

**ATTACHMENT TO NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS**

ISLAND OF HAWAII

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

DEPARTMENT

Our employees' duties, areas of work and time when on duty require them to fill up gasoline or diesel where Tesoro or other brands are not available or they do not have the locations or number of stations that our department requires, but, which Hawaii Petroleum can provide on the island of Hawaii.

Tesoro, the contractor selected to provide gasoline & diesel for the island of Hawaii under SPO Price List 11-05, has only one station in Hilo and three in Kona, which is woefully inadequate to suit our needs. The long distances and time involved to get to a Tesoro station for fill up make it impractical and cost prohibitive especially given the remote areas that our employees live and work in and the lack of Tesoro stations within a reasonable distance of these areas.

Hawaii Petroleum (HP) has 10 stations consisting of eight gas stations dispensing a combination of gasoline and diesel fuel, one station dispensing diesel exclusively, and one station being built in Waimea. After checking all other brands of gas stations, Hawaii Petroleum was found to have the most locations that were ideally situated to fulfill our needs with respect to distance from work areas, the operating hours of the gas stations, and the ability to dispense diesel fuel at these stations.

Many of our vehicles are stored at baseyards in outlying areas which would require our staff to waste time and gas refueling in Hilo or Kona at Tesoro stations and then proceeding back to the outlying areas to work. Staff based in Kona or Hilo can fuel at Tesoro, but, must go to outlying areas for their work assignments and must refuel in these remote areas before returning home or risk running out of gasoline.

Hawaii Petroleum not only has more stations that are more widely distributed than the other brands of gasoline, but, their hours of operation are more suitable for our department's activities. Field work, routine patrol duties for our enforcement officers and emergency responses require stations that are open beyond the hours of Tesoro's operations (6a.m. to 6p.m.). HP's stations are open longer than 12 hours per day and three stations in Hilo and Kona are open 24 hours a day, seven days a week. The one Tesoro station in Hilo is located in a flood prone area and a tsunami inundation zone which more than likely would cut it off during emergency situations.

In addition, most of our trucks use diesel fuel only and Tesoro offers diesel fuel only at one station in Kona. There is also a need for off road diesel for our heavy equipment such as bulldozers, graders and loaders which is not available at any of the Tesoro stations. HP has six locations that offer diesel fuel and three that carry off road diesel. Furthermore, HP has dockside fueling available which is required for our enforcement and aquatic resource boating vessels and also offers ethanol-free fuel for these vessels reducing the need for expensive repairs and maintenance.

The Department utilizes 156 vehicles and one vessel on the Island of Hawaii at the estimated yearly cost of \$143,569.00.

Our staff will continue to use Tesoro to the fullest extent possible where and when possible. However, we also request the use of Hawaii Petroleum for the reasons stated above.

Division of Forestry and Wildlife (DOFAW)

DOFAW offices are located in Hilo and Kamuela. Staff activities are primarily in the field, such as tree planting, site prep, trail maintenance, bird & plant surveys, road maintenance, fence construction & repairs, wildland firefighting and other emergency response. Field work and emergency response work days range far beyond the "normal" eight-hour work day. Work sites are often far from the Tesoro fuel stations, four total, one in Hilo and three in Kailua, Kona. Conversely there are 8 Hawaii Petroleum HFN stations that are widely distributed (North and South Hilo, North and South Kona, Puna) and are open longer than 12 hours. Three stations are open 24 hours. HFN is currently building a new station in Kamuela and should be providing service by mid-2011. The majority of our fleet consists of trucks that use diesel fuel and Tesoro offers diesel at only 1 station in Kona, and NONE in Hilo. Thus, it would be advantageous for DOFAW staff to be able to fuel at HFN than Tesoro.

In the last 12 months, the DLNR Hawaii Branch spent approximately \$25,829.03 with the gas card. The total number of vehicles is 105, however the gas card would be used on an "as needed" basis in particular when traveling to and from remote locations and the baseyard is not accessible.

Division of Aquatic Resources (DAR)

DAR offices are located in Hilo and Honokohau Harbor in Kona. Staff activities are primarily field-oriented, such as stream/ocean surveys, site inspections, and assisting other agencies surveying remote sites. Field work days range far beyond the "normal" eight-hour work day, with the crew often leaving before sunrise and returning well into the evening. Survey sites are often far from the one Tesoro fuel station, in Hilo and the three in Kailua, Kona, both with limited hours (6 a.m. to 6 p.m.). There are more Hawaii Petroleum Fueling/HFN stations (8) that are more widely distributed (North and South Hilo, North and South Kona, Puna) and are open longer than 12 hours. In fact three stations are open 24 hours. Hawaii Petroleum/HFN will provide service at the Honokohau Harbor fuel dock in March 2011, where DAR ocean survey boat is berthed. It is inefficient, unreasonable, and impractical to pull the large research vessel out of the water simply for refueling. In addition, the Tesoro and other brand stations have overhead carports that the massive Glacier Bay vessel, while on it's trailer, will not fit through. There are no other fuel service providers on the water at Honokohau Harbor. The Tesoro station in Hilo is also located within a flood-prone area and in a tsunami inundation zone. This would eliminate a location to fill-up gas during emergency situations.

