

STATE OF HAWAII
REQUEST FOR SOLE SOURCE

'05 JUL 20 P 3:45

TO: Chief Procurement Officer

FROM: DBEDT, AFED, Arts and Culture Development Branch
(Department/Division/Agency)

STATE PROCUREMENT OFFICE
STATE OF HAWAII

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

Description of goods, services, or construction:

Management of the administrative and financial aspects of the development of an *Economic Plan for the Creative Economy* (i.e., to partner conceptually, to assist in fundraising efforts, to enter into contractual relationships with consultants, and to assume legal responsibilities for the receipt and disbursement of funds).

The goals of the plan are to:

- Identify and analyze the economic impact of Hawaii's creative economy
- Strengthen and increase the impact of the creative economy
- Generate new partnerships among different economic sectors to leverage creative resources
- Identify funding needs and sources for implementation

The plan will cost between \$250,000 and \$400,000 to produce. To be successful, DBEDT believes the plan must be embraced by the private sector so that it can have a life beyond what government can provide. DBEDT intends to make use of our convening authority and research capabilities, and, in combination with the Hawaii Community Foundation (HCF) and outside consulting expertise (to be hired by HCF), to involve representatives from throughout the State and different portions of the business and arts community, to assure full community input and a thorough understanding of community needs and opportunities. The ensuing Economic Plan will clearly lay out roles for government, non-profit and for profit entities within the creative economy, and entities throughout the general economy to play in supporting this vital sector of Hawaii's economy. For these reasons, DBEDT believes it must work in partnership with an independent private non-profit organization that is well respected and has the capacity to handle the day to day operations of a project of this size.

Name of Vendor: The Hawaii Community Foundation
Address: 1184 Bishop Street, Suite 800
Honolulu, Hawaii 96813

Cost: \$50,000 ^{1/}

Term of Contract: From: Upon Approval To: Approximately 24 months

Prior Sole Source Reference No.:

Not Applicable

The goods, services, or construction has the following unique features, characteristics, or capabilities:

The Hawaii Community Foundation (HCF) is governed by a 21 member voluntary board composed of community leaders who reflect the varied interests and perspectives in Hawaii. With a staff of approximately 40 employees, HCF is able to provide the administrative support and technical assistance necessary to manage the administrative and financial aspects of the *Economic Plan for the Creative Economy* project. HCF has played similar roles in the past as an aggregator of funds from government, private, and corporate foundations. Private funders have a high level of confidence in HCF as a holder of such funds. As stated in the accompanying letter, HCF is the only community foundation in the State. They have recently assisted with stewardship of \$2.5 million in charitable funds for the Agenda for Building Community, a five-year collaboration between seven funders. They also provide a similar service for a pooled fund from six different funders and oversee the subcontracts under the Principal's Leadership Academy, a leadership development program for public school principals. Lastly, HCF has been contracted by the Department of Health to manage and invest approximately \$40 million of the Tobacco Settlement Funds. In addition to being the only agency in the State that is capable of and appropriate for partnering with DBEDT on the development of the *Economic Plan for the Creative Economy*, HCF is also extremely qualified based on past and current activities it has undertaken.

^{1/} It should be noted that HCF will match DBEDT's contribution of \$50,000 towards the development of the plan. DBEDT's and HCF's funds, along with private sector and philanthropic funds will be used to hire a coordinator to manage the day to day operations of the project and a consultant to design and implement the planning process for the project.

REQUEST FOR SOLE SOURCE (Cont.)

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

HCF was established in 1916 and is a nonprofit, statewide, charitable services and grant making institution endowed with contributions from many donors. Its mission is to help people make a difference by inspiring the spirit of giving and by investing in people and solutions to benefit every island community. With endowment funds of over \$284 million in charitable assets, HCF is among the top 30 largest community foundations out of 600 across the nation. In 2003, the Foundation awarded \$26.5 million in grants statewide. In addition, it awarded 70 social capital grants totaling \$710,000; 57 organizational capacity building grants totaling \$987,000; distributed nearly \$3.0 million in scholarship awards to 1,600 students; established 24 new funds for a total of 350 funds; and facilitated \$3.0 million in philanthropic and public dollars for a number of worthy causes and organizations in the State. HCF is highly respected and trusted throughout the State as an agency with no political agenda and only the good of the community at heart. DBEDT is very fortunate that they are willing to partner with us on this project. Their involvement will help to secure true, widespread and non-partisan community involvement with the project.

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

Other organizations such as the Hawaii Consortium for the Arts, Hawaii Alliance for Arts Education, and the State Foundation on Culture and the Arts were considered but did not meet our needs because of conflicting fund raising objectives and/or the inability to manage such a large undertaking due to the lack of experienced and qualified staff.

Direct questions to: Judy Drosd

Phone: 586-2364

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.

JUL 20 2005

Department Head or Designee

Date

Title (If other than Department Head)

Chief Procurement Officer's comments:

Although the DBEDT has considered other contractors, DBEDT has not adequately justified how and why only The Hawaii Community Foundation can provide these services. Although not a sole source, the DBEDT may, at its option, competitively bid out these services or further try to justify these services as an exemption from chapter 103D, HRS, on SPO Forms, 7 and 7A.

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

8/11/05

Chief Procurement Officer

Date