

STATE OF HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Forestry and Wildlife
Honolulu, Hawai'i 96813

April 13, 2017

Chairperson and Members
Board of Land and Natural Resources
State of Hawai'i
Honolulu, Hawai'i

Land Board Members:

SUBJECT: REQUEST FOR DELEGATION OF AUTHORITY TO THE CHAIRPERSON TO: 1) APPROVE, PROCURE, AWARD, SIGN, EXECUTE, AMEND, AND EXTEND CONTRACTS VALUED LESS THAN \$500,000 PROCURED THROUGH CHAPTER 103D HAWAII REVISED STATUTES; EXCLUDING CONTRACTS PROCURED THROUGH CHAPTER 103D-303 HAWAII REVISED STATUTES: COMPETITIVE SEALED PROPOSALS; 2) DECLARE THESE CONTRACTS EXEMPT FROM THE PREPARATION OF AN ENVIRONMENTAL ASSESSMENT (EA) OR APPROVE AN ENVIRONMENTAL ASSESSMENT AND ISSUE A FINDING OF NO SIGNIFICANT IMPACT, IF APPROPRIATE .

BACKGROUND:

This submittal requests delegation of authority to the Chairperson to approve contracts procured through the Hawaii Public Procurement Code (Ch. 103D, Hawaii Revised Statutes). On May 14, 2004, a submittal for a broader delegation for all contracts was deferred by the Board, with minutes noting that the Board requested more information on the procurement process.

Under Chapter 171, Hawaii Revised Statutes (HRS), the Board is given the powers and functions granted to the heads of departments for activities such as entering contracts and may delegate those powers and duties to the Chairperson or employees of the Department. The contracting process involves multiple reviews and approval processes including the initial budgeting process, legislative appropriation, administrative release of funds, compliance with Chapter 343, HRS, certification of funds by the Comptroller, approval as to form by the Attorney General, and finally approval by the Chairperson. This submittal applies to all Divisions within DLNR.

Chapter 103D is the standard procurement code for the State which has provisions for ethical, competitive, and public source selection processes that are subject to audits and oversight. Currently, authorization to allow the Chairperson to sign is requested on a per-contract basis from the Board. The Department's Divisions and Offices enter into numerous contracts for goods and services, professional services, and construction. Contracts could include rental and

purchase of equipment and vehicles, purchase of supplies and materials, repairs and maintenance of facilities and equipment, and construction work. The procurement of these contracts are necessary to implement the natural and cultural resource management activities of the Department or to carry out administrative functions. This submittal requests that contracts under \$500,000 be delegated to the Chairperson to sign for procurements under Ch. 103D, excluding Ch. 103D-303. In effect, this would streamline the contracting process for procurements that are awarded based on the lowest bid.

This submittal does not delegate authority to procure contracts through Ch. 103D-303, HRS, competitive sealed proposals. A Request for Proposal (RFP) process involves basing an award on other evaluation factors in addition to price. These types of procurements are not included in this delegation because the Board may want to determine whether an award based on factors in addition to price is appropriate.

DISCUSSION:

Exhibit 1 is a list of recommended actions that have received Board approval to delegate authority to the Chairperson to approve contracts in calendar year 2016. Authorizing the Chairperson to review and approve contracts at the Department level will increase the efficiency and speed of the procurement process. This will also reduce the volume of routine procurement matters going to the Board.

The Chairperson, Divisions, and Offices would retain the discretion to continue to submit any contract for Board approval to keep the Board informed of program development or provide additional public forum for information and discussion on the project.

It is noted that certain contracts are not covered in the scope of this submittal because they implement programs that statutorily have different source selection processes that require Board approval. Some examples are the Legacy Land Conservation Program (Ch. 173D), the Natural Area Partnership Program (Ch. 195), and the Forest Stewardship Program (Ch. 195F).

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

All projects will comply with applicable provisions of HRS Chapter 343, and Title 11, Chapter 200, Hawaii Administrative Rules (HAR). We ask the Board to delegate to the Chairperson the authority to declare a project exempt from the preparation of an EA, or to approve an EA and issue a FONSI, for projects in which an EA was prepared and resulted in such findings. All projects for which an environmental impact statement (EIS) was prepared will be presented to the Board. Findings of no significant impact as well as declarations of exemptions are publicly disseminated by regularly scheduled filings to the Office of Environmental Quality Control.

