



JUN 23 P2:22

STATE PROCUREMENT OFFICE NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT

STATE PROCUREMENT OFFICE
STATE OF HAWAII

1. TO: Chief Procurement Officer

2. FROM: DAGS/State Comptroller

Department/Division/Agency

3. Name of Contractor: Oahu Publications, Inc.

4. P.E. Reference No. 11-033-K

5. Description of goods, services, or construction:

Publication of legal, classified/employment and retail/display ads for the islands of Oahu, Lanai and Molokai.

6. Scope of work for the contract is revised as follows:

Extend contract term for a two (2) year period from July 1, 2011 to June 30, 2013. The public notice rates will increase 26.8% for the first year and 9.6% for the second year.

Original Contract Price: \$See Attached

Amended Contract Price: \$See Attached

7. Reason: This / These amendment(s) are necessary because:

See attached

8. Direct questions to: Stanton Mato

Phone: 586-0566

Agency shall ensure adherence to applicable administrative and statutory requirements.

9. Pursuant to § 103D-102, HRS, and § 3-120-5, HAR, I certify that the information provided above is, to the best of my knowledge, true and correct

Department Head

6/22/11
Date

Reserved for SPO Use Only

10. Date Posted: 6/27/11

11. Submit written objections to this notice of intent to amend a procurement exemption contract 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

Chief Procurement Officer's Comments:

Oahu Publications is the only daily newspaper for Oahu, Molokai and Lanai, and rebidding this service would not be practical or advantageous to the State. The contract may be effective July 1, 2011 to June 30, 2013 at the negotiated price. Tentative pricing for July 1, 2013 to June 30, 2015 is subject to mutual agreement by the State and Contractor, prior to the end of the current contract term. If prices are not mutually agreed upon by the State and the Contractor, the contract expires on June 30, 2013, or at the end of the mutually agreed upon extension period.

12. APPROVED DISAPPROVED

Chief Procurement Officer 7/6/2011
Date

13. P.E. No. 11-033-K
al

ATTACHMENT: Notice of Amendment to Exemption
From Chapter 103D, HRS, Contract

P.E. Reference No. 11-033-K

6. Original Contract Price: \$175,000 (approximate)
(December 2, 2010 to June 30, 2011)
- Amended Contract Price: \$175,000 + \$960,081* = \$1,135,081
1st Year * See Exhibit C
- Amended Contract Price: \$1,135,081 + \$1,052,600** = \$2,187,681
2nd Year ** See Exhibit D

7. Reason: This / These amendment(s) are necessary because:

The contract with Oahu Publications (OP) who publishes the *Honolulu Star-Advertiser* expires on June 30, 2011. It has been determined it would not be practical or advantageous to rebid this service as OP is the only daily newspaper for Oahu, Lanai and Molokai.

The proposed rates for the next two years are shown below. If the rates are agreed upon by both parties, this contract shall be extended from July 1, 2011 to June 30, 2013 by contract amendment.

- A. Current Contract Rates through June 30, 2011.
B. Proposed 26.8% rate increase from July 1, 2011 to June 30, 2012.
C. Proposed 9.6% rate increase from July 1, 2012 to June 30, 2013.

A. CURRENT CONTRACT RATES

Type of Ad	Monday – Friday	Saturday	Sunday
Legal Ad with or w/o graphics	\$21.50	\$19.50	\$27.00
Retail Ad with or w/o graphics	\$32.00	\$29.50	\$40.00
Classified Ad with or w/o graphics	\$28.50	\$20.00	\$39.00

B. PROPOSED 26.8% RATE INCREASE EFF 07/01/11 THRU 6/30/12)

Type of Ad	Monday – Friday	Saturday	Sunday
Legal Ad with or w/o graphics	\$25.00	\$25.00	\$35.00
Retail Ad with or w/o graphics	\$40.00	\$40.00	\$50.00
Classified Ad with or w/o graphics	\$42.00	\$42.00	\$58.00