Hawaii Petroleum locations: the requested vendor has the most stations on the Island of Hawaii.

Ginger Patch – Hilo this was recently acquired and will become a minit Stop
HFN Hilo - Railroad
HFN Hilo Minit Stop - Leilani
HFN Laupahoehoe – in between Hilo and Kona
HFN Kawaihae Minit Stop
HFN Kona
Wiki Wiki Orchidland – Puna
Honokohau Fuel Dock Kona

***McCully/Keaukaha (diesel only)
***Waimea Minit Stop (open 10/2011)

In the last 12 months, the DLNR - DAR has spent approximately \$19,287.00. It utilizes seven vehicles and one vessel.

State Parks

Tesoro has only one station available in Hilo, and three in Kona. This will require upwards of a two hour drive for our caretakers from our Kalopa State Park, Mauna Kea State Recreational Area, Lapakahi State Historical Park, Hapuna Beach State Recreational Area and Manuka State Wayside. Our caretaker at Lava Tree State Monument will have an hour and a half roundtrip drive to fill up. Hawaii Petroleum stations will reduce these travel times immensely, and will also save us total cost (work time and travel distance fuel consumption) by doing so. We will continue to fill our vehicles at Tesoro in Hilo and Kona. Because the Tesoro in Hilo doesn't carry diesel fuel which we utilize for some of the vehicles and equipment, we are requesting that when the outlying parks come to Hilo to fill both gas and diesel, that they be allowed to utilize Hawaii Petroleum. While traveling between Hilo and Kona there are more widely distributed stations that are available with Hawaii Petroleum while Tesoro has none. The Tesoro station in Hilo is located in a tsunami inundation zone and prone to flooding, creating a problem during emergency situations.

Hawaii Petroleum Inc. has three stations in Hilo that provide diesel fuel. They have a location in Lapahoehoe, one coming soon in Waimea, Kawaihae, Kona, Orchidland (Puna), Honokohau Fuel Dock opening in March 2011 and Paho. These will all provide easier access and time savings for our vehicle fill-ups.

DLNR-State Parks Hawaii Island Division has spent \$46,808.42 over the last fiscal year. Our current gas expense for the current fiscal year is \$20,260.47. We have selected the vendor that has more station locations as well as the most convenient location(s), as explained above, and times of operation (HFN has two main yards that operate 24 hours, seven days a week, while also having longer operating hours for the other stations as opposed to Tesoro).

State Parks - Hawaii utilizes 19 vehicles.

Division of Conservation and Resources Enforcement (DOCARE)

The Division of Conservation and Resources Enforcement maintains an enforcement staff of twenty-two (22) officers that patrol the Big Island, on road and off, from mountaintop to the shoreline. DOCARE has three offices (Hilo, Kona and Waimea), but staff activities are primarily patrol/field oriented.

DOCARE has a variety of vehicles/vessels in their inventory, including: 4x4 pick-up trucks and SUVs, diesel trucks, long-range vessels, mid-range vessels, personal watercraft, and all terrain vehicles.

DOCARE officers work weekends, holidays and various hours staggered throughout a 24 hour day to provide as much enforcement coverage as possible. Resource violations occur at all hours and flexibility in scheduling is essential in order to respond to complaints, conduct surveillance, conduct investigations and assist other agencies.

DOCARE is a part of a network of agencies prepared to respond to civil defense emergencies and officers are required to respond to emergencies at all hours, on days off, and at times when on authorized leave.

DOCARE also assists other agencies in search and rescue missions and public safety hazard response. Being available to provide immediate response is critical in these types of emergencies. County fire and police personnel rely on DOCARE presence as they have knowledge of remote lands and vehicles capable of reaching those areas.

Vendor will be utilized by those officers who live or work in areas where Tesoro stations aren't available. In addition, vendor may be utilized by those officers that need diesel/biodiesel fuel for vessels, trucks and other vehicles that require that type of fuel. There are 22 vehicles utilized by DOCARE with an estimated yearly gas cost of \$50,000.

Areas of patrol are often far from the four Tesoro locations (one in Hilo/three in Kona). In addition, Tesoro's hours of operation (6 am to 6 pm) are not the most favorable for routine patrol/emergency response. HFN has ten fueling locations around the island, most are open longer than 12 hours and several are open 24 hours a day/seven days a week.

The Tesoro station in Hilo is located within a flood prone area and a tsunami inundation zone. Evacuation of this station during an emergency would eliminate fuel availability for DOCARE officers called out for response. DOCARE officers would have to travel to Kona for fuel, a distance of 95 miles and over 2 hours of drive time, one way.

Officers that live and work in the Waimea District would spend over an hour and drive 40-55 miles (up to 3 hours and 80-110 miles roundtrip) just for refueling at a Tesoro location. This is a significant waste of an officer's time and taxpayers' money.

HFN has dockside fueling available for DOCARE vessels and also offers ethanol-free fuel for vessels, reducing the need for expensive repairs and maintenance. In addition, HFN has six locations that offer road diesel fuel and three that offer off road diesel fuel.

