



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

1. TO: Chief Procurement Officer
2. FROM: Dept of Accounting & General Services/ Stadium Authority
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:
Repair and maintenance for 2 elevators and 2 escalators plus standby service for large events (i.e., 10 special events per year).
Additional standby on an as requested (by Stadium Manager) basis.

4. Vendor Name: Otis Elevator Company Address: 793 South Hotel Street Honolulu, HI 96813	5. Price: \$360,000.00+ additional standby service \$6,000/month x 5 yrs.
6. Term of Contract: (mm/dd/yyyy) From: <u>11/01/2009</u> To: <u>10/31/2014</u>	7. Prior Sole Source Ref No. <u>0</u>

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

1. Manufacturer's maintenance from the original elevators manufacturer (OEM).
2. Microprocessor elevators have circuit boards that require proprietary software in order to make adjustments which then require specialized training that Otis mechanics have the knowledge of.
3. Minimal down time due to parts availability to ensure elevators serve the needs of patrons & staff prior to and during events. Critical to have elevators and escalators running to meet federal ADA requirements. Otis Hawaii's commitment of over \$1 million spare parts inventory at the local warehouse including all major components such as motors & printed circuit boards. These parts are only available to OEM. Should a part not be available in Hawaii, they will search the part via Otis Service Center's comprehensive database. An order is placed immediately thereby ensuring receipt of parts within 24/48 hrs, 7 days a week.
4. Due to the age of the escalators, as the OEM, Otis has access to or can fabricate/replacement/repair parts.
5. Otis Elevator Co. has been providing maintenance service to the Stadium since 1975, they are familiar with the property and equipment at the Stadium. Note that elevators & escalators are old and obsolete. Refer to supporting document from Mitsubishi Elevator.
6. Because of the short response time and the availability of parts, service to safety of customers (i.e., access to upper levels of stadium; reduction of time trapped in elevator; etc.) is maximized.

9. Essential features. How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work: The elevators and escalators provide transport services within the stadium prior to, during and after events. It is essential for the elevators and escalators to be operable and fully functioning as its failure would place the Stadium Authority in violation of federal ADA (Americans with Disabilities Act) regulations. Additionally, the equipment is utilized by stadium maintenance and events staffers as well as the stadium's concessionaire and licensees to traverse the facility and position equipment, supplies, etc. Not having the elevators or escalators operable would seriously jeopardize events operations and open the stadium ADA-litigation. Also note that violations of the ADA are up to \$50,000 per incident. **Given the fact that the software program and training of technicians is proprietary and that the availability of parts is restricted, it is critical that Otis be given the contract to maintain the continued service and safety of stadium patrons, licensees, staffers and contractors.

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because: Staff called Clarissa Auyong from Mistubishi Electric and Electronics USA (an elevator/escalator provider). Initially Mistubishi through that they could bid on the contract but later declined because of the age of the equipment. Also contacted State Elevator Company whom declined to submit a quote because they do not service escalators. Thyssenkrupp and Pacific Elevator Corp also failed to submit a quote. It appears that the age of the equipment, the proprietary software program utilized by Otis to maintain these older/obsolete escalators and elevators is a barrier to other possible service providers.

12. Direct any inquiries to:

Department: Stadium Authority
 Contact Name/Title: Shelly Shoji

13 Phone Number:

483-2764

Fax Number:

483-2823

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.

Russ K. Saito

8/21/08

6/27/08

Department Head

Russ K. Saito, Comptroller

Date

Reserved for SPO Use Only

15 Date Notice Posted:

08/22/2008

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:

Although Otis Elevator may have access to the latest versions and software for the printed circuit boards, constantly evaluate the performance of their equipment, have regular technical information publications and improvement opportunities, receive information updates on possible software and equipment upgrades and changes, factory trained technicians, availability of parts, other qualified companies are still capable of providing the maintenance services. The specified factors can be addressed as evaluation criteria through the competitive sealed proposal/request for proposal procurement process.

17.

APPROVED DISAPPROVED NO ACTION REQUIRED


Chief Procurement Officer

8/26/08
Date