

State of Hawai'i
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of State Parks
Honolulu, Hawai'i 96813

June 13, 2008

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

Subject: Request for Approval to Solicit and Award Concessions for Gift Shops, Vending Machines, and Mobile Food Operations in Selected State Parks

The Division of State Parks proposes to solicit and award concessions for gift shops, vending machines, and mobile food operations in the parks to provide visitor services and generate revenues for the state park system. Visitor surveys conducted in the parks by the Hawai'i Tourism Authority in 2003 and 2007 found that the majority of visitors are interested in having food and drink concessions available in the parks (Exhibit A). To address this visitor demand, an Invitation for Bids (IFB) was solicited in 2005 for vending machines and mobile food (lunchwagons) in all the parks where such amenities were feasible. Some parks were not included because they are too remote, lack the necessary infrastructure, are culturally sensitive, or these food and drinks services are already provided through other concession agreements.

Our assessment of these food and drink concessions over the past three years is that they have been successful in meeting visitor needs in parks with relatively high levels of visitation without creating a major impact to park resources. In a few locations, such as Ha'ena State Park on Kaua'i, community opposition resulted in the withdrawal of the park from the bidding. In the case of Nu'uaniu Pali State Wayside, the concession was terminated as inclement weather impacted the operation and cultural concerns were brought to the attention of State Parks. Two mobile food concessions were awarded at Diamond Head State Monument. The concession on the interior of the crater has done well, while the one on the exterior of the crater terminated their agreement due to insufficient sales. In general, vendor interest and response to the IFB for food concessions in the parks was limited in 2005, but these operations have proven to be successful in several park locations.

Vending machine concessions were awarded to Maui Soda and Ice and Pepsi Bottling for a one year period. The Board previously approved a request to enter into a Revocable Permit with Maui Soda & Ice. We are requesting the Board also approve a Revocable Permit for Pepsi Bottling Group of Hawaii at Diamond Head State Monument while State Parks prepares a new IFB for these services. State Parks will be considering options for recycling, such as reverse vending machines, as part of the new IFB.

ITEM E-1

The mobile food concessions were awarded for a three (3) year period and will be expiring in 2008. The concession agreement for Paradise Shrimp and Burger at Diamond Head State Monument, Oahu, expired 5/31/08, H & M Partners at Wailua River State Park, Sukhothai Corporation at Waimea Canyon, Kaua`a, along with Island Inspirations, Maui both will expire 9/31/08. As needed, these concessions will be retained on revocable permit in the interim while a new IFB is being developed.

At present, there is only one concession specifically for a gift shop and it is located at the Wailua Marina in Wailua River State Park on Kaua`i. Several gift shops are available in the parks through management lease agreements with non-profit organizations, such as Koke`e Museum on Kaua`i and He`eia State Park on O`ahu. State Parks does not receive any revenues from these operations with proceeds going to the non-profit organizations.

The IFB procedures allow for an open, public, sealed bid process in which all qualified bidders are bidding on the same goods and services. Agreements will be executed with the highest bidder for a three (3) year term for gift shop, vending machine, and mobile food concessions.

State Parks has developed a list of parks where gift shops, vending machines, and mobile food operations are feasible and where such concessions will provide desired visitor services without impacting park resources and the park setting (Exhibit B). In several parks where park facilities are available, gift shops, restaurants, and other food services will be solicited through the Request for Proposals process and will be awarded for a longer period of time.

RECOMMENDATIONS:

That the Board agrees to:

1. Approve the solicitation of bids and award of concessions through the IFB process for gift shops, vending machines, and mobile food operations in the parks.
2. Authorize the Chairperson to execute all relevant contract documents on behalf of the Board with approval as to form by the Attorney General's office; and
3. Authorize the Chairperson to issue revocable permits for the continuation of mobile food concessions and vending machines in the parks until the IFB process has been completed and a new contract executed. A Retro-active revocable permit will be issued to Curtis K. Hong dba Paradise Shrimp & Burger at Diamond Head SM; a revocable permit to Sukhothai Corp. at Waimea Canyon SP; a revocable permit to Island Inspirations at Makena SP and a revocable permit to Pepsi Bottling Group of Hawaii at Diamond Head State Monument for the interim.