C. PROPOSED 9.6% RATE INCREASE EFF 07/01/12 THRU 6/30/13

Type of Ad	Monday – Friday	Saturday	Sunday
Legal Ad with or w/o graphics	\$28.00	\$28.00	\$38.00
Retail Ad with or w/o graphics	\$42.00	\$42.00	\$52.00
Classified Ad with or w/o graphics	\$44.00	\$44.00	\$60.00

EXHIBIT C

THE HONOLULU STAR- ADVERTISER (HSA) PUBLIC NOTICE RATES FOR OAHU, LANAI AND MOLOKAI

ACTUAL QUARTERLY SPEND: 1/1/2011 – 3/31/2011: \$189,300

ESTIMATED ANNUALIZED SPEND: \$757,200

TYPE OF AD PURCHASED BY STATE AGENCIES

Type of Ad	1 ST QTR 2011	% BY TYPE OF AD	QUARTERLY SPEND
Legal Ad with or w/o graphics	278	78.5%	\$148,600
Retail Ad with or w/o graphics	7	2.0%	\$3,800
Classified Ad with or w/o graphics	69	19.5%	\$36,900
Totals	354	100.0%	\$189,300

ESTIMATED ANNUALIZED SPEND BY TYPE OF AD

Type of Ad	Annualized	% BY TYPE OF AD	ANNUALIZED SPEND
Legal Ad with or w/o graphics	1112	78.5%	\$594,400
Retail Ad with or w/o graphics	28	2.0%	\$15,200
Classified Ad with or w/o graphics	276	19.5%	\$147,600
Totals	1416	100.0%	\$757,200

CPI YIELD % INCREASE FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012 (YEAR 1)

Type of Ad	CPI YIELD (EFF 12/2/10-6/30/11)	CPI YIELD (EFF 7/1/11 – 6/30/12)	% INCREASE
Legal Ad with or w/o graphics	\$22.00	\$26.43	+20.1%
Retail Ad with or w/o graphics	\$32.79	\$41.43	+26.3%
Classified Ad with or w/o graphics	\$28.79	\$44.29	+53.8%

PROJECTED ANNUAL SPEND FROM JULY 1, 2011 TO JUNE 30, 2012 (YEAR 1)

Type of Ad	ANNUALIZED SPEND	% INCREASE	PROJECTED SPEND
Legal Ad with or w/o graphics	\$594,400	+20.1%	\$713,874
Retail Ad with or w/o graphics	\$15,200	+26.3%	\$19,198
Classified Ad with or w/o graphics	\$147,600	+53.8%	\$227,009
Annualized Projected Spend	\$757,200		\$960,081
Increased Annual Spend			+\$202,881
Spend Increase (%)			+26.8%

EXHIBIT D

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CPI YIELD % INCREASE FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013 (YEAR 2)

Type of Ad	CPI YIELD (EFF 7/1/11 – 6/30/12)	CPI YIELD (EFF 7/1/12 – 6/30/13)	% INCREASE
Legal Ad with or w/o graphics	\$26.43	\$29.43	+11.4%
Retail Ad with or w/o graphics	\$41.43	\$43.43	+4.8%
Classified Ad with or w/o graphics	\$44.29	\$46.29	+4.5%

PROJECTED ANNUAL SPEND FROM JULY 1, 2012 TO JUNE 30, 2013 (YEAR 2)

Type of Ad	SPEND (7/1/12-6/30/13)	% INCREASE	PROJECTED SPEND
Legal Ad with or w/o graphics	\$713,874	+11.4%	\$795,256
Retail Ad with or w/o graphics	\$19,198	+4.8%	\$20,120
Classified Ad with or w/o graphics	\$227,009	+4.5%	\$237,224
Annualized Projected Spend	960,081		\$1,052,600
Increased Annual Spend			+\$92,519
Spend Increase (%)			+9.6%