

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of Forestry and Wildlife  
Honolulu, Hawaii 96813

February 26, 2016

Chairperson and Members  
Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Land Board Members:

**SUBJECT:** REQUEST FOR APPROVAL TO ENTER INTO A 2-YEAR CONTRACT WITH THE ZOOLOGICAL SOCIETY OF SAN DIEGO TO PROVIDE SERVICES TO OPERATE THE ENDANGERED BIRD CAPTIVE PROPAGATION FACILITY ON MAUI, THE MAUI BIRD CONSERVATION CENTER, AND TO PROVIDE EXPERT AVICULTURAL SERVICES TO CONDUCT RELATED FOREST BIRD PROPAGATION PROJECTS AT THE KEAUHOU BIRD CONSERVATION CENTER ON THE ISLAND OF HAWAII AND THROUGHOUT THE STATE.

AND

REQUEST APPROVAL OF DECLARATION OF EXEMPTION TO CHAPTER 343, HRS ENVIRONMENTAL COMPLIANCE REQUIREMENTS FOR THE PROJECT.

This Board Submittal approves continuing a contractual relationship for operation of the Captive Propagation Program with the Zoological Society of San Diego for an additional two years, including the construction of needed infrastructure, and authorizes the Chairperson to enter into a contract for these services, subject to the necessary procurement approvals.

**BACKGROUND:**

In 1996, the Division approached the Board to obtain permission to outsource aspects of the State's Captive Propagation Program. This was viewed as advantageous as it enabled the hiring of experts to operate the program thus providing a high level of expertise at a reasonable cost. It also allowed DOFAW to focus its limited resources on management and restoration of habitat on the 800,000 acres of state lands that the Division manages, and on other essential recovery actions for endangered species. The US Fish and Wildlife Service, a key Partner in our endangered bird recovery efforts, had recently entered into a contract with The Peregrine Fund, Inc. (TPF) to operate a newly developed captive propagation facility on the island of Hawaii.

This presented the opportunity to consolidate both facilities under one manager -- thus integrating captive propagation and reintroduction programs in Hawaii. The Board approved the privatization of the captive propagation program with TPF in March 1996, issued a 20-year lease on the State's facilities at Olinda, and began a series of contracts to operate the State's program that has continued through Fiscal Year 2016.

In October of 1999, TPF notified the Department and the US Fish and Wildlife Service of their desire to transition their operational role to another entity, and recommended the Zoological Society of San Diego (ZSSD). Key to the recommendation of ZSSD was an ongoing collaboration between these institutions that would facilitate a smooth transition without a change in the operational management staff. The Board took the following actions to address that transition.

### PRIOR BOARD ACTIONS

1. August 27, 1999. The Board approved TPF FY00 Contract with provisions for an option to subcontract or assign the contract. The Board also asked the Department to address public concerns for more information and openness in the program.
2. December 10, 1999. The Board approved the assignment of TPF's FY00 contract obligations and liabilities to ZSSD. The Board also approved that the Department develop a transition plan for operation of the facilities that meets all federal and state procurement standards. The Department reported on the Partnership's commitment to provide more information to the public via outreach efforts, obtain input on Annual and Five-Year Workplans, provide for responsible data sharing, and the formation of a Veterinary Advisory Group.
3. June 9, 2000. The Division reported on the transition plan that included a letter of inquiry to 30 zoos. Only ZSSD responded that they were willing and able to run the program at that time. The Board authorized the Division to begin a sole source contract process for the ZSSD to operate the Maui facility for FY01 and FY02 and to transfer the lease from TPF to ZSSD.
4. November 17, 2000. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii and conduct related forest bird propagation projects throughout the State.
5. August 23, 2002. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii and conduct related forest bird propagation projects throughout the State. The purchase of these services was approved as an Exempt Purchase by the Chief Procurement Officer on 6/19/02 (Exempt Purchase Approval No. 02-55-J).
6. May 14, 2004. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii and conduct related forest bird propagation projects throughout the State. The purchase of these services was approved as an Exempt Purchase by the Chief Procurement Officer on 6/16/04 (Exempt Purchase Approval No. 02-55-J).
7. May 26, 2006. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii and conduct related forest bird propagation projects throughout the State.

