



'09 JUN -8 P1:27

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

- 1. TO: Chief Procurement Officer
2. FROM: DLNR, State Parks & Engineering Divisions ("DLNR")

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:
Remove existing roofing material and install new roofing and gutters on cabins 1-12 at Waiianapanapa State Park. Repair damage to existing roof sheathing, as required.

4. Name of Vendor: Goodfellow Bros., Inc.
Address: 1300 N. Holopono Street, #201
Kihei, Hawaii 96753
5. Price: \$180,000

6. Term of Contract: From: 02/02/09 To: 01/27/10
7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:
SEE PAGE 3.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
We are requesting an exemption from bidding and permission to negotiate with the vendor to complete the work described in item 3. We will also be comparing the vendor's cost proposal with other vendors capable of similar work.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
After costs are compared to industry standards, the works will be incorporated into the existing contract as a Change Order and subsequent Supplemental Agreement after obtaining the Board of Land and Natural Resources approval.

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
Russell Kumabe	SP, Development Branch Chief	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Stephen Thompson	SP, Parks Program Manager	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Gayson Ching	Engineer	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Dickey Lee	Engr., Branch Head	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Eric Hirano	Engr., Chief Engineer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: DLNR, Engineering Contact Name: Eric Hirano Phone Number: 587-0230 Fax Number: 587-0283
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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.*


6/4/09

 Department Head Date

Reserved for SPO Use Only

15. Date Notice Posted 6/9/09

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:

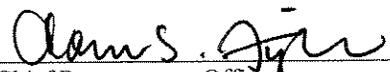
Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

Chief Procurement Officer's comments:

Discussions with the department personnel and the general contractor determined that the roofing repairs will be subcontracted. There are approximately 25 contractors listed on Maui alone and many more statewide that do roofing repair. It is questionable whether there will be cost savings only if the same general contractor subcontracts the roofing repairs. Also we question why plans and specifications for the roofing repairs would not be necessary if subcontracted by the general contractor.

Soliciting the roofing repair and installation of new gutters through a competitive procurement process will provide the State with the most competitive prices through a fair and transparent manner. Due to insufficient explanation, this request is disapproved.

16. APPROVED DISAPPROVED NO ACTION REQUIRED



 Chief Procurement Officer 6/15/09
Date

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

Continued from page 1 – This supplemental information is to clarify item 8.

8. Explanation describing how procurement by competitive means is neither practicable nor advantageous to the State:

The vendor, Goodfellow Bros., Inc. is currently on the project site replacing existing waterline and service to the restroom facilities, cabins, maintenance building, caretaker's house, etc. and other related work. In addition, the removal of existing road and installation of new roadways to cabins 3-12, and the repair of an existing rockwall on the perimeter of Honokalani Cemetery have been approved. During the course of construction, the deteriorating condition of the roofs on various cabins became evident and it has been determined that the subsequent leakages will compromise the integrity of the structures including improvements currently being constructed.

Having to advertise and bid to complete roofing improvements will be costly as plans and specifications are required, which will also prolong the closure of the cabins. Furthermore, mobilization and demobilization costs will be realized as this park is located in a remote location hindered by "one lane traffic in each direction" frequented by an increasing number of vehicles. The time required in the procurement process will be detrimental to the project as lodging revenues will be reduced while the cabins deteriorate from nonuse and damage sustained from the leaking roofs. The revenue loss for 12 cabins utilizing a ten percent (10%) vacancy allowance is approximately \$500 per day. Logistically, the coordination of construction scheduling with potential reservations may be hindered due to delays encountered in the procurement and permitting processes.

Waianapanapa State Park is located at the remote volcanic coastline of Hana on the island of Maui. Lodging is one of the features offered to view seabird colonies, anchialine pools, native hala forest, legendary cave, heiau and other natural wonders. Revenue is generated from the lodging fee that is charged to users. Minimal disruption to the income stream can be accomplished by utilizing Goodfellow Bros., Inc. while they are at the project site.

In summary, bidding the work described in item 3 will result in additional costs and prolonged closure of the cabins resulting in lost revenues to the State. The exemption will enable DLNR to negotiate with the vendor a cost comparable to other contractors capable of similar work without duplicating mobilization and demobilization costs. The DLNR will be able to provide lodging units without threat to health or safety in a timely manner minimizing occupancy loss.