RECOMMENDATION:

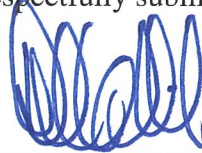
That the Board of Land and Natural Resources:

- 1) Delegate authority to the Chairperson to approve, sign, execute, amend, and extend contracts valued less than \$500,000 procured through Chapter 103D, Hawaii Revised

Statutes, excluding contracts procured through Chapter 103D-303 Hawaii Revised Statutes: competitive sealed proposals.

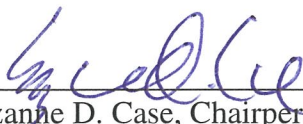
- 2) Delegate authority to the Chairperson to declare a project covered by this request exempt from the preparation of an EA or to approve an EA and issue a FONSI, if appropriate, and authorize the Chairperson to sign the necessary documents pertaining to the individual project to make such a declaration.

Respectfully submitted,



David G. Smith, Administrator
Division of Forestry and Wildlife

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson
Board of Land and Natural Resources

Attachment

Exhibit 1. Contracts that Sought Board Approval in Calendar Year 2016

| <u>Subject</u> | <u>Division</u> | <u>Date</u> | <u>Type</u> |
|---|----------------------------|-------------|-------------|
| <u>Delegation of Authority to the Chairperson to Approve, Procure and Enter Construction Contracts for Projects at Iao Valley State Monument to Remediate Conditions Caused by the Heavy Rainfall and Extensive Flooding on September 11-14, 2016.</u> | Engineering | 11/10/2016 | Ch. 103D |
| <u>Request Approval for Selection of the Competitive Sealed Proposal Process and Authorize the Chairperson to Award, Execute, and Extend Contracts for the Design, Development, Execution and Placement of 25 Large Environmental/Conservation Messaging Signs.</u> | DOFAW | 8/12/2016 | Ch. 103D |
| <u>Delegation of Authority to the Chairperson to: (1) Procure, Award and Enter Into Professional Service Consultant Contracts for Capital Improvement Program Projects Listed in Exhibit 1 or Projects Funded with Operating Funds Appropriated by the Legislature; (2) Declare a Construction Project Exempt from the Preparation of an Environmental Assessment or Approve an Environmental Assessment and Issue a Finding of No Significant Impact, if Appropriate; and (3) Approve, Procure and Enter Construction Contracts, for Capital Improvement Program Projects Listed in Exhibit 1 or Projects Funded with Operating Funds Appropriated by the Legislature. (see EXHIBIT 1)</u> | Engineering | 8/12/2016 | Ch. 103D |
| <u>Delegation of Authority to the Chairperson to Procure, Award and Enter Into Professional Service Consultant Contracts Not Exceeding \$1,000,000</u> | Engineering | 7/22/2016 | Ch. 103D |
| <u>Request Approval for Selection of the Competitive Sealed Proposal Process and Authorize the Chairperson to Award, Execute, and Extend Contracts for the Implementation of Watershed Management Plans Negotiated with Private Landowners for Fiscal Year 2017.</u> | DOFAW | 7/8/2016 | Ch. 103D |
| <u>Request for Authorization for the Chairperson to Solicit Bids, Award, Execute, Amend, and Extend a Contract(s) to Furnish and Deliver Fence Materials for Department of Land and Natural Resources, Division of Forestry and Wildlife.</u> | DOFAW | 4/8/2016 | Ch. 103D |
| <u>Request for Authorization for the Chairperson to Solicit Bids, Execute, Amend, and Extend a Contract for the Purchase of Compact Track Loader for Kawaiui Marsh Capital Improvement Project.</u> | DOFAW | 4/8/2016 | Ch. 103D |
| <u>Delegation of Authority to the Chairperson of the Board of Land and Natural Resources (Board) to Enter Into a Contract for Goods and Services with the University of Hawaii for the Purposes of Quantify Public Natural Resource Protection Values Attributable to Day Moorings Through Biological Monitoring, Before and After Installation of Moorings in Hilo Harbor.</u> | Boating & Ocean Recreation | 3/24/2016 | Ch. 103D |