



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

1. TO: Chief Procurement Officer
2. FROM: Ronald N. Baird, CEO, NELHA

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:

In October 2007, the University of Hawaii, Hawaii Undersea Research Laboratory will be contracted by NELHA to conduct deep submersible surveys and inspections of its 55", 40" and 18" deep seawater pipelines. NELHA seeks services of a professional engineer to participate in the two dives and provide professional opinion and a written report on the present condition of these pipelines. Two of NELHA's deep seawater pipelines were seriously damaged by the October 15, 2006 earthquake in the near shore area. The submersible inspections will survey the three pipelines beyond conventional divers depth down to their intakes between 600 to 1,000 meters. The professional engineer is needed to compare pipeline conditions at the time of construction to existing conditions subsequent to the earthquake.

4. Name of Vendor: Makai Ocean Engineering, Inc.

Address: P.O. Box 1206
Kailua, Hawaii 96734

5. Price:

\$11,893

6.

Term of Contract: From: On approval To: 12/15/2007

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State: Vendor has planned, designed and acted as project manager for the construction of NELHA's entire seawater distribution system, including the three deep seawater pipelines to be surveyed. Vendor created and possesses all maps, drawings and previous inspection tapes for all three pipelines. Vendor has also participated in all previous deep diving submersible inspections of NELHA's offshore pipelines. Vendor will save the State considerable amount of time and money in writing the post inspection report as drawings are already in vendor's possession in electronic form. In addition, vendor's intimate knowledge of the pipelines design and intended engineering characteristics is likely to yield the best possible evaluation.

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

Open competition is not practicable as described above. As an example, there are 15 eight hour long video tapes from previous dives/inspections that will need to be reviewed. Vendor is already familiar with this material and would only need a few hours to complete the same review process. Any other vendor would require at least 12-15 days to complete the process of reviewing previous inspection videos in order to be able to make the necessary comparisons between conditions as built and today.

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

Other than the method of contract procurement, the standard DBEDT Letter of Agreement (LOA) for small purchase of services review and approval process will be followed. DBEDT will review and approve the LOA and it will be signed by the NELHA CEO.

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
Ted Liu	DBEDT Director	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Ronald N. Baird	CEO, NELHA	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Eileen Harada	DBEDT Contracts Specialist	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Laurence Sombardier	NELHA Revenue Specialist	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Jan War	Operations Manager	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to: Department: NELHA
 Contact Name: Laurence Sombardier
 Phone Number: 808-329-7341, x244
 Fax Number: 808-326-3262

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.*



SEP 12 2007

Department Head

Date

Reserved for SPO Use Only	
	15. Date Notice Posted <u>9/14/07</u>
<p>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> <p align="center">Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119</p>	
<p>Chief Procurement Officer's comments:</p> <p>This request is approved based on NELHA's representation that the contractor is familiar and experienced with the project and is able to provide the services at a low cost. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply.</p>	

16. APPROVED DISAPPROVED NO ACTION REQUIRED


 _____ 9/21/07
 Chief Procurement Officer Date