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PROCUREMENT OFFICE
HAWAII

STATE PROCUREMENT OFFICE NOTICE OF AND REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

- 1. TO: Chief Procurement Officer
- 2. FROM: DOH/Director's Office/**Communications Office**

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:
 Monthly advertising space for bus signs in City & County full fleet of buses on Oahu.

4. Name of Vendor: Ad Walls, LLC. Address: 1001 Bishop St., Suite 2820 Honolulu, HI 96813	5. Price: \$108,219,89
6. Term of Contract: From: 1/4/2010 ^{3/1/2011} 10/30/2011 ^{10/30/2012}	7. Prior Exemption Ref. No. 10-004-K

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:
 Vendor is the sole representative for advertising bus ads in all City & County buses on Oahu.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
 There are no other vendors for this service.
 Program manager identifies the target consumer and marketing modality.
 Contract is negotiated with vendor.

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REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

Four participating programs and their Branch and Division Chiefs will approve purchase order amounts and expenditures (TPEP, SHWB - DBC/HI-5, MHT SIG, EOA - SagePlus)
 Janice Okubo, Communications Office will monitor billings for proper expenditures
 Sharon Abe, Administrative Services Officer will approve purchase order
 Janice Okubo, Communications Officer --- approval of ads that are to be displayed
 Keith Ridley, Acting Director of Health -- approval of ads that are to be displayed

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

Name	Position	Involvement in Process	
Keith Ridley	Acting Director of Health	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Sharon Abe	Chief, ASO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Janice Okubo	Communications Officer	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: Communications Office
 Contact Name: Janice Okubo
 Phone Number: 586-4445
 Fax Number: 586-4444

Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*


 Department Head

12/30/10
 Date

Reserved for SPO Use Only

15. Date Notice Posted _____

The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to: Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

TheBus
ADVERTISING AGREEMENT
 (Production, Installation & Media)

Date: 12/22/10

ADVERTISER

Company/Trade Name: **Hawaii State Department of Health**
 Ad Agency: none
 Contact: Janice Okubo
 Address: 1250 Punchbowl St., Hon., HI 96813
 Email: janice.okubo@doh.hawaii.gov
 Contact numbers Phone: 586-4442 Fax: 586-4444

MEDIA

<u>Fleet Vehicles</u>	<u>Ad Type</u>	<u>Ad Size</u>	<u># of Ads per bus</u>	<u>Net Monthly Media Cost</u>	<u>Printing</u>	<u>Install</u>
<input checked="" type="checkbox"/> Full Fleet (530)	card	11x28	1	\$6,890.	see comments	see comments
<input type="checkbox"/> Kalihi (292)						
<input type="checkbox"/> Pearl City (238)						

ARTWORK REQUIREMENTS / PRODUCTION COMMENTS

- a.) Digital artwork to be provided by client to AdWalls' production facility no later than 15 days prior to installation.
- b.) Refer to Production Specifications provided by AdWalls' media traffic department.

Comments: All comments are on second sheet

POSTING TERM

20 Months Start Date: **1/2011** End Date: **1/2013**

COSTS

Net Media: \$103,350.00
 Printing:
 Installation:
 Total Contract: Value **\$108,219.89** Total includes all tax

AGENT

AdWalls A/E: **John Rowe**
 Phone: **526-4044**
 E-mail: jrowe@adwalls.com

We have read all the terms and conditions of this Advertising Agreement, both front and back, and agree to the same. We understand that the Officer in Charge (Department of Transportation Services) has final approval of advertiser and creative.

