



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

1. TO: Chief Procurement Officer
2. FROM: Estrella A. Seese (DBEDT/SID)

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:

The project is to obtain professional and technical consultant services to support DBEDT/SID's participation in Docket No. 2007-0176, a regulatory proceeding initiated by the Public Utilities Commission (PUC) in Order No. 23530 issued on June 29, 2007, to investigate the feasibility of implementing intra-governmental wheeling of electricity in Hawaii. The PUC granted DBEDT an intervenor status in the docket by virtue of the nature and extent of DBEDT's statutory role, powers, duties, and responsibilities mandated under Section 26-18(a), HRS, including the DBEDT Director's statutory role as State of Hawaii Energy Resources Coordinator (ERC) under Chapter 196-4, HRS. DBEDT's participation in regulatory proceedings and activities relating to Hawaii's energy sector such as this docket, is significant and important in effecting changes in Hawaii's energy sector to reduce Hawaii's reliance on imported fossil fuels and increase Hawaii's energy independence, as well as to ensure the achievement of the State's energy goals and policies mandated under Chapter 226-18 and Chapter 269, HRS.

As an intervenor in the docket, DBEDT/SID will file statements of position on the issues addressed in the docket, submit written testimonies and be subject to discovery requests, provide oral testimonies in evidentiary hearings, file post-hearing briefs, and participate in settlement discussions.

4. Name of Vendor: Doug Gegax Consulting

Address: 4805 Sage Road, Las Cruces, New Mexico 88011

5. Price:

\$150,000.00

6.

Term of Contract: From: June 1, 2008 To: June 1, 2010

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State: Section 103D-102(b)(4)(A) exempts the procurement of services of expert witnesses for litigation of legal matters including administrative quasi-judicial proceedings such as the PUC initiated proceeding, Docket No. 2007-0176, from Chapter 103D, HRS. The competitive procurement of the professional and technical services to support DBEDT/SID's participation in the docket is neither practicable nor advantageous to the State because of the highly specialized technical, professional experience required including expertise relating to utility regulation, rate making procedures (including costing and pricing), electricity resource planning and energy issues (including policy issues and development relating to renewable energy) to effectively support the DBEDT's participation in the docket.

Please see Attachment 1.

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

N/A

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

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 1) Work orders will guide all work and services to be provided by the Contractor.
 2) The work orders will be issued and provided by the DBEDT/SID Project Coordinator to the Contractor's principal representative, specifying the work, services, deliverables, time schedule, and the fixed fee amount for the work order issued based on agreed upon labor rates.
 3) DBEDT/SID will review and approve the deliverables, and the invoices received.

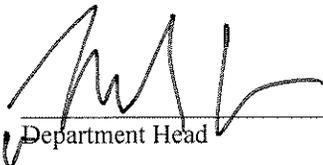
12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
Estrella A. Seese	Energy Economist	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Theodore Peck		<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
(To be Hired)	Energy Program Administrator	<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
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: DBEDT
 Contact Name: Estrella A. Seese
 Phone Number: 586-2352
 Fax Number: 587-3839

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

MAY 22 2008

Date

Reserved for SPO Use Only

15. Date Notice Posted 5/29/08

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

ATTACHMENT 1

Technical and Professional Experience for DBEDT/SID Consultant For Docket No. 2007-0176:

The State strongly prefers a Consultant with a record of professional and technical capability that demonstrates a thorough knowledge, understanding, and expertise in utility regulation, rate making procedures, and energy issues locally as well as nationally. The Consultant must have demonstrated professional and technical experience and capability in regulatory procedures and activities in Hawaii as well as in other jurisdictions related to the following:

- a. Utility rate setting procedure including rate design, cost of service studies, costs and rates unbundling, utility cost allocation methods, costing and pricing of traditional and non-traditional utility services, including standby services, supplemental services, maintenance services, back-up services, reconnection costs, service re-establishment costs, and wheeling rates;
- b. Wholesale and retail wheeling of electricity, including de-regulation activities in other states or jurisdictions;
- c. Alternative forms of utility regulation and ratemaking procedure;
- d. Renewable portfolio standards policy options and implementation;
- e. Integrated resource planning analysis, evaluation, and framework development;
- f. Utility system planning and analysis, including generation, transmission, and distribution systems; and
- g. Renewable energy resources analysis, including planning, deployment (including utility system and interconnection requirements), and cost/benefit analysis.