

ATTACHMENT 1

This contract provides State and County users with interstate, international, interisland, toll free (800), ISDN BRI, and calling card long distance services. The current exemption extends the contract until December 31, 2009.

Sprint Communications, L.P. (Sprint) offered to extend the existing contract for a 12-month period, from January 1, 2010 to December 31, 2010 (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 on August 29, 2008 to evaluate the 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 it was ineligible to participate in Phase II. No official action on the recommendation from the Evaluation Committee was taken.

On August 3, 2009, 11-months after the Evaluation Committee's recommendation, SPO issued a Notice of Cancellation for IFB-07-008-SW (see Attachment 3). The IFB was cancelled due to the extended length of time since the solicitation was initially issued, the possible technological changes needed to update the Offeror's proposals, and the subsequent down turn in the Hawaii economy.

It is recommended that the 12-month extension and Schedule C rate changes be accepted. The extension will allow for a new solicitation to be issued and completed. Without the extension, State departments and agencies, the Legislature, 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 casual calling 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 approximately eight cents per minute and the casual calling rate is about 31 cents per minute.



Sprint Nextel
2001 Edmund Haley Drive
Reston, Virginia 20191

SEP 10 P 1:44

Michaela Clairmonte
Contracts Manager
Contract Negotiations & Management
(703) 433-3581

STATE PROCUREMENT OFFICE
STATE OF HAWAII

September 3, 2009

Ruth E. Yamaguchi
State Procurement Office
1151 Punchbowl Street, Room 416
Honolulu, Hawaii 96813

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

Sprint Reference: #BSG0908-0708 Amendment to #BSG0206-122

Dear Ms. Yamaguchi,

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	12.9%
2. Federal Regulatory Recovery Fee	2.02%
3. Carrier Property Tax Allocation Surcharge	2.43%
4. State Gross Receipts Tax	1.91%
<u>Intrastate Usage</u>	<u>Rate</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
Manager

Contract Negotiations & Management
Sprint Nextel



Sprint – Approved as to Legal Form
KAC – 3 Sept 2009

ATTACHMENT 3

STATE OF HAWAII
STATE PROCUREMENT OFFICE
HONOLULU, HAWAII

AUGUST 3, 2009

NOTICE OF CANCELLATION
INVITATION FOR BID
IFB-07-008-SW
TO PROVIDE LONG DISTANCE TELEPHONE SERVICES
FOR HAWAII STATE GOVERNMENT

Pursuant to Chapter 103D-308, Hawaii Revised Statutes, and Chapter 3-122-96(2)(G), Hawaii Administrative Rules, the subject IFB is hereby cancelled.

On August 2, 2006 IFB 07-008-SW was issued to the public, however, due to the extended length of time since the solicitation was initially issued, the possible technological changes needed to update the offeror's proposals, and the subsequent down turn in our economy, the State has determined that in the public's interest, the above-referenced solicitation be cancelled and re-solicited.

The service requirements shall be reviewed and revised; and a new solicitation shall be issued in the near future. Interested vendors should contact Kevin Takaesu, phone 808-586-0568 or kevin.s.takaesu@hawaii.gov for status update.


Ruth E. Yamaguchi
Procurement Officer