8. June 23, 2006. The Board approved an amendment to the above contract that would provide additional funds to build a captive Maui Parrotbill flock. The purchase of these services was approved as an Exempt Purchase by the Chief Procurement Officer on 8/09/06 (Exempt Purchase Approval No. 07-009-J).
9. June 13, 2008. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii and conduct related forest bird propagation projects throughout the State. The purchase of these services was approved as an Exempt Purchase by the Chief Procurement Officer on 6/19/08 (Exempt Purchase Approval No. 09-036-C).
10. May 13, 2010. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii and conduct related forest bird propagation projects throughout the State. The purchase of these services was approved as an Exempt Purchase by the Chief Procurement Officer on 2/25/10 (Exempt Purchase Approval No. 10-057-D).
11. February 3, 2012. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii and conduct related forest bird propagation projects throughout the State. The purchase of these services was approved as an Exempt Purchase by the Chief Procurement Officer on 6/18/2012 (Exempt Purchase Approval No. 12-097-D).
12. May 9, 2014. The Board approved a 2-year contract with ZSSD to provide services to operate the endangered bird captive propagation facilities on Maui and the island of Hawaii and conduct related forest bird propagation projects throughout the State. The purchase of these services was approved as an Exempt Purchase by the Chief Procurement Officer on 5/20/2014 (Exempt Purchase Approval PE13-0805).

### CONTRACT PROVISIONS

The proposed contract will provide \$1,026,286 of federal funds (\$515,000 in FY17 and \$511,286 in FY18) to the Zoological Society of San Diego to provide services to operate the State-leased captive propagation facilities on Maui and to provide expert avicultural services to conduct related forest bird propagation projects at the Keauhou Bird Conservation Center, Volcano and throughout the State (Attachment A). This contract will be effective for the period July 1, 2016 to June 30, 2018. The \$1,026,286 is composed primarily of Federal funding provided to the state through a grant from the U.S. Fish and Wildlife Service. The Zoological Society of San Diego will provide an estimated \$342,096 of private funds or in-kind services to meet the State matching requirement for these Federal funds. Entering into the contract and continuing the contract for Year 2 (FY18) will be contingent on continued receipt of Federal grants and availability of Federal funds for this project.

The major activities planned for the program will be to continue to develop and implement successful captive propagation and reintroduction programs for Alala, Maui Parrotbill, Palila, Akikiki and Akekee, as agreed to through the Hawaii Endangered Bird Conservation Program. The Zoological Society of San Diego will provide personnel, goods and services to operate and maintain the Maui facilities as an integrated program with the Hawai'i facilities; provide care and breeding of captive endangered birds; assist in collection and release of forest birds; administer the program; and provide annual progress and financial reports by November 15, 2016 and 2017. The scope of work implements the next two years of the jointly developed

captive propagation work plan.

Upon approval by the Board, the Division will process a procurement exemption request for the purchase of these services from The Zoological Society of San Diego, negotiate the terms and conditions of the contract based on the parameters discussed above, submit the contract for review and approval as to form by the Attorney General, and process the document for signature by the Chairperson.

**CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:**

In accordance with the requirements of Chapter 343, HRS, Hawaii Administrative Rule Section 11-200-8(6), the Exemption List for the Division of Forestry and Wildlife, Department of Land and Natural Resources as reviewed and concurred upon by the Environmental Council on June 12, 2008, and the Exemption List for the Department of Land and Natural Resources as reviewed and concurred upon by the Environmental Council on December 4, 1991 (Docket No. 91-EX-2), the subject project is exempt from the preparation of an environmental assessment pursuant to the following exemption classes:

From the DOFAW Exemption List:

Exemption Class 1, “Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing.”

Refer to attached Exemption Notification labeled Exhibit A.

**RECOMMENDATIONS:**

That the Board:

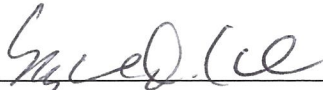
- 1) Declare that, after considering the potential effects of the proposed project as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
- 2) Delegates authority to the Chairperson to negotiate and execute a Contract for Services for two years in the amount not to exceed \$1,026,286 with the Zoological Society of San Diego subject to:
  - a) The receipt of Federal grants and availability of Federal funds for the contract,
  - b) The approval by the Chief Procurement Officer of this as an exempt purchase,
  - c) Approval as to form by the Attorney General's Office.

