

**BOARD OF WATER SUPPLY  
CITY AND COUNTY OF HONOLULU  
REQUEST FOR SOLE SOURCE**

DATE: AUGUST 9, 2019  
TO: ERNEST Y. W. LAU, P.E., MANAGER AND CHIEF ENGINEER  
VIA: PROCUREMENT OFFICE  
FROM: BARRY USAGAWA, WATER RESOURCES *BU*  
RE: REQUEST FOR SOLE SOURCE AWARD

Pursuant to §103D-306, Hawaii Revised Statutes (HRS), and Subchapter 9, Chapter 3-122 of the Hawaii Administrative Rules (HAR), I am requesting that a sole source award be approved to purchase the following:

**Vendor Name & address:**

Utilis  
16885 West Bernardo Drive Suite 305  
San Diego, California 92127

**Amount of the contract:**

\$307,000.00

**Term of the contract:**

2 years

**Prior sole source contract numbers and dates:**

None

**Description of the goods to be purchased:**

Utilis Satellite Imagery Leak System Analysis & Leak Detection Services provides data analysis of satellite spectral aerial imaging of chlorine signatures to identify possible potable water leaks in subterranean water distribution systems. In Year 1, a baseline of the 2,100 miles will be surveyed, then 2 more scans of 500 miles each will focus on clusters of possible leaks. The more scans completed increases the accuracy of the scans as false positive anomalies are screened out. In Year 2, additional scans of 1,050 miles each would be repeated.

**Explanation how the unique features, characteristics or capabilities are essential for the BWS to accomplish its work:**

The scans provide zones of concentrations of possible leaks that the BWS leak detection team could focus on as a viable alternative to sequentially circling the island over a target 5-year process of elimination.

**Other possible sources for the goods that were investigated but do not meet the BWS's needs**

Similar competition is precluded by the existence of patent: 'Utilis' algorithm and process' is patent US 9285475 Mar, 15 2016 SYSTEM AND METHOD OF UNDERGROUND WATER DETECTION assigned to Utilis Israel Ltd. Utilis Inc. is 100% owned subsidiary of Utilis Inc.

I certify that the information provided above is to the best of my knowledge, true, correct and that the goods described above are available through only one (1) source.

Barry Usagawa  
Requestor

Barry Usagawa  
Division Head

August 9, 2019  
Date

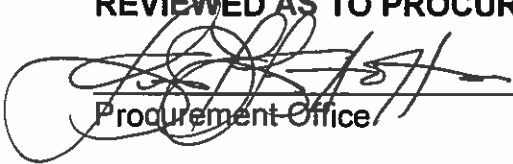
August 9, 2019  
Date

Direct Questions to: Barry Usagawa

Phone: (808) 748-5900


Posting dates pursuant to §3-122-82, HAR: 9/23/2019 to 10/2/2019

**REVIEWED AS TO PROCUREMENT FORM:**

  
Procurement Office

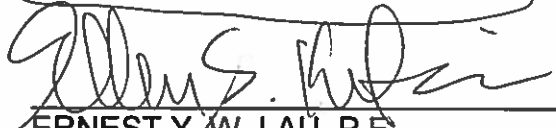
9/16/2019  
Date K# 5472.4270

**CERTIFIED AS TO AVAILABILITY OF FUNDS: 2020-820-2021 (C20547201)**

  
FINANCE 9/16/19

9/19/2019  
Date

**APPROVED AS RECOMMENDED / NOT APPROVED**

  
ERNEST Y.W. LAU, P.E.  
Manager and Chief Engineer RN

10/04/2019  
Date



May 1<sup>st</sup>, 2019

Board of Water Supply  
630 South Beretania Street  
Honolulu, HI 96843

Dear Sir / Madam:

This letter is regarding Utilis Inc. and the sole source provider status for Honolulu BWS project. This letter is to confirm that the Utilis data analysis for identifying possible potable water leaks in water distribution systems is a sole source product, manufactured and sold by Utilis Inc. No division of Utilis, nor any other company, makes a similar or competing product.

Utilis developed a unique and patented algorithm for leaks detection in urban fresh-water distribution networks. Utilis uses spectral aerial imaging, taken from a satellite mounted sensor, using the L band microwave wavelength, to spot leakage in subterranean drinking water networks. Drinking water is detected, by looking for the particular spectral signature typical to drinking water. Utilis analysis identifies the leaks within a search distance from the actual leak. The search distance is defined by a "Dynamic buffer", which is calculated specifically according to physical properties of the analyzed area and technical components of the satellite. For every new analysis, the size of the dynamic buffer is specifically calculated. The polygon area size varies for each analysis.

Additionally, competition is precluded by the existence of patent: 'Utilis' algorithm and process' is patent US 9285475 Mar, 15 2016 SYSTEM AND METHOD OF UNDERGROUND WATER DETECTION assigned to Utilis Israel Ltd. Utilis Inc. is 100% owned subsidiary of Utilis Inc.

If you desire additional information, don't hesitate to contact us at 1-858-382-7066 at any time or visit our website at [www.utiliscorp.com](http://www.utiliscorp.com). Thank you for your interest in our products.

Elly Perets, CEO, Utilis Inc.

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

September 23, 2019  
(Date Notice Posted)

**NOTICE OF INTENT TO ISSUE A SOLE SOURCE AWARD**

The Manager and Chief Engineer is reviewing a request to make a sole source award to UTILIS INC., to provide satellite imagery leak system analysis and leak detection services.

The award shall be made to:

Name of Vendor: **UTILIS, INC.**  
Address of Vendor: 16885 West Bernardo Drive, Suite 305  
San Diego, California 92130  
Amount of the contract: \$307,000

Direct any inquiries to: Kathryn Hoffman  
Address: Board of Water Supply  
Procurement Office  
630 South Beretania St.  
Honolulu, HI 96843  
Telephone No.: (808) 748-5071  
Fax Telephone No.: (808) 550-9193

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:

Manager and Chief Engineer  
Board of Water Supply  
630 S. Beretania St., Room 201  
Honolulu, HI 96843  
Telephone No. (808) 748-5071

Sole Source Reference No.: BWS 20-02-SS