Respectfully submitted,



DANIEL S. QUINN
State Parks Administrator

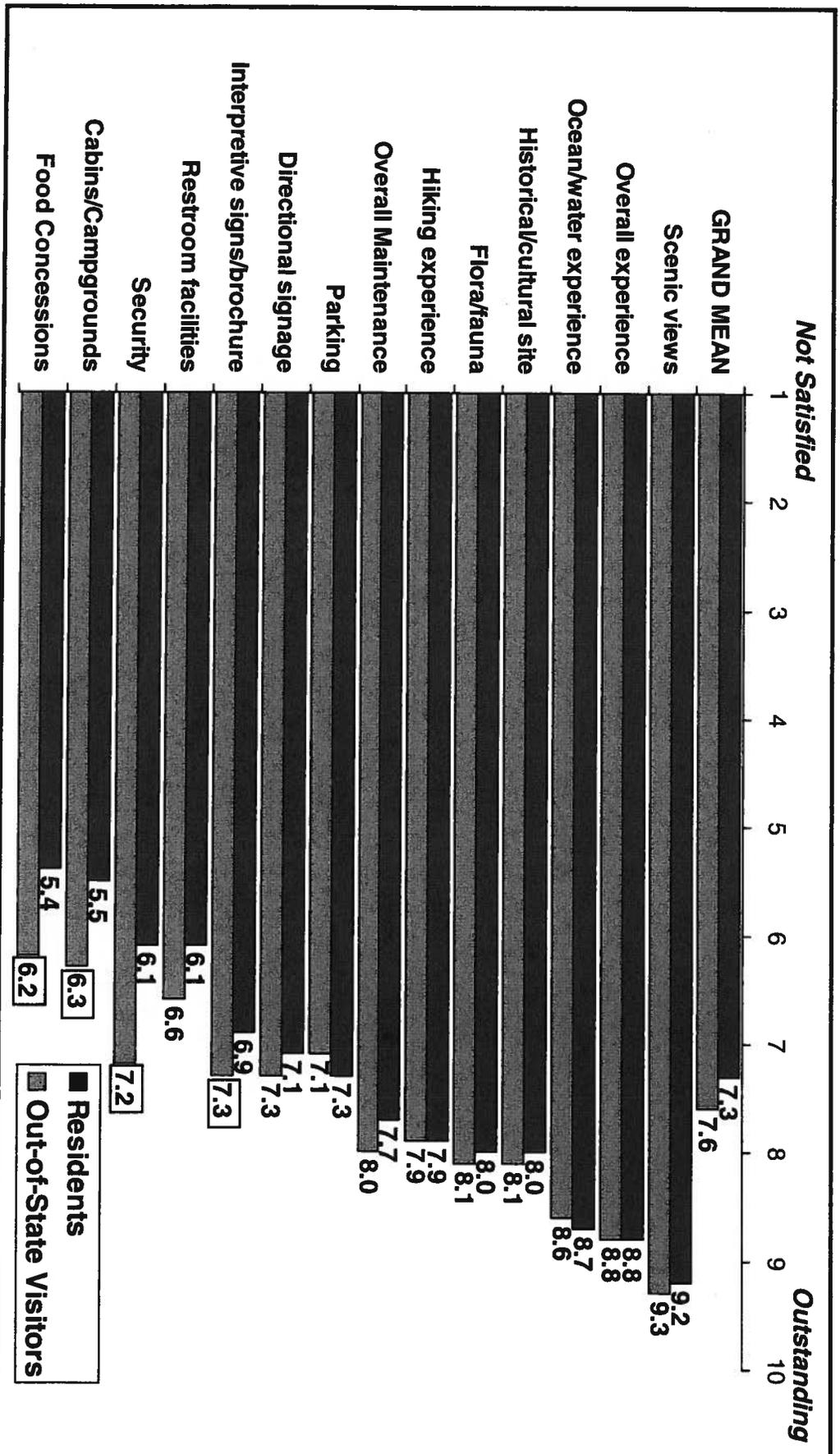
APPROVED FOR SUBMITTAL:



LAURA H. THIELEN, Chairperson

Attribute Satisfaction by Segment (2007)

Residents and visitors share similar perspectives on satisfaction, except for higher visitor satisfaction on interpretive signs, security, cabins and food.



Base: Residents (2,020); Visitors (5,625)

Q9: Thinking about your park experience today, on a scale of 1 to 10, with 10 being outstanding satisfaction and 1 being not satisfied at all, how satisfied were you with each of the following?

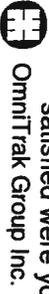


Exhibit "B"

Island of O`ahu	Mobile Food Concession	Vending Machines	Gift Shop
Aiea Bay State Recreation Area		x	
Ahupua`a O Kahana State Park	x	x (multiple)	
Diamond Head State Monument	x	x	x
*He`eia State Park		x	
Kaena Point State Park	x		
Keiwa Heiau State Recreation Area		x	
Malaekahana State Recreation Area	x	x	
Pu`u `Ualaka`a State Wayside		x	
Sand Island State Recreation Area	x	x (multiple)	
Wa`ahila Ridge State Recreation Area	x		
Wahiawa Freshwater State Park		x	
Island of Kauai	Mobile Food Concession	Vending Machines	Gift Shop
Polihale State Park		x	
*Koke`e State Park	x	x	x
Waimea State Recreational Pier	x	x	
Waimea Canyon State Park	x	x	
*Wailua River State Park		x	

Exhibit "B"

Island of O`ahu	Mobile Food Concession	Vending Machines	Gift Shop
Aiea Bay State Recreation Area		x	
Ahupua`a O Kahana State Park	x	x (multiple)	
Diamond Head State Monument	x	x	x
*He`eia State Park		x	
Kaena Point State Park	x		
Keaiwa Heiau State Recreation Area		x	
Malaekahana State Recreation Area	x	x	
Pu`u `Ualaka`a State Wayside		x	
Sand Island State Recreation Area	x	x (multiple)	
Wa`ahila Ridge State Recreation Area	x		
Wahiawa Freshwater State Park		x	
Island of Kauai	Mobile Food Concession	Vending Machines	Gift Shop
Polihale State Park		x	
*Koke`e State Park	x	x	x
Waimea State Recreational Pier	x	x	
Waimea Canyon State Park	x	x	
*Wailua River State Park		x	
Island of Maui	Mobile Food Concession	Vending Machines	Gift Shop
Kaumahina State Park	x		
Makena State Park	x		
Waianapanapa State Park	x	x	

Island of Hawai`i	Mobile Food Concession	Vending Machines	Gift Shop
Akaka Falls State Park	x		
*Hapuna Beach State Recreation Area		x (multiple)	
Kalopa State Recreation Area		x	
Kealahou Bay State Historical Park	x	x	
Wailoa River State Recreation Area	x	x (multiple)	x
Wailuku River State Park (Rainbow)		x (multiple)	
Manuka State Wayside		x	
Mauna Kea State Recreation Area	x	x	
Island of Molokai	Mobile Food Concession	Vending Machines	Gift Shop
Palaau State Park		x	