Respectfully submitted,



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SHERI S. MANN, Acting Administrator  
Division of Forestry and Wildlife

APPROVED FOR SUBMITTAL:



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SUZANNE D. CASE, Chairperson  
Board of Land and Natural Resources

SAN DIEGO ZOO  
INSTITUTE FOR  
CONSERVATION  
RESEARCH

February 8, 2016

P.O. Box 39  
Volcano, HI 96785

John Vetter  
Division of Forestry and Wildlife  
1151 Punchbowl Street  
Honolulu, HI 96813

Dear Mr. Vetter,

We respectfully submit the enclosed budget for the Division of Forestry and Wildlife's collaboration in the Hawaii Endangered Bird Conservation Program for Fiscal Years 2017 and 2018 for your review. This budget will support the activities of the Hawaii Endangered Bird Conservation Program (HEBCP), primarily through the operations of the Maui Bird Conservation Center (MBCC), and including the Keauhou Bird Conservation Center (KBCC) and other related projects.

Since the previous budget was submitted in May 2014 for Fiscal Years 2015 and 2016, the following notable changes have occurred with the operation of the HEBCP:

- 1) The captive 'Alalā population has increased to 114 birds, and annual releases of this species into the wild will begin in September 2016. The successful establishment of 'Alalā in the wild will require the production of as many birds as possible by the HEBCP in captivity.
- 2) The establishment of a captive population of 'Akikiki and 'Akeke'e has been initiated to prevent their imminent extinction in the wild. As of January 2016, 12 'Akikiki and 1 'Akeke'e founders are being housed in captivity. Population modeling indicates that a founder population of at least 50 birds of each species and a significantly larger captive population will be required to ensure the long-term viability of captive populations.
- 3) The HEBCP produced nine Palila fledglings in 2014, and a record 14 fledglings in 2015.
- 4) The addition of one wild female Kiwikiu to the captive flock, in an effort to produce additional offspring for release.

Key activities relating to bird recovery programs proposed for the HEBCP in Fiscal Years 2017 and 2018 include, but are not limited to:

**'Alalā:**

- Maximize captive propagation particularly for the reintroduction of birds into the wild.
- Ensure adequate aviary space is available for the health and safety of captive individuals.
- Conduct annual releases of 'Alalā into the wild beginning in Fall 2016.

**'Akikiki and 'Akeke'e:**

- Continue to collect wild eggs from the Alakai Wilderness Preserve to initiate a captive population.
- Refine and develop methods and protocols for the incubation, hand-rearing, captive husbandry, and breeding of 'Akikiki and 'Akeke'e.

**Kiwikiu:**

- Continue captive propagation of Kiwikiu for the purposes of releasing captive birds into the wild and subsequent closing the captive breeding program in Fall 2017.

**Palila:**

- Continue captive propagation of Palila for the purposes of releasing birds into the wild.
- Conduct releases of Palila into the wild to enhance on-going *in-situ* habitat restoration efforts, following productive breeding seasons in 2014 and 2015.

**Increase funding for HEBCP labor expenses:**

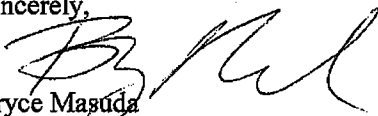
An increase in labor is crucial for the continued success of the HEBCP. In recent years, salaries, operating expenses, and the number of birds in captivity have all increased, while funding from DOFAW and USFWS has remained constant. This lack of funding has made it difficult to attract qualified staff with a reasonable wage.

**Other major activities:**

- Continue to maintain aging facilities and infrastructure to a high standard, and to refurbish aviaries to hold additional birds.
- Continue to operate volunteer internship program, to providing volunteer labor, train aspiring bird biologists and zoo-keepers, and educate the local community about forest bird recovery efforts.
- The Veterinary Department and Wildlife Disease Labs of the San Diego Zoo Global will continue to provide significant in-kind contributions for veterinary care, clinical pathology services and necropsies to the HEBCP. Only \$25,000 per year is charged to the HEBCP for these services, despite actual expenses for these services being much greater.
- At no cost to DOFAW, Alala #33 Kinohi will be maintained at the SDZSP vet hospital for the purpose of reproductive research / semen collection.
- At no cost to DOFAW, reproductive tissues will continue to be harvested whenever possible from all dead forest birds sent for necropsy and banked in the Frozen Zoo.
- At no cost to DOFAW, the Genetics Division of the SDZICR will continue to initiate and culture fibroblast cell lines from birds sent for necropsy, for long-term maintenance in the Frozen Zoo, which has been identified as a major goal for USFWS. Also at no cost to DOFAW, the Genetics Division will determine the sex of all birds in the HEBCP.
- In collaboration with DOFAW and USFWS, seek funding for the construction of additional 'Alalā breeding aviaries. Four 'Alalā breeding aviaries at MBCC, housing a total of eight birds, will need to be condemned in January 2018 due to human and bird health and safety concerns of the aging structures, as per IACUC.
- Continue to obtain funding and in-kind support from San Diego Zoo Global, various Foundations, and private donors. In September 2015, SDZG committed \$72,000 towards infrastructure repairs mandated by IACUC. In 2015, the HEBCP received over \$112,000 from seven different Foundations, as well as significant in-kind support from the community.

