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'04 MAY -6 A10:02

STATE OF HAWAII

4 MAY -5 A11:48

NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS,
CONTRACT

STATE PROCUREMENT OFFICE
ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Department of Transportation/Airports Division
(Department/Division/Agency)

Name of Contractor: Leigh Fisher Associates P.E. Reference Number: 02-14-J

Description of goods, services, or construction:
See attached

The scope of work for the contract is revised as follows:
See attached

*The term of the contract is extended to June 30, 2005. *msy*
Original Contract Price: \$ 125,000.00 Amended Contract Price: \$ 315,000.00

This / These amendment(s) are necessary because:
The DOT is required to provide a report on the statewide airport operations each fiscal year.

Direct questions to: Bruce Matsui Phone: 587-2154

Pursuant to § 103D-102, HRS, and § 3-120-5, HAR, I certify that the information provided above is, to the best of my knowledge, true and correct.

B. Matsui 5-4-04
Department/ Head or Designee Date
Deputy Director
Title (If other than Department Head)

Date Posted: MAY 06, 2004

A copy of this notice of amendment shall be posted by the Chief Procurement Officer and the purchasing agency in an area accessible to the public, at least seven (7) calendar days prior to any approval action.

Submit written objections to this notice of intent to amend a procurement exemption contract within seven (7) calendar days from the date posted to:

Chief Procurement Officer
Office/Agency _____
Address _____

Please ensure adherence to applicable administrative and statutory requirements.

APPROVED DISAPPROVED *Alan P. Fajelo* 5/14/04
Chief Procurement Officer Date

The term of the contract is extended to June 30, 2005. **msy*

Description of goods, services, or construction:

The DOT requires an examination of and report on the statewide Airport operations for fiscal years 2003 and 2004.

The scope of work for the contract is revised as follows:

The Contractor shall provide recommendations to the DOT regarding Airport operations, maintenance and repairs, which includes, but is not limited to: changes to its schedule of rates, rentals, fees and charges, and the rate of levy of the Aviation Fuel Tax. These recommendations shall be in the form of a report, one for fiscal year 2003, and one for fiscal year 2004.

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

01 SEP 26 10:20

TO: Chief Procurement Officer

STATE PROCUREMENT OFFICE
STATE OF HAWAII

FROM: Department of Transportation
(Department/Division/Agency)

Pursuant to § 103D-102(b)(5), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:

Consultant services to assist the Department of Transportation with airline lease negotiations, including, without limitation, review and analysis of airline leases and related policy and strategic issues, assist in the analysis of the financial and operational impact of various lease scenarios, and assist in development of alternative strategies to address the key business and operational issues involved in the lease negotiations.

Consultant services are also needed to assist the Department in the analysis of alternative financial actions under evaluation in response to the recent terrorist attacks on September 11, 2001. The airline industry has been thrown into a financial crisis which will affect the economic well-being of the airports system and the State. The airports system has an obligation to the holders of airports system revenue bonds to maintain the financial integrity of the undertaking. With certain airlines announcing plans to file bankruptcy and/or announcing significant flight and personnel reductions, consultant services are urgently needed to evaluate alternative strategies to cope with the financial crisis of the airline industry while ensuring the economic stability of the airports system.

Name of Vendor: Leigh Fisher Associates P.O. Box 8007 San Francisco International Airport San Francisco CA 94128	Cost: Not to exceed \$125,000.00	Term of Contract: From: Date of CPO Approval To:
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Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

The Department of Transportation, Airports Division, is involved in an ongoing assessment of its lease and business arrangements with various airlines. Airline revenues are an important component of the revenues which have been pledged for the repayment of airports system revenue bonds issued to finance its capital improvement program. The Airports Division is self-sufficient and must generate its revenues to meet all operating costs of its statewide system of airports. The bond certificate requires that the Airports Division, on an annual basis, meet certain revenue requirements. The proposed vendor is currently a subcontractor on a DOT contract as the Consulting Engineer as required by the bond certificate. The Consulting Engineer must issue an annual report on the operations of the system, conduct facilities and financial reviews and provide recommendations on changes to the schedule of rates and charges necessary to meet the bond covenants. The proposed vendor has intimate knowledge of the airports' lease arrangements and the impacts those lease arrangements have on the financial self-sufficiency of the airports. The proposed vendor, through its subcontract work, has also assisted the Airports Division in connection with the issuance of revenue bonds in 2001. Because the airline lease revenues are among the items pledged to pay back the bonds, the vendor's knowledge of the financial structure of the airports system and the bond covenants is crucial. The proposed vendor has further worked on various other projects related to capital improvement planning and is familiar with the economic and strategic issues that the CIP brings to the lease negotiations.

Because the vendor has detailed and recent knowledge of the facts and issues involved, acquired through working on similar issues, hiring a vendor other than the one proposed is not advantageous to the State or the Department of Transportation.

The recent terrorist attacks have severely affected the airline industry with airlines cutting flights and workers. There are severe financial implications for Hawaii's airports system which depends on user fees to meet its operating and maintenance expenses, including debt service obligations to its bondholders. The vendor has detailed knowledge and experience in working on financial issues involving airport rate-making and has working relationships with the FAA and other airport officials and regulators to provide the Department with insight into what is occurring at the federal level and at other airports.

Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Only one vendor is capable of providing the consultant services needed in the time frame necessary, because of its familiarity with the facts and issues, competition is not practicable.

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

The contract for services will be conducted under the supervision of Brian Minaai, Director of Transportation, and subject to his final approval.

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

Director of Transportation

Direct questions to:

Brian Minaai, Director of Transportation

Phone Number:

(808) 587-2150

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.

Brian K. Minaai

Department/Agency Head

SEP 25 2007

Date

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

Approved _____ Denied

Doreen J. Greene
Chief Procurement Officer

10/11/07
Date

cc: Administrator
State Procurement Office

SPO Form-1 (Rev. 12/98)

P.E. Number 02-14-J

STATE OF HAWAII
NOTICE OF EXEMPTION FROM CHAPTER 103D, HRS

The Chief Procurement Officer is in the process of reviewing the request from the Department of Transportation
for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

Consultant services to assist the Department of Transportation with airline lease negotiations, including, without limitation, review and analysis of airline leases and related policy and strategic issues, assist in the analysis of the financial and operational impact of various lease scenarios, assist in the development of alternative strategies to address the key business and operational issues involved in the lease negotiations, and analysis of alternative financial actions in response to the September 11, 2001 terrorism.

Vendor:

Leigh Fisher Associates

Address:

P.O. Box 8007
San Francisco International Airport
San Francisco, CA 94128

Term of Contract:

From:

To:

Cost:

Date of CPO Approval

Not to exceed \$125,000.00

Direct any inquiries to:

Department:

Transportation

Contact Name / Title:

Brian Minaai, Director of Transportation

Address:

869 Punchbowl Street, 5th Floor
Aliiaimoku Hale
Honolulu, Hawaii 96813

Phone Number:

(808) 587-2150

Fax Number:

(808) 587-2167

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Date Notice Posted: 10/4/01

A copy of this notice of exemption from Chapter 103D, HRS, shall be posted by the Chief Procurement Officer and the purchasing agency in an area accessible to the public, at least seven (7) calendar days prior to any approval action.

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days from the date this notice was posted to:

Chief Procurement Officer
Office / Agency Department of Transportation
Address 869 Punchbowl Street
Honolulu, Hawaii 96813