

STATE OF HAWAII
REQUEST FOR SOLE SOURCE

'05 APR 26 P2:33

TO: Chief Procurement Officer

STATE PROCUREMENT OFFICE
STATE OF HAWAII

FROM: Department of Taxation
(Department/Division/Agency)

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

<p>Description of goods, services, or construction:</p> <p>Heat-applied cigarette tax stamps</p>
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<p>Name of Vendor: Meyercord Revenue, Division of Illinois Tool Works Inc. Address: 475 Village Drive Carol Stream, Illinois 60188</p>	<p>Cost: \$70,000/yr (estimate)</p>
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<p>Term of Contract: From: July 1, 2005 To: June 30, 2007</p>	<p>Prior Sole Source Reference No.:</p>
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The goods, services, or construction has the following unique features, characteristics, or capabilities:

Pursuant to Act 249, Session Laws of Hawaii 2000, cigarette and tobacco wholesalers and dealers (licensees) are required to affix stamps to individual cigarette packages as proof of payment of cigarette taxes. The cigarette tax stamp must be affixed in such a manner as to adhere securely to the bottom of each cigarette package. The cigarette tax stamp must be clearly visible, legible and complete.

The Department of Taxation is responsible for furnishing the cigarette tax stamps for sale to licensees. Meyercord is the sole provider of heat applied cigarette tax stamps. Meyercord currently provides heat-applied cigarette tax stamps for 47 states. The other three states use an accounting method for collecting their taxes rather than issuing cigarette stamps.

How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work:

The cigarette tax stamp must be affixed in such a manner as to adhere securely to the bottom of each cigarette package. Heat-applied cigarette tax stamps provide a secure method of application and facilitate enforcement.

The following other possible sources for the goods, services, or construction were investigated but do not meet our needs because:

Meyercord is the sole provider of heat applied cigarette tax stamps.

Direct questions to: Mary Ann Teshima Phone: 587-1500

I certify that the information provided above is to the best of my knowledge, true, correct and that the goods, services, or construction are available through only one source.

Mari P. Stader 4/25/05
Department Head or Designee Date

Deputy Director

Title (If other than Department Head)

Chief Procurement Officer's comments:

This approval is for a one-year period only. Other vendors may be able to provide these stamps beyond June 30, 2006.

Please ensure adherence to applicable administrative and statutory requirements.

Expenditure may be processed through a purchase order: Yes No . If no, a contract must be executed and funds certified.

APPROVED DISAPPROVED

[Signature] 5/10/05
Chief Procurement Officer Date