Thank you, as always, for DOFAW's long-standing collaboration in the HEBCP and its important role in the recovery of the Hawaiian avifauna.

Sincerely,



Bryce Masuda

Conservation Program Manager, Hawaii Endangered Bird Conservation Program



## Budget Summary, Fiscal Years 2017 and 2018

### Hawaii Endangered Bird Conservation Program, San Diego Zoo Institute for Conservation Research

Annual Budget for FYs 2017 and 2018 submitted to the State of Hawai'i Division of Forestry and Wildlife

**FY17: July 1, 2016 - June 30, 2017 = \$515,000**

**FY18: July 1, 2017 - June 30, 2018 = \$511,286**

**Total contract amount, two years = \$1,026,286**

#### Operating Budget (per annum)

Expense category		Brief explanation	FY 2017	FY 2018
a.	Personnel	Wages/direct labor	\$242,700	\$249,981
b.	Benefits	~55% in addition to wages/direct labor	\$133,485	\$137,490
c.	Travel	Includes travel, intern stipend, and fuel	\$32,915	\$32,915
d.	Equipment	Includes tools and small equipment, and repair and maintenance of equipment	\$15,250	\$15,250
e.	Supplies	Includes operating supplies, forage, and office supplies	\$39,700	\$39,700
f.	Contractual		\$0	\$0
g.	Construction	Includes repair and maintenance of buildings and enclosures. For FY 2017, includes \$15,000 to renovate 'Alalā aviaries for spare capacity for captive and wild quarantined birds. (As of January 2016, there is no spare aviary capacity for 'Alalā that need to be separated due to fighting, illness, etc).	\$19,450	\$4,450
h.	Other	Includes rental expense, insurance, utilities expense, postage & mailing	\$31,500	\$31,500
<b>TOTAL</b>			<b>\$515,000</b>	<b>\$511,286</b>
<b>Match required by contractor (1:3) per year</b>			<b>\$171,667</b>	<b>\$170,429</b>
<b>DOFAW grant plus SDZG match for 2-year contract</b>			<b>\$1,368,382</b>	



## Budget Summary Explanation, Fiscal Years 2017 and 2018

### Hawaii Endangered Bird Conservation Program, San Diego Zoo Institute for Conservation Research

Annual Budget for FYs 17 & 18 submitted to the State of Hawai'i Division of Forestry and Wildlife

FY17: July 1, 2016 - June 30, 2017 = \$515,000

FY18: July 1, 2017 - June 30, 2018 = \$511,286

Total contract amount, two years = \$1,026,286

#### Personnel and Benefits

These expenses cover all labor and benefits for personnel whose activities benefit the Hawai'i Endangered Bird Conservation Program and include wages/direct labor, holiday/vacation and sick pay, payroll taxes, health and welfare expenses, worker's compensation, pension, and department labor transfers. The locations of these activities include the Keauhou Bird Conservation Center (KBCC), Maui Bird Conservation Center (MBCC), and other field projects and associated activities in Hawaii and San Diego.

#### Travel

Includes costs of business travel, including interisland travel between projects, conferences, meetings, administrative activities, professional training, bird releases and field activities, and parking. These activities primarily take place within Hawaii, as well as between Hawaii and San Diego. Travel also includes the notable expenses of gasoline for vehicles and stipend allowances for volunteer interns. The expense of volunteer intern stipends is approximately 10% of the equivalent cost of the full-time staff labor (including benefits) that would be required to satisfy the labor requirement.

