflate their costs to cover risks or under bid and not be able to accomplish the work within the cost proposal. If bids are too high, there would be little time for negotiations to reduce the cost and be able to complete the construction by September.

It is advantageous to have the DAGS and the design consultant develop the repair solution collaboratively with an experienced contractor who has insight into various methods of construction and use their expertise to develop a workable plan. A collaborative solution among the parties will provide the best solution for a fair price. This will save time and effort in the normal design and bid phases to negotiate a timely solution within the available budget.

It is not in the best interest nor advantageous to the State to delay the repairs of the bulkhead wall. Additional damage or collapse of the bulkhead wall would cause the State to incur much greater cost as well as liability if anyone should get injured.

Repairing the pavement depression at the pier ramp at the same time of the repair of the bulkhead wall is much more practical and advantageous to the State. It will save the State money by not having to mobilize and demobilize a contractor to a site that has very limited access and therefore is very costly.