



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

1. TO: Chief Procurement Officer
2. FROM: DLNR-DOFAW

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:
purchase of Komatsu D-61-EX-15EO Bulldozer

4. Name of Vendor: Bacon Universal Company, Inc.
Address: 918 Ahua Street
Honolulu, HI 96819

5. Price:
\$244,790.10

6. Term of Contract: From: upon approval To: 6/30/07

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:
During January 2007, a wildfire burned approximately 2,300 acres of forested public lands within Kula Forest Reserve. After this fire, the Governor issued a Proclamation in February 2007 determining that a fire emergency exists and finding a need to conduct emergency forest restoration activities to mitigate the effects of wildfires. On March 30, 2007, the Governor approved DOFAW's request to transfer unrequired general funds to the Division to supplement the Firefighter's Contingency Fund and to implement Phase I of the wildfire mitigation. Currently, DOFAW has no working bulldozer on Maui, but use of a bulldozer is required for immediate mitigation and restoration activities to protect public safety through the removal of hazardous dead and dying burned trees and to prevent and minimize environmental damage through erosion prevention, replanting, and invasive species removal. (continued on attached sheet)

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
DOFAW solicited three vendors for quotes on the cost of a new D-6 bulldozer. Bacon Universal provided two quotes for two different horse-powered Komatsu machines (\$244,790 and \$268,748), American Machinery submitted a quote for a John Deere bulldozer (\$297,878), and Hawthorn Pacific chose not to submit a bid. All quoted machines met the minimum needs of the Division and are available for immediate delivery. DOFAW is proposing to purchase the lowest priced machine.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
A purchase order request will be prepared for approval by the DOFAW Administrator, the DLNR Fiscal Office, and the DLNR Acting Chair. After successful processing of a purchase order, the Department will coordinate immediate delivery of the bulldozer from the vendor. Upon delivery, DOFAW staff will inspect the bulldozer to ensure that it meets specifications. If not, the State has the ability to refuse delivery and terminate the contract.

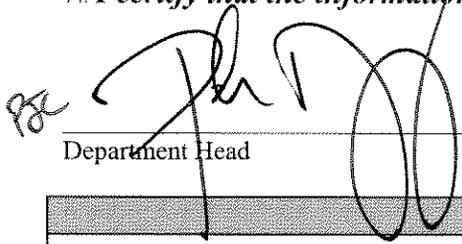
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

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
Lance De Silva	Forester - Maui District	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Michael Constantinides	Forestry Program Manager	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Paul Conry	DOFAW Administrator	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Peter Young	DLNR Chair	<input checked="" 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: DLNR-DOFAW Contact Name: Christen Mitchell Phone Number: 587-0051 Fax Number: 587-0064
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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.*

PC


MAY 2 2007

Department Head

Date

Reserved for SPO Use Only	
	15. Date Notice Posted <u>5/4/07</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: <ul style="list-style-type: none"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 	
Chief Procurement Officer's comments: 	

16. APPROVED DISAPPROVED NO ACTION REQUIRED

Chief Procurement Officer

Date

SPO-7 attachment

Item 8 (continued):

The estimated cost to rent a bulldozer for forest restoration actions is approximately \$279,000 over the next five years, with \$169,600 estimated for the first year alone. Because of the long-term benefits provided by the ownership of a bulldozer, including the increased availability of the equipment if owned, DOFAW solicited quotations from bulldozer suppliers to determine how much a new bulldozer would cost. Based on these estimates, DOFAW concluded that it would be more fiscally prudent to buy, rather than rent, a bulldozer. In addition to the funding available through a requested transfer of general funds by the Department of Budget and Finance for wildfire mitigation (appx. \$120,000), DOFAW plans to re-program existing program operating funds to support purchase of a new bulldozer (appx. \$120,000) because of the long-term benefits an on-site bulldozer provides to the Division. All are FY07 funds that will not be available after June 30, 2007.

After reviewing the price and the specifications of the quotes provided, DOFAW selected the proposed vendor to supply the proposed bulldozer. Because of the range of acceptable specifications for D-6 bulldozers and the need for immediate delivery, conducting a formal procurement is not practicable, and further, may result in delay that is not advantageous to the State due to the increasing problem of erosion downslope from Kula Forest Reserve.

For these reasons, DOFAW believes that it is not practicable or advantageous to the State to conduct a procurement by competitive means, and respectfully requests this exemption from procurement.