



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

1. TO: Chief Procurement Officer

2. FROM: DAGS/ICSD/TSB
Department/Division/Agency

3. Name of Contractor: Sprint Communications Co., L.P.

4. P.E. Reference No. 07-048J

5. Description of goods, services, or construction:
Providing Long Distance Telephone Services for Hawaii State Government (as provided for in Contract No. PL-03-19 and IFB-02-096-SW).

6. Scope of work for the contract is revised as follows:
To extend the term of the contract from January 1, 2009 to December 31, 2009.

Original Contract Price: \$ Price List Amended Contract Price: \$ Price List \$200,000 Estimated *Ho*

7. Reason: This / These amendment(s) are necessary because:
See Attachments 1 and 2.

8. Direct questions to: Christopher Lai Phone: 586-1930 x617

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**

Russ K. Smith *12/8/08*
Department Head Date

Reserved for SPO Use Only

10. Date Posted: *12/09/08*

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:

Based on the information provided and the current situation, this exemption is approved to 12/31/09 or upon contract award and services implemented, whichever is sooner. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply.

12. APPROVED DISAPPROVED

Adam S. Fuji *12/10/08*
Chief Procurement Officer Date

13. P.E. No. *07-048-J*
Am-2

ATTACHMENT 1

This contract provides State and County users with interstate, international, interisland (9-1-808), toll free (800), and ISDN BRI long distance services. The current exemption extends the contract until December 31, 2008.

Sprint Communications Company, L.P. (Sprint) offered to extend the existing contract for a 12-month period, from January 1, 2009 to December 31, 2009 (see Attachment 2), with no change in long distance rates. Also, Sprint proposed to update the Schedule C taxes, fees, and charges to reflect current rates.

A Invitation For Bids (IFB) No. IFB-07-008-SW, to Provide Long Distance Telephone Services for Hawaii State Government, was issued on August 2, 2006. Initial proposals were received on October 11, 2006. Four rounds of clarification questions and revised proposals followed. The evaluation committee met for the last time on August 29, 2008 to evaluate the final two technical proposals. One technical proposal was found to be acceptable and the other unacceptable. It was recommended to the State Procurement Office (SPO) that the acceptable Offeror submit a Phase II – Priced Bid and the unacceptable Offeror be notified that they are ineligible to participate in Phase II.

SPO considered an Offeror's request to revise the IFB Section Five - Special Provisions and add their own Additional Terms and Conditions. The reviewing Attorney General recommended that the request be rejected. SPO is developing a plan for how to proceed with the IFB, how to add the 2008 State General Terms and Conditions, and how to be fair to the Offerors.

Since SPO is still developing a plan, it is recommended that the 12-month extension and Schedule C rate changes be accepted. The extension will allow for completion of the IFB process and implementation of the new contract. Without the extension, State departments and agencies, the Legislature, the Judiciary, the Office of Hawaiian Affairs, the County of Hawaii, the County of Kauai, the County of Maui, and certain elements of the University of Hawaii may be forced to pay commercial or tariff long distance rates, that are significantly higher than present contract rates. For example, the State currently pays three cents per minute for an interstate long distance call. The commercial rate is seven cents per minute and the tariff rate is more than 20 cents per minute depending upon the distance.

ATTACHMENT 2



Sprint Nextel
2001 Edmund Halley Drive
Reston, Virginia 20191

Michaela Clairmonte
Contracts Manager
Contract Negotiations & Management
(703) 433-8581

November 19, 2008

Donna Tsuruda-Kashiwabara
P.O. Box 119
Honolulu, Hawaii 96810-0119

Re: Request for Contract Extension – Contract No. IFB-02-096-SW for Long Distance Services

Sprint Reference: #BSG0810-0033 Amendment to #BSG0206-122

Dear Ms. Tsuruda-Kashiwabara,

Sprint Communications, L.P. ("Sprint") hereby provides notice of its desire to extend the term of the Hawaii State Government Contract No. IFB-02-096-SW ("Contract") for Long Distance Telephone Services for the State of Hawaii for an additional twelve-month renewal period ("Renewal Period").

For the Renewal Period, the current pricing list will be extended during the term identified above. In addition, Sprint is requesting the tax and surcharge table in Schedule C – Other Charges be replaced with the following information:

<u>Interstate Usage</u>	<u>Rate</u>
1. Universal Service Charge	11.4%
2. Federal Regulatory Recovery Fee	1.56%
3. Carrier Property Tax Allocation Surcharge	2.23%
4. State Gross Receipts Tax	1.910%
<u>Intrastate Usage</u>	
5. Public Company Tax Surcharge	4%
6. County Public Service Company Surcharge	1.885%
7. Regulatory Fee	0.25%

Please Note: Schedule C tax rates are subject to change at the sole discretion of Sprint Communications, L.P.

All other terms and conditions in the Contract, not amended above, will remain in effect.

Should you have any questions or concerns in this matter, please contact, Alex McIntosh at (808) 847-9656 or Alexander.K.Mcintosh@sprint.com.

Sincerely,

Michaela Clairmonte
Contracts Manager
Contract Negotiations & Management
Sprint Nextel

Sprint --- Approved
as to Legal Form
KAC - 19 Nov 2008

