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STATE PROCUREMENT OFFICE
STATE OF HAWAII

STATE PROCUREMENT OFFICE
NOTICE & REQUEST FOR SOLE SOURCE

1. TO: Chief Procurement Officer

2. FROM: Department of Transportation, Airports Division
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:

a. Dispatchable Standby Generation Agreement with Hawaiian Electric Company, Inc. (HECO)
The Department of Transportation, Airports Division has entered into an agreement with HECO dated 9/24/08 to have the future Airport Emergency Power Facility (EPF) provide dedicated power to Honolulu International Airport during an extended outage. The following HECO equipment shall be provided to interconnect the airport loads under emergency mode: 12KV breakers, substation upgrades, communication interface cabinets and related work. Estimated cost = $2,650,000.

b. Installation of HECO 12 KV Feeder Cables
As part of the EPF project (State Project No. AO1098-19), it is necessary for HECO to design and install the 12 KV primary underground distribution feeder cables to the facility. Estimated cost = $1,450,000.

4. Vendor Name: Hawaiian Electric Company, Inc. Address: P.O. Box 2750 Honolulu, HI 96813	5. Price: $4,100,000
6. Term of Contract: (mm/dd/yyyy) From: ~~TBD~~ 3/31/09 Ok To: ~~TBD~~ 2/23/2010 Ok	7. Prior Sole Source Ref No. ____

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

HECO is a public utility and is the sole provider of the required equipment, cables and services.

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

The HECO equipment, cables, services and related work are required for the $24 million Emergency Power Facility project. After the recent islandwide HECO outages due to natural causes (earthquake, lightning, etc.), it was evident that the backup power capacity needed to be upgraded to maintain airport operations. Upon completion, Honolulu International Airport will have a dedicated HECO substation capable of being isolated from the utility grid and providing airport power during an extended outage.

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10. S.S. No. 09-036B

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

There are no alternatives to obtaining commercial electric power, equipment and services from the utility company.

The only other option would be to include the costs as an allowance item in the construction contract and pay HECO through the Contractor. However, this would increase the amount from $4.1 million to about $5 million when the Contractor's overhead, profit, and income taxes are included. Also, the project would be delayed because the HECO work cannot commence until the EPF construction contract is executed and payment is made to HECO.

12. **Direct any inquiries to:** Department: DOT-Airports Division Contact Name/Title: Brian H. Sekiguchi / Deputy Director-Airports	13 Phone Number: 838-8600 Fax Number: 838-8734

Expenditure may be processed with a purchase order/p-Card: ☐ ~~Yes~~ ☒ No If no, a contract must be executed and funds certified.

Agency shall ensure adherence to applicable administrative and statutory requirements, including HAR Chapter 3-122, Subchapter 15, Cost or Pricing Data, if required.

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 Signature — Date: 2/19/09

Reserved for SPO Use Only

15 Date Notice Posted: 2/23/09

Submit written objections to this notice 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:

Approval is granted based on department's representation that HECO is the sole provider of the equipment and services necessary to supply dedicated power to the airport via the EPF. Sole source contracts in excess of $100,000 require cost or pricing data pursuant to subchapter 15, Chapter 3-122, HAR.

17.

☒ **APPROVED** ☐ **DISAPPROVED** ☐ **NO ACTION REQUIRED** — Chief Procurement Officer — Date: 3/5/09

SPO-01 (Rev. 7/28/2008)

10. S.S. No. 09-026-B