



# KAHIKINUI/NAKULA FOREST CARBON CERTIFICATION

REQUEST FOR PROPOSALS



# REQUEST FOR PROPOSALS

## FOR THE SELECTION OF A VOLUNTARY FOREST CARBON STANDARD FOR THE CERTIFICATION OF THE KAHIKINUI/NAKULA FOREST CARBON PROJECT

TAX MAP KEY: (2) 1-8-001:006 PORTION  
RFP NO. CARBON-19

January 11, 2019

### SUMMARY

The State of Hawaii (State) is pleased to announce a Request for Proposals (RFP) for the certification of the restoration of approximately 1,000 acres of former pasture lands located in the Kahikinui Forest Reserve and the Nakula Natural Area Reserve on the Island of Maui to a koa-dominated forest ecosystem. The RFP is open to all qualified bidders based on qualification criteria as detailed in the RFP. The Department of Land and Natural Resources, Division of Forestry and Wildlife (DOFAW) will evaluate all submitted proposals and manage any selected project(s).

Proposals must be received up to 4:30 pm (HST) on February 11, 2019 via email at

[Philipp.LaHaelaWalter@hawaii.gov](mailto:Philipp.LaHaelaWalter@hawaii.gov)

Or at the address below:

[DLNR Division of Forestry and Wildlife](#)

[1151 Punchbowl Street, Room 325](#)

[Honolulu, Hawaii 96813](#)

[Attn: Philipp LaHaela Walter](#)

**A digital or hard copy of the proposal must be delivered by the above deadline either to the identify email or at mailing address above; please account for routing delays when submitting via postal mail. Timely receipt of offers shall be evidenced by the date and time registered by the Division of Forestry and Wildlife.**

**If you intend to respond to this RFP, please register (provide contact person, organization name, and contact information) with the primary contact provided below by email or post.**

If you do not register, you may not receive notification of any amendments that may be made to this RFP, thus putting your proposal at risk for rejection. Registration does not signify a commitment to submit a proposal, but rather provides a process in which to notify interested Offerors of any changes to the RFP in a timely manner.

The primary contact for this RFP is:

Philipp LaHaela Walter, State Resource and Survey Forester

1151 Punchbowl Street, Room 325

Honolulu, HI 96813

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## **APPENDICES**

Appendix A. MAP OF PLANTING AREA WITHIN THE PROJECT AREA

Appendix B. GENERAL CONDITIONS (FORM AG 008)

## DEFINITION OF TERMS

“ <u>Agreement</u> ”	Binding legal arrangement between the Selectee and the State defining the rights and duties set forth for both parties regarding the forest carbon certification
“ <u>A/R</u> ”	Afforestation/Reforestation
“ <u>Board</u> ”	Board of Land and Natural Resources
“ <u>Carbon Credit</u> ”	Tradable certificate or permit representing the right to emit one metric ton of carbon dioxide or the mass of another greenhouse gas with a carbon dioxide equivalent (tCO <sub>2</sub> e) equal to one metric ton of carbon dioxide
“ <u>DLNR</u> ”	Department of Land and Natural Resources
“ <u>DOFAW</u> ”	Division of Forestry & Wildlife
“ <u>FR</u> ”	Forest Reserve
“ <u>NAR</u> ”	Natural Area Reserve
“ <u>HRS</u> ”	Hawaii Revised Statutes
“ <u>IFM</u> ”	Improved Forest Management
“ <u>Offeror</u> ”	Those interested parties who submit a proposal to the State of Hawaii that details their qualifications, economic plan, terms of the offer, and other necessary information as required by the RFP
“ <u>Permittee/Licensee</u> ”	The person or company holding the permit or license defining the land disposition for this project
“ <u>Proposal</u> ”	The formal document detailing the Offeror’s economic plan, terms of the offer, and other necessary information as required by the RFP
“ <u>RFP</u> ”	Request for Proposals
“ <u>ROD</u> ”	Rapid ‘Ōhi‘a Death
“ <u>Selectee</u> ”	The standard selected
“ <u>State</u> ”	The State of Hawaii or its authorized representative
“ <u>TMK</u> ”	Tax Map Key
“ <u>USGS</u> ”	United States Geological Survey

## 1 OBJECTIVE

The State’s principal purpose of this Request for Proposal (RFP) is to generate additional revenue for the Division of Forestry and Wildlife’s (DOFAW) forest management activities through the sale of certified carbon offsets from the reforestation of non-forested areas with native species.

