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STATE PROCUREMENT OFFICE  
NOTICE & REQUEST FOR SOLE SOURCE ADMINISTRATION  
STATE PROCUREMENT OFFICE  
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Transportation

*Name of Requesting Department*

Pursuant to HRS §103D-306 and HAR chapter 3-122, Subchapter 9, the Department requests sole source approval to purchase the following:

1. Describe the goods, services, or construction to be procured.  
Refurbish/rebuild six (6) ventilation fans at the H-3 Tunnel facility by the original equipment manufacturer. The six fans are among the 32 fans that were installed and commissioned in 1995 and, after 20 years of use, only fifty percent of the fans remain in service with age, malfunctioning of hardware and corrosion issues. These six fans are the most critical which are needed to be put back in service. Howden North America, Inc. ("Howden") is the successor to TLT-Babcock, Inc., the original manufacturer. Howden provides all the services and warranties previously done by TLT-Babcock. In addition to the cost of Howden's Option A (see attached proposal), a 10% contingency and GET taxes have been added for a total request of \$4.2 million for this project.

2. Vendor/Contractor/Service Provider Name: Howden North America, Inc.	3. Amount of Request: \$4,200,000.00
4. Term of contract (shall not exceed 12 months), if applicable:  From: 12/31/2014 To: <del>12/31/2015</del> <sup>12/30/2015</sup> <i>Per Clyde 11/10/14 4:20 pm.</i>	5. Prior SPO-001, Sole Source (SS) No.:  none

6. Describe in detail the following:

a. The unique features, characteristics, or capabilities of the goods, service or construction.  
The H-3 Tunnels are the longest vehicular tunnels in the state of Hawaii, at one-mile in length. There are two tunnel bores, one in the Halawa to Kaneohe direction and the other from the Kaneohe to Halawa direction. A ventilation system, of which the 32 fans are a key component, is required to provide safe passage for motorists who use the tunnels as well as DOT employees, who repair and maintain systems within the tunnels. Acceptable air quality levels are maintained through the use of 32 high-capacity, ventilation fans. Attached is a general description of the ventilation system for the H-3 Tunnels and the role of the ventilation fans.

b. How the unique features, characteristics or capabilities of the goods, service or construction are essential for the department  
The DOT is responsible for expediting transportation throughout the state including the safe movement of vehicles traveling on state highways and roads. To ensure the safety of motorists that use these tunnels, a dependable ventilation system is required to keep noxious gases to safe levels. The rebuilding of these 6 fans are the start of a multi-year project to restore all 32 needed to provide needed ventilation for the next twenty years. Because of ongoing use of the tunnels, less than 20 percent of the fans can be removed to continue an adequate level of service.

7. Describe the efforts and results in determining that this is the only vendor/contractor/service provider who can provide the goods, services or construction.

High-capacity industrial fans are only made world-wide by a handful of equipment manufacturers. As the original equipment manufacturer, Howden is the only company that can refurbish and rebuild these fans and provide a warranty on their service, to meet manufacturer's specifications and provide ongoing service to maintain the fans and connected devices.

8. Alternate source. Describe the other possible sources for the goods, services, or construction that were investigated but did not meet the department's needs.

DOT attempted to repair and restore two tunnel fans between 2011 and 2013 with some locally-based vendors; unfortunately, the local vendors were unable to restore the fans due to the exacting demands and size of the machinery, coupled with its electro-mechanical controls. Howden has since made the commitment to be a vendor in the Hawaii Compliance Express system to be able to offer their services in support of this equipment.

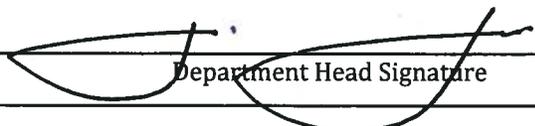
9. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required.)

\*Point of contact (Place asterisk after name of person to contact for additional information).

Name	Division/Agency	Phone Number	E-mail Address
Pratt M. Kinimaka <i>PK</i>	HWY/HWY-0	831-6813-x126	<i>pratt.kinimaka@hawaii.gov</i>
Clyde Morita <i>cm</i>	HWY/HWY-OT	485-6208	<i>clyde.morita@hawaii.gov</i>

Department shall ensure adherence to applicable administrative and statutory requirements, including HAR chapter 3-122, Subchapter 15, Cost or Pricing Data if required.

**All requirements/approvals and internal controls for this expenditure is the responsibility of the department.  
I certify that the information provided is to the best of my knowledge, true and correct.**

  
\_\_\_\_\_  
Department Head Signature

*10.16.14*  
\_\_\_\_\_  
Date

**For Chief Procurement Officer Use Only**

Date Notice Posted: 10/21/14

Submit written objection to this notice to issue a sole source contract within seven calendar days or as otherwise allowed from date notice posted to:

[state.procurement.office@hawaii.gov](mailto:state.procurement.office@hawaii.gov)

Chief Procurement Officer (CPO) Comments:

Approval is granted for the period 12/31/2014 to 12/30/2015 with the understanding that Howden North America, Inc. is the only company that can successfully rebuild/refurbish the fans to their original working order. Sole source contracts in excess of \$100,000 require cost or pricing data and analysis for price reasonableness pursuant to HAR chapter 3-122, subchapter 15.

This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. The procuring officer shall verify compliance (i.e. vendor is required to be compliant on the Hawaii Compliance Express [HCE]) for all contracts awarded and award is required to be posted on the Awards Reporting System. Copies of the HCE Certificate and awards posting are required to be documented in the procurement/contract file.

If there are any questions, please contact Kevin Takaesu at 586-0568, or [kevin.s.takaesu@hawaii.gov](mailto:kevin.s.takaesu@hawaii.gov).

Approved       Disapproved       No Action Required

  
\_\_\_\_\_  
Chief Procurement Officer Signature      Date 11/14/14