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STATE PROCUREMENT OFFICE NOTICE & REQUEST FOR SOLE SOURCE

- 1. TO: Chief Procurement Officer
- 2. FROM: DOH/ ~~CHD~~ Tobacco Prevention & Education Control Section
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:

Monthly rental of advertising space for ad boards at the following locations is for twelve (12) months:

- 1) Mark's Garage
- 2) Pearl Highland
- 3) Ward Center
- 4) Dole Cannery
- 5) University Of Hawaii (2 ads)
- 6) Prince Kuhio Plaza
- 7) Ward Entertainment Center

Monthly rental of advertising space for ad boards at the following locations is for six (6) months:

- 8) Restaurant Row (July through December 2007)
- 9) Restaurant Row Column (July through December 2007)
- 10) Water Park in Kapolei (July through September 2007)

Please note the monthly rental cost of advertising space for ad boards may increase anytime during the term of the contract at any of the locations listed above.

4. Vendor Name: Ad Walls, LLC Address: 1001 Bishop St., Suite 2820 Honolulu, HI 96813	5. Price: <u>\$37,482.71</u>
6. Term of Contract: From: <u>7/01/2007</u> To: <u>6/30/2008</u> (mm/dd/yyyy)	7. Prior Sole Source Ref No. <u>06-042-J07-041</u>

8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities:

A major target group of the State's Tobacco Prevention and Education Program is youth ages 11 to 17. Mall traffic studies have shown that youth in this age group gravitate toward shopping outlets, movie theaters, and would include their attached parking structures.

Advertising and marketing in the state's shopping centers, malls, and their parking structures provide the Department of Health the opportunity to capitalize on the traffic generated by the shopping centers.

By utilizing professionally designed ads in shopping centers and malls, the DOH can target their advertising and marketing efforts to specific teen age population that frequent the malls, shopping centers, and their parking structures.

The ad boards are larger than life, high-gloss, vinyl billboards that measure 6' x 8', 6' x 10', and 6' x 12'. Marketing studies have shown that these ads will be seen at least six (6) times by shoppers every month. DOH evaluations have demonstrated that 9 out of 10 teens surveyed are aware of DOH anti-smoking ads.

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

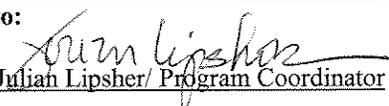
A statewide media and counter-marketing campaign is a core component of the Department of Health's comprehensive Tobacco Prevention and Control Program to reduce tobacco consumption in Hawaii. A shopping center and mall poster/billboard advertising campaign is essential part of the teen anti-smoking program. Other portions of the DOH youth-focused campaigns utilize television advertising and the purchasing of advertising space in magazines read by teens to reinforce a no smoking message.

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because:

Ad Walls, LLC is the only vendor that provides advertising space in parking structures and interior locations in different shopping centers and malls throughout the State. There are no other vendors for this service.

12. Direct any inquiries to:

Department: Health
Contact Name/Title: Julian Lipsher / Program Coordinator



13 Phone Number:

586-4662

Fax Number:

586-8252

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.



MAY 31 2007

Department Head

Date

Reserved for SPO Use Only

15 Date Notice Posted: 6/4/07

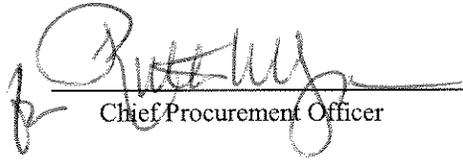
Submit written objections to this intent to issue a sole source contract within seven calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer
State Procurement Office
P.O. Box 119
Honolulu, Hawaii 96810-0119

16. Chief Procurement Officer's comments:

This approval is based on the DOH's representation that these shopping centers and malls is an essential part of their billboard advertising campaign and their teen anti-smoking program, and the vendor controls the advertising spaces in the shopping centers and malls.

17. APPROVED DISAPPROVED



Chief Procurement Officer

6/07/07
Date