Land

Tesoro Hawaii Corporation, the current contracted vendor, has just one (1) station in East Hawaii and three (3) stations in Kona, a 2+ hours' drive from Hilo. The sole station on the east side of the Big Island is within a flood-prone and tsunami inundation zone, and the station may not be accessible or operable should personnel need to fill gas in an emergency situation. During or after a disaster, every State worker is considered a civil defense worker and may be assigned response or recovery duties. The Tesoro station hours are only 6a-6p and staff often needs to travel well before or after those hours. Hawaii Petroleum, the requested vendor, has 8 locations around the island (Ginger Patch in Hilo [newly acquired], HFN Hilo (Railroad Avenue), HFN Hilo Minit Stop, HFN Wiki Wiki Gas in Pahoia, HFN Laupahoehoe Minit Stop, HFN Kawaihae Minit Stop, and HFN Kona). HFN Hilo, Minit Stop Hilo and HFN Kona are all open 24 hours a day, 7 days a week.

In the last 12 months, the Hawaii District Land Office spent \$1,645.27 on gas for three state vehicles, well below the \$5,000.00 limit which would require staff obtaining three quotes from vendors for fuel.

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

DOFAW

Name	Position	Involvement in Process			
Sheldon T. Hayashi	Gen. Constr. & Maint. Supervisor II		Approval	X	Administration
Roger H. Imoto	Branch Manager, Hawaii District	X	Approval		Administration
Juliet Kazanjian	Fiscal Management Officer	X	Approval		Administration
Dennis Takahashi	Accountant V	X	Approval		Administration
			Approval		Administration
			Approval		Administration

13. *Direct inquiries to:*

Department: Land and Natural Resources, DOFAW
Contact Name: Roger Imoto/Sheldon Hayashi
Phone Number: (808) 974-4221
Fax Number: (808) 974-4226

12. DAR - Hilo

Name	Position	Involvement in Process			
Gerri L. Kahili	Office Assistant IV		Approval	X	Administration
Dr. Robert T. Nishimoto	Program Manager	X	Approval		Administration
Juliet Kazanjian	Fiscal Management Officer	X	Approval		Administration
Dennis Takahashi	Accountant V	X	Approval		Administration
			Approval		Administration
			Approval		Administration

13. *Direct inquiries to:*

Department: Land and Natural Resources, DAR - Hilo
Contact Name: Robert Nishimoto/Gerri Kahili
Phone Number: (808) 974-6202
Fax Number: (808) 974-6222

12. DAR - Kona

Name	Position	Involvement in Process			
Laura Livnat	Office Assistant IV		Approval	X	Administration
Robert T. Nishimoto	Program Manager	X	Approval		Administration
Juliet Kazanjian	Fiscal Management Officer	X	Approval		Administration
Dennis Takahashi	Accountant V	X	Approval		Administration
			Approval		Administration
			Approval		Administration

13. *Direct inquiries to:*

Department: Land and Natural Resources
Contact Name: Laura Livnat/Bill Walsh
Phone Number: (808) 327-6226
Fax Number: (808) 327-6229

12. State Parks

Name	Position	Involvement in Process			
Dean H. Takebayashi	Parks District Superintendent II		Approval	X	Administration
Steven Thompson	Parks Administrator	X	Approval		Administration
Juliet Kazanjian	Fiscal Management Officer	X	Approval		Administration
Dennis Takahashi	Accountant V	X	Approval		Administration
			Approval		Administration
			Approval		Administration

13. *Direct inquiries to:*

Department: Land and Natural Resources, Div. of State Parks
Contact Name: Dean H. Takebayashi
Phone Number: (808) 974-6206
Fax Number: (808) 974-6222

12. DOCARE

Name	Position	Involvement in Process			
Randy K. Awo	Acting Chief of Enforcement	X	Approval	X	Administration
Patricia Edwards	Acting Deputy Chief of Enforcement	X	Approval	X	Administration
Eric Kawamoto	Hawaii Branch Manager	X	Approval		Administration
Juliet Kazanjian	Fiscal Management Officer	X	Approval		Administration
Dennis Takahashi	Accountant V	X	Approval		Administration
			Approval		Administration

13. *Direct inquiries to:*

Department: Land and Natural Resources, DOCARE
Contact Name: Patricia Edwards
Phone Number: 587-0076
Fax Number: 587-0080

12. Land

Name	Position		Involvement in Process		
Kevin Moore	District Land Agent		Approval	X	Administration
Russell Y. Tsuji	Administrator	X	Approval		Administration
William J. Aila, Jr.	Interim Chairperson	X	Approval		Administration
Juliet Kazanjian	Fiscal Management Officer	X	Approval		Administration
Dennis Takahashi	Accountant V	X	Approval		Administration
			Approval		Administration

13. *Direct inquiries to:*

Department: Land and Natural Resources, Land Div.
Contact Name: Kevin E. Moore
Phone Number: (808) 974-6203
Fax Number: (808) 974-6222