

**BOARD OF WATER SUPPLY
CITY AND COUNTY OF HONOLULU**

December 15, 2006
(Date Notice Posted)

NOTICE OF INTENT TO ISSUE A SOLE SOURCE AWARD

The Chief Procurement Officer is reviewing a request to make a sole source award to Fluid Systems Hawaii to purchase Mueller tapping machines and appurtenances.

The award shall be made to:

Name of Vendor: Fluid Systems, Hawaii
Address of Vendor: 96-1407 Waihona Place
Pearl City, HI 96782
Cost: not to exceed \$100,000.00

Direct any inquiries to: Lan Yoneda
Address: Board of Water Supply
2442 Kini Place
Honolulu, HI 96819
Telephone No.: (808) 748-5521
Fax Telephone No.: (808) 748-5082

Submit written objection(s) to this Notice of Intent to Issue a Sole Source Award contract within seven (7) calendar days from the date this notice was posted to:

Chief Procurement Officer
Board of Water Supply
630 S. Beretania St.
Honolulu, HI 96843

Telephone No. (808) 748-5078

Sole Source Reference No.: BWS 07-04

REQUEST FOR SOLE SOURCE

TO: CHIEF PROCUREMENT OFFICER

FROM: MIKE FUKE – FIELD OPERATIONS DIVISION
(Division/Staff Office)

RE: REQUEST FOR SOLE SOURCE APPROVAL

Pursuant to §103D-306, HRS, and Subchapter 9, Chapter 3-122, HAR, the Department requests sole source approval to purchase the following:

Description of goods, services, or construction:
Mueller tapping machines and appurtenances

Name of Vendor: Fluid Systems Hawaii, Inc.

Cost: \$ 100,000.00

Term of Contract: From January 1, 2007 To December 31, 2007

Prior Sole Source Reference No.(s), if any: _____

(1) The goods, services, or construction has the following unique features, characteristics, or capabilities:
See attached sheet.

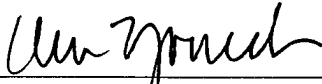
(2) How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work:
See attached sheet.

(Attach Additional Sheets if Necessary)

- (3) The following other possible sources for the goods, services, or construction were investigated but do not meet our needs because:
See attached sheet.

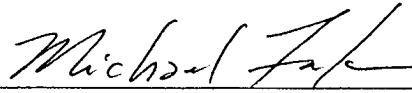
Direct questions to: Lan Yoneda Ph. 748-5521

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.



Requestor

Date: 12-15-06



Division Head/Staff Officer

Date: 12/15/06

APPROVED / NOT APPROVED



CLIFFORD P. LUM
MANAGER AND CHIEF ENGINEER

Date: 12/28/06

1. The goods, services, or construction has the following unique features, characteristics, or capabilities.

Mueller drill and tapping machines are used by the BWS to do live taps on ductile iron or cast iron mains. In most cases when the BWS taps a water main, the water main is active to avoid having to shut down water service existing customers. Tapping into a live water main is a sensitive operation that requires reliable and durable machinery and equipment. If a tap is unsuccessful water mains may have to be shut down, clamps may have to be inserted to cover the original tap hole and another tap hole in the water main would have to be made. Mueller drill and tapping machines have the highest and longest reputation in the industry for its reliability, durability and high quality and performance record. There is no other brand of tapping machines that are equal in quality and/or performance to the Mueller machines. Additionally, only Mueller appurtenances are compatible with Mueller machines. The BWS currently uses Mueller tapping machines and appurtenances. To switch to another brand would require the BWS to purchase all new machines and appurtenances to perform tapping jobs.

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

Mueller drills and tapping machines have consistently lead the industry for tapping machines due to its reliability, durability and high quality. As the water purveyor for the island of Oahu, it is essential for the BWS to use quality, reliable and durable drills and tapping machines for its water tap projects to minimize disruption of water distribution service to the public.

3. The following other possible sources for the goods, services, or construction were investigated but do not meet our needs because:

In approximately 2003 the BWS tested Rigid Tool Company tapping machines that are supposed to be comparable to Muller machines and found it to be inadequate due to the fact that the parts were fabricated from aluminum material that makes the machines and equipment less durable. Mueller drills and machines are made of a heavier, more solid material that contributes to its reliability and durability.

Other tool companies have different tapping machine designs similar to the Mueller machines but do not have the established reputation for quality, reliability and performance that Mueller does.

Fluid Systems Hawaii, Inc. is the only distributor of Mueller products in Hawaii.

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843



January 5, 2007

MUFI HANNEMANN, Mayor

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HERBERT S. K. KAOPUA, SR.
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ALLY J. PARK
ROBERT K. CUNDIFF

RODNEY K. HARAGA, Ex-Officio
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CLIFFORD P. LUM
Manager and Chief Engineer

Mr. Calvin Okinaka
Fluid Systems Hawaii
96-1407 Waihona Place
Pearl City, Hawaii 96782

Dear Mr. Okinaka:

Subject: Sole Source Purchase of Mueller Tapping Machines and Appurtenances

I am pleased to inform you that the Board of Water Supply (BWS) has awarded the purchase of Mueller Tapping Machines and appurtenances to Fluid Systems Hawaii. Enclosed is the Contract for your review and execution. If it meets your approval, please have the authorized person sign it before a notary public. The following documents must be submitted with the executed Contract:

1. Tax Clearance Certificates from the Department of Taxation, State of Hawaii, and the Internal Revenue Service dated within the last 6 months;
2. Proof of insurance such as a Certificate of Insurance that includes the Commercial General Liability Insurance, Workers' Compensation and Employer's Liability Insurance, Professional Liability Insurance, and Business Automobile Liability Insurance;
3. A Certificate of Good Standing from the Department of Commerce and Consumer Affairs, State of Hawaii, dated within the last 6 months;
4. A Certificate of Compliance from the Department of Labor and Industrial Relations, State of Hawaii, dated within the last 6 months; and
5. A Certificate of Current Cost or Pricing Data.

Additionally, in executing the Contract documents, if your company is a corporation, the corporate seal must be affixed to the signatures of the person(s) signing the Contract. If the corporate seal is not readily available, the notary public must so indicate on the acknowledgement. Additionally, if your company is a corporation, all signatures must be accompanied by a corporate resolution of the Board of Directors dated within the last 6 months, authorizing the person(s) to sign Contracts. If your company is a limited liability corporation, all signatures must be accompanied by resolution by the Managers or Members, dated within the last 6 months, authorizing the person(s) to sign Contracts. Finally, please provide the company's Federal Identification Number.

Please return the executed Contract with the above-mentioned documents to the Board of Water Supply, Procurement Office, 630 South Beretania Street, Room 307, Honolulu, Hawaii, 96843, within 14 days of the date of this letter. If you are unable to provide the above-mentioned documents, the BWS will not be able to enter into a contract with you. Should you require clarification or if you have any questions, please contact Albert Mau at 748-5137. Thank you for expressing an interest in working with the BWS.

Very truly yours,

CLIFFORD P. LUM
Manager and Chief Engineer

Enclosure