## 2 BACKGROUND

The State of Hawaii has taken a leadership role in addressing the impacts that climate change has on our island communities and planet. The Hawaii State Legislature’s Aloha+ Challenge and Governor Ige’s Sustainable Hawaii Initiative, set several state level goals aimed at making Hawaii more sustainable, including but not limited to 100% renewable energy production by 2045, local food production, and most recently the transformation of Hawaii into a net carbon sink, have set the stage for Hawaii to address one of the world’s greatest challenges, climate change. Natural and working lands will play a crucial role in reaching the State’s climate goals through both reducing emissions and increasing sequestration. Incentivizing and measuring the success of such activities in a reliable and transparent manner will be essential for tracking and showcasing Hawaii’s progress, which can be achieved through the certification by a suitable carbon standard.

DOFAW is exploring options for new revenue streams, including those associated with ecosystem services to supplement funding of natural resource management activities provided by the over 800,000 acres of forests and other natural areas under its jurisdiction. Carbon sequestration (i.e.: the capture and long-term storage of atmospheric carbon dioxide to mitigate for global climate change) is an ecosystem service for which a market, for both compliance and voluntary carbon offsets, already exists. A forest carbon project directly contributes to several objectives in the Aloha+ Challenge specifically increasing the area of healthy forests, reversing the trend of natural resource loss, improving watershed protection, and restoring native species by 2030. Additionally, forest carbon projects can contribute to the State of Hawaii carbon neutrality goals by accounting for the uptake of carbon dioxide from the atmosphere by growing trees and forests.

Uncontrolled grazing largely eliminated the original native forest at the Kahikinui Forest Reserve (FR) and the Nakula Natural Area Reserve (NAR), which encompass an area of approximately 4,700 acres. A carbon assessment model developed by the U.S. Geological Survey (USGS), based on the Carbon Assessment of Hawaii<sup>1</sup>, predicts that reforesting Kahikinui FR and Nakula NAR (the “project area”) would withdraw an estimated 94,000 metric tons of carbon from the atmosphere. Over the past several years, DOFAW and partners have been actively reforesting Leeward Haleakala, including parts of the project area, for the purposes of restoring the native forest know to this area and to mitigate of climate change impacts through carbon sequestration. A native *Acacia koa*-ohia forest once dominated montane mesic forest of the region and provided important habitat for the federally listed Hawaiian Hoary bat and several native forest birds. Due to uncontrolled grazing animals (ungulates), the native forest has been largely eliminated across much of the landscape and replaced by fire adapted, non-native invasive grasses. DOFAW and its partners are working to convert this degraded grassland back to native forest to sequester carbon, reduce erosion, increase water supply recharge, re-establish endangered species habitat, and mitigate wildfire threats by removing fire adapted invasive plants, and planting native trees that

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<sup>1</sup> Selmants et al. (2017) Baseline and Projected Future Carbon Storage and Carbon Fluxes in Ecosystems of Hawaii

support many other natural and cultural benefits.

To date, DOFAW and partners have constructed 9.9 miles of ungulate proof fencing, removed 712 ungulates, created 50 acres of fuel breaks, and planted over 250,000 native seedlings. Current activities include continued planting of native seedlings across a minimum of 340 acres in the Kahikinui FR and 175 acres in the Nakula NAR. The Division is also installing and maintaining at least 7.3 miles of firebreaks throughout the area to protect against wildfires. Within both Kahikinui FR and Nakula NAR, DOFAW controls invasive weeds that would suppress the establishment of the native plants.

As approved by the Board of Land and Natural Resources, DLNR seeks the certification of the reforestation project operated by DOFAW under an established forest carbon standard at Kahikinui FR and Nakula NAR that ensures that the project meets international standards in carbon offset accounting and crediting, and enables the Department to participate in voluntary carbon offset markets. Pursuant to Chapter 103D Hawaii Revised Statutes, the Hawaii Public Procurement Code needs to be followed for the selection of this certification service.

## 2.1 Site Conditions and Existing Plantations

The project area encompasses a wide elevational gradient from 3,600 ft - 9,200 ft. Neighboring lands include areas managed by the Department of Hawaiian Homelands (DHHL) to the west, Haleakala National Park to the north and to the east, and state-owned lands leased for pasture to the south.

The FR and NAR are on the drier, leeward side of Haleakala Mountain. There is a dramatic elevation change (5,600 vertical feet in 2½ miles) and a corresponding change in moisture regimes (from the moist forest of the afternoon fog belt at the reserves' lower elevations up to the harsh dry desert conditions at the summit). These climatic differences result in a variety of native habitat types across a relatively small area. Koa (*Acacia koa*) dominated forest is prevalent on the western side of the reserves, while an ohia (*Metrosideros polymorpha*) forest persists to the east.