Advertiser/Agent

Signature _____ Title _____ Print Name _____ Date _____

AdWalls, LLC

Signature _____ Title _____ Print Name _____ Date _____



TheBus

Terms and Conditions of Advertising Services

TERMS OF PAYMENT FOR CREDIT APPROVED CLIENTS

- AdWalls, LLC. (AW) shall bill monthly and advertiser shall pay within 5 days of date of invoice.
- Payments not received within 10 days of monthly billing date will be subject to a service charge of 1½% per month (18% per annum) and subject to cancellation.
- If the advertiser employs an advertising agency, the advertiser and the agency shall be jointly and severally liable for payment of and compliance with all terms of this agreement.
- Advertising agency commission is revoked when monthly billing becomes 60 days past due.
- AW reserves the right to cancel this agreement if AW and/or property owner in their sole discretion rejects advertiser's ad.

RATES

- AW publishes a rate card that states the rates from which this agreement is based.
- Rates shown on this agreement are subject to change at the termination of each advertising agreement.

FINISHED ARTWORK ISSUES

- Artwork design specifications, electronic upload instructions and finished material shipping address will be provided to the
- Advertiser and/or the Advertiser's agency by the AdWalls Media Traffic Department. Contact Christopher Akin by phone at
- (808) 526-4044 or email at cakin@adwalls.com
- AW shall not be held liable for advertising containing errors submitted by advertiser.
- Advertiser may change artwork during the term of the agreement with the written approval of AW and DTS. All additional costs of production and installation will be borne solely by advertiser.
- AW shall not be liable for any failure to produce and install the advertiser's proposed ads if such failure is due to acts of God, strikes, accidents or other circumstances beyond the control of AW.
- In the event Advertiser's digital art file requires additional post production work, including providing all necessary typefaces (fonts), Advertiser will be charged the going post-production rate by AW's contractor to correct errors or omissions.

GENERAL TERMS AND CONDITIONS

- This Advertising Agreement is not valid until fully executed by advertiser and an officer of AW.
- AW and the Officer in Charge (DTS) reserve the right in their sole discretion to approve or reject all advertising proposed by advertiser prior to production of ads.
- Any waiver of any breach or default of provisions shall not be considered a waiver of any subsequent breach or default.
- In the event that a delinquent account is placed in the hands of a licensed collector or attorney for collection, or suit is instituted on the account, advertiser and its agency shall forfeit any commissions or discounts from the gross amounts billed and promises to pay all costs of collection.
- This Advertising Agreement constitutes the entire agreement. Changes made only upon written consent of all parties.
- Advertiser shall indemnify and save harmless AW, DTS and the City and County of Honolulu against any liability to which they may be subjected by reason of the advertising material displayed under this contract, including, but not limited to, liability for infringement of trademarks, trade names, copyrights, invasion of rights of privacy, defamation, illegal competition or trade practices, as well as all reasonable costs, including attorney's fees, in defending any such action or actions.
- AW reserves the right to cancel this contract at any time upon default by the agency and/or advertiser in the payment of bills or other breach, or in the event of any material violation on the part of the agency and/or advertiser of any of the conditions herein named; and upon such cancellation, all advertising done hereunder, including short term rates or other changes under this contract, and unpaid, shall become immediately due and payable.
- Advertiser agrees that photographic or other digitally created images of ad may be used in AW corporate brochures or other advertising and marketing materials.



TheBus
ADVERTISING AGREEMENT
(Addendum)

Contract date: 12/22/10

ADVERTISER

Company/Trade Name: **Hawaii State Department of Health**

COMMENTS

This contract is a media only agreement. DOH shall pay for 15 months and receive 5 additional bonus months for free. (Total agreement 20 months). Printing will be charged at 2010 rates (subject to change) currently \$1,750 per posting (advertiser may supply their own cards if they choose). Installation fee of \$750 will be charged for each posting or change of cards. This contract covers 20 posting months. DOH may use up to 4 ads in any month but not less than 1 ad per month. Contract will end on the date DOH has used all 24 posting months or 1/2013 whichever is sooner.

Our signatures below shall make this addendum a part of the contract referenced above.

Advertiser/Agent

Signature	Title	Print Name	Date
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AdWalls, LLC

Signature	Title	Print Name	Date
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