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**STATE PROCUREMENT OFFICE
NOTICE & REQUEST FOR SOLE SOURCE**

STATE PROCUREMENT OFFICE
STATE OF HAWAII
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1. TO: Chief Procurement Officer
2. 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:

3. Description of goods, services, or construction:
Heat-applied cigarette tax stamps

4. Vendor Name: Meyercord Revenue, Div of Ill. Tool Works Address: 475 Village Drive Carol Stream, Illinois 60188	5. Price: \$\$70,000/yr (estimate)
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6. Term of Contract: (mm/dd/yyyy) From: <u>07/01/2006</u> To: <u>06/30/2007</u>	7. Prior Sole Source Ref No. <u>05-69-C</u>
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8. Feature: The good, service, 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. Meryercord currently provides heat-applied cigarette tax stamps for 46 states. Of the other four states, one uses a different type of stamp and three use an accounting method for collecting their taxes rather than issuing cigarette stamps.

9. Essential features. 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.

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because: Meyercord is the sole provider of heat-applied cigarette tax stamps.

12. Direct any inquiries to:

Department: Department of Taxation
Contact Name/Title: Suzanne Eghan, Administrative Services Office

13 Phone Number:

587-1500

Fax Number:

587-1506

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

Agency shall ensure adherence to applicable administrative and statutory requirements.

14. *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.*


Department Head

3/22/06
Date

Reserved for SPO Use Only

15 Date Notice Posted: 3/24/06

Submit written objections to this intent to issue a sole source 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

16. Chief Procurement Officer's comments:

This approval is for a one-year period only. Other vendors may be able to supply these stamps beyond June 30, 2007.

17.

APPROVED DISAPPROVED

Adrian S. Fajal 3/31/06
Chief Procurement Officer Date