Average annual rainfall in the mid-elevation sections of Leeward Haleakala is 35–50 inches, with prevailing winds from the northeast. The temperature inversion, which fluctuates from 5,000–7,000 ft., results in cloud formation trapping warmer moist air with the area below the temperature inversion being substantially moister. Clouds at the inversion layer also result in increased moisture through fog drip, from moisture collecting on trees.

The surface geology of the area consists of lava flows from Haleakala Volcano, mostly Pleistocene in age (Kula Volcanic Series) with some Holocene (Hana Volcanic Series) in the southwest. A few cinder cones are also present. Lava tubes may be present in some areas.

Surface flow of water on the leeward slopes is minimal and generally restricted to short-duration flash events. There are no perennial streams within the study area and the large gulches that develop further downslope are dry most of the year.

The soils in the reserves are categorized as very stony; Puu Pa very stony silt loam, 7 to 40 percent slopes; and Cinder land. Soil erosion has been greatly accelerated by the presence of introduced ungulates, particularly cattle and goats and subsequent reduction of forest cover.

Appendix A shows the areas already planted, which may be included in the carbon accounting of the project.

### 3 PROPOSAL CONSIDERATIONS AND FORMAT

This section outlines considerations and the format that should be incorporated into proposals made in response to the RFP. Proposals that do not address the items mentioned below may be eliminated from further consideration.

#### 3.1 Point of Contact

Proposals shall designate a point of contact for the offeror and provide the corresponding name, physical and email addresses, and phone numbers.

#### 3.2 Transparency and Reliability

Summarize your standard's requirements regarding realness, permanence, verifiability and additionality of GHG sequestration, and how your standard ensures transparency and reliability of the certification process.

#### 3.3 Timing of Crediting

Include information and any relevant detail on the earliest carbon offset credits can be issued for projects. Please detail if credits can be issued for sequestration that is expected and that was sufficiently substantiated to be probable in the future (ex ante)?

#### 3.4 Minimum/Maximum Crediting Period

What is the minimum and maximum crediting period of your protocols for Afforestation/Reforestation (A/R) and Improve Forest Management (IFM) projects?

#### 3.5 Project Extension and Renewal

Briefly summarize the options of extending or renewing a project's crediting period.

#### 3.6 Certification Costs

Please compile a budget of anticipated costs for the certification process and list any additional fees and costs that could potentially apply. Please use the following hypothetical assumptions:

Total crediting period	100 years
Number of crediting period extensions	4
Total amount of offset credits issued	100,000

#### 3.7 Harvesting Restrictions

Briefly summarize the restrictions and/or requirements that your protocols may impose on harvesting forest products within the project area and term.

#### 3.8 Interval of Third-Party Verifications

What is the minimum and maximum period between third-party verifications?

#### 3.9 Species Restrictions

Briefly summarize any restrictions your protocols may impose on the plant species included in the project.

### 3.10 Average Price per Credit in 2018

What is the average price per voluntary forest carbon credit certified by your standard in 2018?

### 3.11 Adding New Areas to Existing Certification

The ongoing forest restoration project is part of the Leeward Haleakala Watershed Restoration Partnership (LHWRP), a voluntary watershed protection alliance of 11 private and public landowners and supporting agencies that encompasses 43,000 contiguous acres on the leeward slopes of Haleakala. There is great potential for adding other areas of the LHWRP to the existing project area. DLNR is interested in the opportunity of adding new project areas to the certification achieved for the Kahikinui/Nakula Forest Carbon project.

Briefly summarize any options your protocols may provide to add new project areas to an existing certification.

### 3.12 Management Plan Modifications

Briefly summarize any restrictions your protocols may impose on modifying the management plan of a project during the crediting period.

### 3.13 Certification of Additional Project Benefits

Briefly summarize any options your standard may provide to certify additional project benefits such as increase in freshwater recharge, biodiversity protection, soil protection, job creation, economic impact, etc.

### 3.14 Local Consultants for On-Site Project Verification

Provide details on local consultants currently accredited to act as the third-party verification body for your standard (if any) and/or on the requirements and costs for local entities to become accredited.

### 3.15 Offset Project Registry for California (CA) Cap-and-Trade

Is your registry a listed Offset Project Registry approved by the California Air Resource Board?

