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

1. TO: Chief Procurement Officer  
2. FROM: Department of Agriculture / Aquaculture Development Program

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 2008 Aquaculture Grant Program was created on February 17, 2009 by President Obama when he signed into law the American Recovery and Reinvestment Act of 2009 (Recovery Act). Section 102(d) of the Recovery Act, provides \$50 million to administer a 2008 Aquaculture Grant Program (AGP) to assist aquaculture producers for losses associated with high feed input costs during the 2008 calendar year. To provide assistance to eligible aquaculture producers, the Commodity Credit Corporation (CCC) will provide block grants to State Departments of Agriculture or similar State offices, designated by the Governor of those States, that agree to provide assistance to eligible aquaculture producers. Eligible producers can qualify for up to \$100,000 per producer (except for general partnerships and joint ventures in which case assistance shall not exceed \$100,000 times the number of members that constitute the general partnership or joint venture).

4. Name of Vendor: Qualified Program Applicants  
Address: Statewide

5. Price:  
\$max \$100K

6. Term of Contract: *5/21/09 ddk*  
From: ~~Upon CPO App~~ To: 12/1/09

7. Prior Exemption Ref. No.

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

The established State procurement process is not practical for the 2008 Aquaculture Grant Program since this program is designed to assist only a segment of the aquaculture industry that meet specific criteria. The AGP provides a reimbursement for costs already incurred by a sole proprietorship, general partnership or joint venture. It would not be reasonable to allow competition among different entities to claim funds for reimbursement of costs that were incurred by a single, distinct entity. All qualified applicants are eligible to receive reimbursement for their own documented feed costs to the extent of the availability of funds and the timeliness and completeness of their application.

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

To ensure industry knowledge and awareness of the program, HDOA will utilize industry communication channels through aquaculture related associations and organizations, a press release, the HDOA website, and direct email broadcasts, to explain program parameters and requirements. Support will be provided by the Aquaculture Development Program (in person and via telephone) to facilitate industry participation.

The Farm Service Agency has established eligibility criteria for the Aquaculture Grant Program. All of the criteria must be met and are described below:

- (1) During the 2008 calendar year:
  - a) Raised an aquaculture species in a controlled environment,
  - b) Maintained the aquaculture species as part of a farming operation, and
  - c) Had a risk in the production of the aquaculture species;
- (2) Is in operation in 2009, as of the date of the Aquaculture Grant Program application with the State;
- (3) Produced an aquaculture species for which 2008 feed costs represented at least 25% of their total input costs for the aquaculture operation;
- (4) Experienced at least a 25 percent price increase of 2008 feed costs above the previous 5-year average (2003-2007).

P.E. 10-04-1D

An eligible aquaculture producer would be required to have records on file at an applicable Farm Service Agency County office that indicate:

- (1) That the producer's average adjusted gross income does not exceed \$2.5 million for the three preceding tax years (2005-2007) as determined under regulations in 7 CFR part 1400, and
- (2) That the producer is in compliance with the conservation compliance eligibility provisions specified in 7 CFR part 12. ADP will work with FSA to ensure that all of the criteria are met.

In order to adhere to State Procurement requirements, ADP will ensure that the required information about each qualified applicant that receives an award is posted on the SPO site (Awards, Exemption Award pursuant to section 103D-102, HRS).

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	
Todd Low	ADP, Manager	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Theresa Toyama	ADP, Staff	<input type="checkbox"/> Approval	<input checked="" 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
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: Department of Agriculture  
 Contact Name: Todd Low  
 Phone Number: 587.0031  
 Fax Number: 587.0033

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

7/24/09  
 Date

**Reserved for SPO Use Only**

15. Date Notice Posted \_\_\_\_\_

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:

Approval is granted with the understanding that the department will notify all Hawaii eligible producers of the application process to be considered for receiving block grants available through the Aquaculture Grant Program to include detailed information on how a Hawaii producer will qualify and be selected pursuant to the Federal Farm Service Agency requirements.

This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. Department is reminded that procurements \$2,500 or more are required to be posted on the Procurement Reporting System.

16.  APPROVED     DISAPPROVED     NO ACTION REQUIRED

  
 Chief Procurement Officer

8/4/09  
 Date