



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

1. TO: Chief Procurement Officer
 2. FROM: DBEDT/Natural Energy Laboratory of Hawaii Authority

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:

A failure in the restraining system of the NELHA 40" deep seawater pipeline in the transition area between the weighted bottom mounted pipeline and where the pipeline begins to float off the bottom at 450 feet depth was discovered during a submarine inspection of NELHA pipelines on December 2nd 2007. Approximately 4500 feet of 40" high density polyethylene pipe is now at risk of breaking away and floating to the surface causing a navigational and environmental hazard to public safety. Most significantly, this type of failure would affect most of NELHA's aquaculture tenants' cold, deep seawater supply and have significant economic impact on their businesses. This exemption request is to obtain engineering services to plan, design and project manage the repair work to fix the 40" pipeline at 450 feet depth. Time is of essence as one cannot tell when the break in the pipeline anchoring system or a severing of the pipeline will occur.

4. Name of Vendor: Makai Ocean Engineering Inc.

Address: PO Box 1206
 Kailua, Hawaii 96734

5. Price:

\$300,000.00

6. Term of Contract: *WPM CPD APPROVAL CI*

From: As soon as possible To: 60 days from start

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 40" pipeline. Vendor created and possesses all maps and drawings of the pipeline. Vendor participated in all deep diving submersible inspections of NELHA pipelines including the December 2nd, 2007 inspection in which the discovery of the bridle and anchor problems were made. The selection of this vendor will save the State large amounts of time and money.

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

Vendor has planned, designed and managed the construction for all of NELHA pipelines including the 40" pipeline. Vendor is therefore best qualified to design the repair work on the 40" pipeline.

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

This procurement will require the approval of the Director of DBEDT. A standard contract will be created and will follow regular contract requirements.

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

13. Direct inquiries to:	Department: DEBDT/NELHA Contact Name: Ronald Baird 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.*



Department Head

MAR 19 2008

Date

Reserved for SPO Use Only

15. Date Notice Posted 3/24/08

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

Chief Procurement Officer's comments:

This approval is based on NELHA's representation that this vendor possesses the necessary expertise to assess the repairs of this pipeline in a timely manner based on their prior experience of the installation and inspections.

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



 Chief Procurement Officer Date 4/9/08