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STATE PROCUREMENT OFFICE NOTICE & REQUEST FOR SOLE SOURCE

STATE PROCUREMENT OFFICE
STATE OF HAWAII

- 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, Inc. Address: 475 Village Drive Carol Stream, IL 60188	5. Price: \$70K/yr est
6. Term of Contract: (mm/dd/yyyy) From: <u>07/01/09</u> To: <u>06/30/2010</u>	7. Prior Sole Source Ref No. <u>08-063-B</u>

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. Meyercord currently provides heat-applied cigarette 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.

REQUEST FOR SOLE SOURCE (Cont.)

Submit in Triplicate

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.

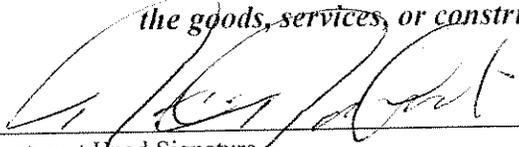
12. Direct any inquiries to:
Department: Department of Taxation
Contact Name/Title: Suzanne Eghan, Administrative Svcs Officer

13. Phone Number:
(808) 587-1500
Fax Number:
(808) 587-1506

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

3/24/09
Date

Reserved for SPO Use Only

15. Date Notice Posted: 4/1/09

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:

The department is reminded that sole source procurements \$2,500 or more are required to be posted on the Procurement Reporting System.

17.

APPROVED DISAPPROVED NO ACTION REQUIRED

Adam S. Fyfe
Chief Procurement Officer

4/9/09
Date