### 3.16 Awards

Please list any awards your standard may have won and provide weblinks to such announcements if available.

### 3.17 Markets for Aviation Emission Offsets

Describe your standard's strategy and actions (if any) in making your offset credits eligible for the aviation emissions offset markets currently developed by the International Air Transportation Association and by the International Civil Aviation Organization.

### 3.18 Buyers Network

Briefly summarize the network of potential offset buyers your standard maintains. If possible, please state the total number of buyers that bought credits certified by your standard.



### 3.19 Forest Project Types

Please list the forest project types accepted by your standard such as A/R, IFM, avoided forest degradation, and avoided conversion.

### 3.20 Allometric, Growth and Yield Data

In 2015, the USDA Forest Service Forest Inventory and Analysis program completed its first statewide forest inventory and made the inventory data [available online](#). However, data on growth and yield and allometric equations of species likely to be involved in forest carbon projects located in Hawaii is limited.

Briefly describe the data necessary for the certification of A/R and IFM projects under your standard and how the issue of limited data availability would be addressed.

### 3.21 Belowground Carbon

Briefly summarize if and how your standard allows for the certification of belowground carbon including belowground biomass and soil organic carbon.

### 3.22 Urban Forests

Does your standard provide a protocol(s) to certify carbon certification of urban trees?

### 3.23 Smallholder Projects

66% of Hawaii's forests are owned by private landowners of which 40% of total acres of private forest land are held in 1000 acres landholdings or less, 30% of those lands are less than 500 acres. The forest carbon certification is often cost-prohibitive for such landholdings.

Briefly summarize any opportunities of cost-effective certification your standard may offer or develop for small-scale projects.

## 4 SUBMISSION REQUIREMENTS

### 4.1 General Procedures and Submission Deadline

An electronic copy of the proposal shall be submitted via email to DOFAW by February 11, 2019 at 4:30pm (HST), or as amended, as evidenced by the electronic time stamp of the email or time clock in the DOFAW office. The email or hard copy submission shall include a transmittal text/cover letter by the Offeror. The transmittal email text should specify a point of contact, title of the proposal, and company/entity.

The subject of the email shall state the following: "**Kahikinui/Nakula Forest Carbon Certification RFP, Proposal Enclosed**." All correspondence and submittals relating to this RFP shall be made to the email or office address provided below. Only written responses to requests regarding this RFP shall be considered official. It is the responsibility of the Offeror to ensure that all required submittals are received on time.

Via email: [Philipp.LaHaelaWalter@hawaii.gov](mailto:Philipp.LaHaelaWalter@hawaii.gov)

Via postal mail: DLNR Division of Forestry and Wildlife  
1151 Punchbowl Street, Room 325  
Honolulu, Hawaii 96813  
Attn: Philipp LaHaela Walter

#### 4.2 Questions Regarding the RFP

Offerors may request clarification or interpretation of any aspect of the RFP in writing up to fifteen (15) calendar days prior to the proposal due date. Such written request shall be made at the email address designated in Section 4.1.

#### 4.3 Modification or Withdrawal of Proposals

A modification of a proposal already received will be accepted by the State only if the modification is received prior to the proposal due date or is made via addendum issued by the State. All modifications shall be made in writing and submitted in the same form and manner as the original proposal.

An Offeror may withdraw a proposal already received prior to the proposal due date by submitting to the State a written request for withdrawal. This provision for modifications and withdrawals of proposals may not be utilized by an Offeror to submit a late proposal and, as such, will not alter the State's right to reject a proposal.

## **5 SELECTION PROCESS AND CRITERIA**

This section describes the selection process and outlines the criteria to be used in the selection process.

#### 5.1 Evaluation Committee

DOFAW Evaluation Committee will evaluate all proposals for completeness, determine the acceptability of proposals for other comparative evaluation, and recommend the selection of a proposal(s), if any. The Evaluation Committee may be assisted by other staff that could include officers, employees, and agents of the State of Hawaii.

#### 5.2 Opening of Proposals and Confidentiality of the Evaluation Process

Proposals will not be publicly opened. Only the members of the Evaluation Committee or State Personnel having legitimate interest in the RFP will be provided access to the proposals and evaluation results during the evaluation period. All proposals, evaluation worksheet and subsequent Best and Final Offer, if any, and including documentation, correspondence and meetings, will be kept confidential until after the contract is awarded. All proposals will be made public only after the review and selection process is completed.

