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# STATE PROCUREMENT OFFICE NOTICE & REQUEST FOR SOLE SOURCE

- 1. TO: Chief Procurement Officer
- 2. FROM: Health, Environmental Mgmt. Division, Solid Waste Branch  
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:
- 1. The CONTRACTOR will assist the STATE in evaluating the segregated rate to determine if the rate needs to be adjusted. Evaluation of the rate shall include sampling procedures that consider the following:
    - a. Weight by separately aggregated size categories of containers (same size) in their unfilled state.
    - b. Weight by variously mixed aggregated sized of containers (different sizes) in their unfilled state.
    - c. The segregated rates for each material type should incorporate a factor for typical contamination levels so refund value and handling fees paid by weight are based on container weights only and not contaminants.
  - 2. The CONTRACTOR will assist the STATE in determining what constitutes a representative sample size including:
    - a. Determine what size of sample is feasible to obtain;
    - b. Examine the number of deposit beverage containers sold and redeemed;
    - c. Examine types of redemption centers;
    - d. Select the number and locations of redemption centers on the islands of Hawaii, Kauai, Maui, and Oahu to sample.

(continued on Attachment A)

4. Vendor Name: Capital Pathways, LLC Address: 2523 Cantara Way Sacramento, CA 95835	5. Price: <u>\$40,300</u>
6. Term of Contract: (mm/dd/yyyy) From: <u>Upon Approval</u> To: <u>June 30, 2007</u>	7. Prior Sole Source Ref No. _____

8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities: Capital Pathways, LLC (CP) has experience with developing procedures and conducting segregated rate studies for the CA Department of Conservation (DOC) Deposit Program. Hawaii's Deposit Program used the CA program as a model including the use of a segregated rate to determine refunds values based on the number of container per pound. Capital Pathways has staff with experience with segregated rate studies. No other contractor can provide DOH with this specific background and experience in working on segregated rates.

9. Essential features. How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work: Capital Pathways, LLC (CP) is very familiar conducting segregated rate studies under the CA Department of Conservation (DOC) Deposit Program. Hawaii's Deposit Program used the CA program as a model including the use of a segregated rate to determine refunds values based on the number of container per pound. Capital Pathways Executive Director, Scott Dosick, served as Deputy Chief of Recycling for the CA Deposit Program. CP staff, My-Ai Bui, served as the CA Program statistician who was the principal statistician for DOC segregated rate studies.

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because: The Department of Health (DOH) investigated the possibility of an intergovernmental agreement with the State of California's Department of Conservation (DOC). The DOC is responsible for managing the California Deposit Program and conducts segregated rate studies twice a year. The program uses in-house DOC staff to sample and analyze data and has suggested sharing its staff with the State of Hawaii Deposit Program. To utilize DOC staff the DOH and DOC would need to develop an intergovernmental agreement. DOH sent over a Memorandum of Agreement (MOA) that could be used as the vehicle for the agreement for DOC to review. (Continued on Attachment A)

12. Direct any inquiries to:

Department: Health, Solid Waste Office  
 Contact Name/Title: Jennifer Tosaki, Recycling Coordinator

13 Phone Number:

808-586-4226  
 Fax Number:  
808-586-7509

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

AUG 25 2006

Date

Reserved for SPO Use Only

15 Date Notice Posted:

8/30/06

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

#3 Continued

3. The CONTRACTOR shall assist the STATE in developing procedures for evaluating the segregated rate to include, at a minimum, the following:
  - a. Develop methodology to conduct sampling;
  - b. Create a schedule to conduct the sampling;
  - c. Develop a list of equipment and description of use for sampling;
  - d. Investigate how demographics may influence segregated rate;
4. The CONTRACTOR shall assist the STATE in conducting sampling, including coordinating with state and county staff to conduct sampling at redemption centers selected in TASK 2.
5. The CONTRACTOR shall assist the STATE in analysis of data gathered from sampling.

#11 Continued

DOC reviewed and said an MOA could be an option but that they were not ready to enter into an agreement at this time due to a recent change in management. However, the intergovernmental agreement remains an option for DOH to obtain expertise for future segregated rate studies.

16. Chief Procurement Officer's comments:

Capital Pathways is not the only organization capable of providing the requested services. Other organizations knowledgeable about recycling programs may also be able to provide this service. The requested services are not a sole source.

The DOH has the option of either awarding a contract through another procurement process or submitting SPO Form-7 if it has justification why no other procurement process is practicable or in the best interest of the State at this time.

17.  APPROVED  DISAPPROVED

Alan S. Fyler 9/1/06  
Chief Procurement Officer Date