#### Equipment

**Small tools and equipment:** Includes all tools and equipment likely to last over one year, required at the KBCC, MBCC, and other field projects for building and aviary repair and maintenance, enclosure repairs, grounds repair and maintenance, irrigation supplies and maintenance, lab equipment including brooders and incubators, feeding equipment, scales, computer equipment, construction tools and supplies, landscaping tools, erosion control, fence materials and repair, plumbing materials, field gear including radios, receivers, and antennae.

**Repair and maintenance of equipment:** Includes all repair and maintenance at the KBCC, MBCC, and other field projects for generators, incubators, brooders, scales, DVR time-lapse camera and monitor systems, radio receivers, transmitters, washing machines, dryers, dishwashers, computers, copy machines, UV water sterilizers, UV room sterilizers, pumps and filters, as well as all vehicles (trucks, cars, tractors, scooters, and utility equipment) and associated maintenance such as tune-ups, oil changes, repairs and tires.

#### Replacement and addition of vehicles

Although we do not have plans to replace a vehicle, replacements may be required if aging vehicles begin to fail.

#### Supplies

**Operating supplies and office supplies:** Includes partial sundry office supplies, sundry office supplies, audio visual supplies, computer and copier supplies (toner, cartridges, hard drives, etc.), veterinary supplies and pharmaceuticals (drugs, bandages, slides, slips, disinfectants, stains, sterilizing agents, etc.), enclosure supplies (hoses, nozzles, racks, screens, paint, fixtures, hardware, ladders, lumber, etc.), bird

care supplies (cups, perches, bands, clips, etc.), feeding supplies (forceps, scissors, mixers, mashers, choppers, heaters), maintenance supplies (water filters, light bulbs, batteries, hepa filters, neon tubes, etc), insect rearing supplies (jars, racks, lids, etc.), egg collection supplies (thermoses, transport brooders, ropes, ladders, etc.), brooder-hatcher-incubator supplies (wafers, bulbs, elements, racks, fuses, fans, thermostats, thermometers, etc), grounds maintenance (hoses, insecticides, fungicides, herbicides, sprayers, belts, gardening tools, fencing), field gear (back packs, tents, plastic-ware, water filters, sleeping bags, cook stoves, etc.) and etc.

**Forage:** All bird food to include fruit, softbill pellets and other proprietary food items, eggs, fresh vegetables, frozen rodents, live insects and their feed (cricket meal, honey, glycerin, oatmeal flakes), nutritional supplements (vitamins, minerals and tonics), and pedialyte (for chick-rearing).

### **Construction**

**Repair and maintenance – buildings and enclosures:** Includes aviary repairs, either in-house or contracting external builders for more significant work. This also includes all costs to maintain and mosquito- and rat-proof aviaries. It should be noted that many aviaries at KBCC and MBCC are over 10 years old and are beginning to show significant need of repair and renovation.

### **Other**

**Dues, fees, memberships and books:** Subscriptions to professional journals, bulletins and newsletters appropriate for programmatic activities, fees for conferences, meetings, symposia and organizational participants, books and printed materials for programmatic activities, *relocation/moving expenses, continuing education, permits and licenses, and bank charges.*

**Professional fees:** Includes laboratory fees for fecal, blood and cell examinations and evaluations, sex determination (performed in laboratories outside the San Diego Zoo), water quality evaluations, security services, *waste and recycling*, copier service agreement fees, *consultants and service fees* (e.g. veterinary specialists required to evaluate extra-ordinary non-critical care events such as ophthalmic examinations and interpretations).

**Rental expense:** Includes costs for rental and license agreement of property and facilities, vehicle rentals, equipment rental and helicopter rental for transporting birds, personnel, supplies and construction materials to remote locations (i.e. Alaka'i).

**Insurance:** Includes insurance costs to cover vehicles, liability, structures and contents in Hawaii and in the Mariana Islands.

**Utilities expense:** Covers all services at the KBCC, MBCC, and other field projects including electricity, *water expense*, gas (natural and LP), internet, sewage, and *telephone.*

**Postage and mailing:** Covers all postage for the KBCC, MBCC, and other field projects, including the costs of sending pathology samples and carcasses to the San Diego Zoo. Includes stamps, shipping, *freight out*, and document handling.

**Meeting Expense:** Covers the minor costs of room rentals, food and liquid refreshments, meeting meals and food costs, hand-out materials, set-ups and speakers expenses – all directly relating to the goals of the HEBCP.

Note: italics indicates categories used by SDZG Finance Dept.