



**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 approximately 85 additional food products (mostly bread and dairy, list attached) 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. Approximately 265 food products are already provided by three vendors through contracts that resulted from IFB No. OPS07-FD02. This IFB solicited bids for approximately 300 items, but no bids were received for approximately 65 items. (A previous IFB, No. OPS07-FD01, resulted in no bids.) KIRC received SPO approval (P.W. No. 07-04-A, attached) to purchase these 65 items via purchase order from four vendors, but this approval expired on June 30, 2007. A request was made to continue for another six months, but SPO stated that a new solicitation had to be issued (P.W. No. 07-14-A, attached). IFB No. OPS07-FD03 was posted on June 7, 2007, revised on June 12, 2007, and closed on June 22, 2007. No bids were received even though vendors were notified

<p>4. Name of Vendor: Love's Bakery, Meadow Gold Dairies, Mor-Rad Address: Foodservice, and Costco Wholesale</p>	<p>5. Price: \$14,000</p>
<p>6. Term of Contract: From: date of approval To: 12/31/07</p>	<p>7. Prior Exemption Ref. No. 7019</p>

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:  
KIRC has posted three IFBs that included the 65 items for which no bids have ever been received. The 20 additional items included in the most recent IFB are similar to the 65 (for example, Hawaiian sweet bread and Diet Coke were just added to the list that already included whole wheat bread and Classic Coke). The vendors were notified of the solicitations and chose not to submit bids. KIRC's business with these vendors is relatively small (average \$50/week for Love's Bakery and \$200/week for Meadow Gold Dairies), so they do not wish to enter into price-bound contracts. Love's and Meadow Gold are the source vendors for the bread and dairy items, and Mor-Rad and Costco are often the only vendors that carry the other items, at least in bulk quantities.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:  
After three IFBs, it is believed that KIRC has allowed for very fair and open competition. KIRC is willing to re-solicit these items again in six months, expecting the result to be the same as the previous three IFBs.  
  
P.W. No. 07-14-A suggests that KIRC submit a Request for Alternative Procurement (SPO-15) instead of this Request for Exemption (SPO-07) and that KIRC negotiate requirements contracts. As noted above, the vendors do not wish to enter into contracts with the KIRC, to be bound by pricing and terms. For the past six months, purchases via purchase order have worked very smoothly, which is why KIRC wishes to continue with this purchasing method.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:  
Orders are processed first through our Logistics Coordinator, and are then approved by the Reserve Manager and the Executive Director. Invoices are compared with orders and are processed by our Administrative Specialist III, with oversight of our Policy Advisor for Special Projects.

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**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 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.*

*KWC Kawah* *07/09/07*  
 Department Head Date

Reserved for SPO Use Only	
15. Date Notice Posted <u>7/18/07</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: <p align="center">                         Chief Procurement Officer                          State Procurement Office                          P.O. Box 119                          Honolulu, Hawaii 96810-0119                     </p>	
Chief Procurement Officer's comments: Based on the additional information and agency's efforts to award contracts for the specified food items listed on this exemption request, procurement exemption approval is granted to 12/31/07.  This interim approval is granted with the condition that once the agency is trained to use the Hawaii Electronic Procurement System (HePS), the agency shall solicit quotes for the specified food items via the HePS.  This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112 shall apply.	

16.  APPROVED     DISAPPROVED     NO ACTION REQUIRED

*Adam S. Fujita* *7/26/07*  
 Chief Procurement Officer Date

ITEM	MINIMUM UNIT/QUANTITY
<b>Fresh Food Products</b>	
White bread	Loaf
Whole wheat bread	Loaf
Dark rye bread	Loaf
12-grain bread	Loaf
Hamburger buns, white	package
Hotdog buns, white	package
English muffin, raisin	package
Deli Roll, Poor Boy	8"/6 per package
Hawaiian sweet bread	Loaf
Milk, homogenized	Gallon
2% lowfat milk	½ pint /single-serve
1% chocolate milk	½ pint /single-serve
POG (passion-orange-guava)	single-serve
Orange juice	single-serve
Yogurt (misc. flavors)	single-serve
Cottage cheese	3#
Egg nog	Quart
Tofu, firm block	1.75#
<b>Dry Food Products</b>	
Classic Coke	12 oz can
Diet Coke	12 oz can
Pepsi and Diet Pepsi	12 oz can
7-Up	12 oz can
Barq's root beer	12 oz can
Arizona Green Tea w/ginseng	20-oz can/12 per case
Ito En green tea	24 per case
Gatorade	12 oz bottle
Maruchan Ramen (shrimp, chicken)	24 per case
Maruchan instant lunch (shrimp, chicken)	2.5-oz/24 per box
Ranch dressing	single-serve and/or 20 oz bottle
Oreo cookies	52.5-oz
Famous Amos cookies	36 per box
Assorted cookies	10#
Reese's peanut butter cups	36 per box
Hershey's milk chocolate bars	36 per box
M&M's king size peanut	24 per box
Twix bars	36 per box
Quaker chewy granola bars	48 per box
Frito Lay variety pack	42 count
Kraft cheese & crackers	30 count
Folgers Coffee	52oz
Hills Hy Coffee	6-39oz
Mini marshmallows	24-10oz
Peanut butter	18 oz jar (or larger)
Macadamia nuts (whole or pieces)	bag
Ume Boshi	8 oz.

<b>Frozen Food Products</b>	
Callendar's chicken pot pie	6 per package
Teri chicken rice bowl	6 per package
Sabatasso's deep dish pizza	12 per package
Halm's chicken laulau	5 per package
Ahi (bidder to indicate cut options)	15# or greater
Lamb (bidder to indicate cut options)	10# or greater
Choc./straw. swirl cup	36/pkg
Orange cream bar	12/pkg
Chocolate fudge bar	12/pkg
Ice cream bar	12/pkg
Chocolate ice cream cup	8/pkg
Vanilla ice cream cup	8/pkg
Choc. sundae ice cream cup	8/pkg
Straw. sundae ice cream cup	8/pkg
Orange sherbet cups	8/pkg
Watermelon sherbet cups	8/pkg
Twin Pops Vanilla	6/pkg
Twin Pops Strawberry	6/pkg
Twin Pops Chocolate	6/pkg
Vanilla sandwich	6/pkg
Neopolitan sandwich	6/pkg
Cookies & cream sandwich	6/pkg
Sundae cones	6/pkg
Krunch bars	6/pkg
Mint choc. chip sandwich	6pkg
Samurai asst. sherbet cups	6/pkg
Chocolate ice cream	½ gallon
Vanilla ice cream	½ gallon
San Francisco mint ice cream	½ gallon
Rocky Road ice cream	½ gallon
Neapolitan ice cream	½ gallon
Kona Delite ice cream	½ gallon
Macadamia nut ice cream	½ gallon
Vanilla Orange ice cream	½ gallon
Cookies & cream ice cream	½ gallon
<b>Miscellaneous Supplies</b>	
Simple Green	160oz
Coffee replacement pot	10-cup
<b>Items added June 12, 2007 – Dry Food Products</b>	
Red Vinegar	Liter / quart or greater
Rice Vinegar	Liter / quart or greater
White Vinegar	Liter / quart or greater