#### 5.3 Compliance with Minimum Criteria

Proposals will be reviewed for conformance with the instructions and requirements of the RFP. The proposals shall be classified initially as acceptable, potentially acceptable, or unacceptable. All responsible Offerors who submit acceptable or potentially acceptable proposals are eligible for a priority list. Discussions will be limited to only "priority-listed" offerors. The objective of these

discussions is to clarify issues regarding the Offeror's proposal. Following the final determination of the acceptability of the proposals in relation to the minimum criteria, all priority list Offerors shall be notified in writing as to the Evaluation Committee's determination on whether their proposal has been accepted for evaluation.

#### 5.4 Acceptance/Rejection of Proposals

The State reserves the right to reject any or all proposals, to undertake discussions with one or more Offerors, and to accept that proposal or a modified proposal which, in its judgment, will be most advantageous to the State and the selection criteria considered. The State also reserves the right to waive any defects in any proposal.

#### 5.5 Method of Award

The Evaluation Committee will review all proposals that meet the submission requirements listed in Section 4.1 and rank them according to the comparative criteria evaluation listed in Section 6. The Evaluation Committee will then enter into discussions with the Offeror that submitted the highest ranked proposal(s) to verify and clarify said proposal(s) and to discuss the final terms and conditions of the Agreement to be presented to the Board for approval. The Evaluation Committee reserves the right to meet with the Offeror(s) to discuss the terms and conditions of their proposals during this evaluation period. The DLNR Chairperson will award, if any, one or more proposals at the end of the evaluation period.

#### 5.6 Notification

All Offerors will be notified of award determinations via email. A Notice of Award will also be posted on the [Hawaii Awards and Notices Data System](#). If receiving an award letter, please note that this letter does NOT constitute a Notice to Proceed. **If proprietary data or information is included in the proposals, please include the appropriate sections in a part separate from the main document and identify it with a label stating, "Proprietary Information".** Unless identified as "Proprietary Information," please note that your proposal and contract become public documents and are available for public inspection once awards are posted. Additionally, all photos developed/used/submitted for the RFP become property of DLNR. Once an Agreement is executed, DOFAW will issue a Notice to Proceed.

#### 5.7 Debriefing

For those non-selected proposals, a debriefing to inform Offerors of the basis for the Offeror's score and non-selection can be provided upon request. A written request for a debriefing to primary contact must be made within three (3) working days after the posting of the Notice of Award.

#### 5.8 Protest

A protest shall be submitted in writing within five (5) working days after the aggrieved person knows or should have known of the facts giving rise thereto. Further, a protest of award or proposed award shall be submitted within five (5) working days after a debriefing has taken place. Any protests shall be submitted in writing to the Chairperson of the Department of Land and Natural Resources, 1151 Punchbowl Street, Honolulu, Hawaii 96813.

#### 5.9 Vested Rights

The award to an Offeror made pursuant to the RFP source selection method, does not confer any

vested rights on that Offeror. These rights will be delineated in the agreement, which the State and the successful Offeror will determine after the proposal has been awarded.

## **6 COMPARATIVE CRITERIA EVALUATION**

This section presents the criteria to be used in the comparative proposal evaluation process as outlined in Section 5 and the relative weight/significance assigned to each criterion. Each proposal will be evaluated in relation to its conformance with the weighted criteria (totaling 100%).

### **6.1 Rigor, Transparency and Reliability (25%)**

High level of rigor, transparency and reliability, recognition (e.g., through awards).

### **6.2 Financial Analysis and Market Size (40%)**

Early crediting, low certification costs, long interval of third-party verifications, comparatively high average price per credit in 2018, option available to add new areas to existing certification, opportunities to certify additional project benefits, access to aviation emission offset markets, large network of potential buyers, option available to account for belowground carbon.

### **6.3 Flexibility (15%)**

High flexibility of crediting period, project extension and renewal options, harvesting restrictions and/or requirements, species restrictions, requirements for management plan modifications, possible forest project types, and high flexibility of carbon modelling and accounting.

### **6.4 Strategic Considerations (20%)**

Offset project registry for CA cap-and-trade program, opportunities for local consultants to provide verification services, option to certify urban forests, affordability for smallholder projects.

## **7 SCHEDULE**

This schedule may be adjusted or amended due to unforeseen circumstances.

<b><u>Date</u></b>	<b><u>Milestone</u></b>
January 11, 2019	Begin publishing RFP
January 28, 2019	Last day for RFP clarifications
February 11, 2019	Deadline for Receipt of Proposals
After proposal opening	Complete Evaluation of Proposals and Award Notice
After Award Notice	Begin of Certification Process