

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS 7 A8 :30

TO: Chief Procurement Officer

FROM: DAGS/Information and Communication Services Division/Systems Services Branch
(Department/Division/Agency)

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

Pursuant to § 103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:

Annual software license payments to SPC Systems Limited for COBOL Report Writer Precompiler. This includes the right to use this software and the correction of any software defects.

Name of Vendor: SPC Systems Limited Address: 69 Merton Hall Road Wimbledon, London, SW19 3PX United Kingdom	Cost: \$2,180.00 ✓
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Term of Contract: From: <u>1/01/2005</u> ✓ To: 12/31/2005 <i>Wpm CPD approval</i>	Prior Exemption Ref. No. (if applicable)
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Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

COBOL Report Writer Precompiler is a software used by ICSD and many State departments and agencies. The annual software maintenance provides these State departments and agencies with the ability to convert older COBOL programs into a format understandable by current software. This software is unique and the intellectual property of SPC Systems Limited, which is the sole provider of annual maintenance for this software. If alternative software could be licensed locally, the cost to obtain the licenses, train staff, and convert to using the software would be more than the cost of the software license from the vendor.

The amendment of Hawaii Revised Statutes, Chapter 103D, State Procurement Code, by Act 52, requires that contractors operate as a business in Hawaii by opening a local office. This would increase the cost to the State beyond the \$2,500 for the licenses as the cost of relocating business functions would be duplicated and be cost prohibitive.

As the COBOL Report Writer Precompiler software is the intellectual property of SPC Systems Limited, a license to use the software can only be obtained from SPC Systems Limited.

Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

COBOL Report Writer Precompiler is the intellectual property of SPC Systems Limited and annual software license or right to use the software can only be obtained from SPC Systems Limited.

A description of the agency's internal controls and approval requirements for the exempted procurement:

Annual software license payments are processed under the supervision of the Comptroller and the DAGS Administrative Services Office.

A list of agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Gilfred Chu, DPSA V, PPMO
 Wayne Sasaki, DPSM, SSB
 Christie Ferreira, MA IV, ICSD
 Helen Tanigawa, Accountant, ICSD

Direct questions to: Gilfred Chu	Phone Number: 586-1920 X322
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This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: Yes No

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.

Russell Saito 1/5/05
 Department Head or Designee Date
 Comptroller
 Title (If other than Department Head)

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

APPROVED DISAPPROVED

Alvin S. Taylor 1/18/05
 Chief Procurement Officer Date

cc: Administrator,
State Procurement Office

STATE OF HAWAII NOTICE OF EXEMPTION FROM CHAPTER 103D, HRS

The Chief Procurement Officer is in the process of reviewing the request from the Department of Accounting and General Services for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

Annual software license payments to SPC Systems Limited for COBOL Report Writer Precompiler. This includes the right to use this software and the correction of any software defects.

Vendor: SPC Systems Limited
Address: 69 Merton Hall Road
 Wimbledon, London SW19 3PX
 United Kingdom

Term of Contract:	From: <u>1/1/05</u>	To: 12/31/05	Cost:
	<i>upm CPO approval</i>		\$2,180

Direct any inquiries to:	
Department: DAGS, ICSD	Phone Number:
Contact Name/Title: Gilfred Chu DPSA	(808) 586-1920
Address: 1151 Punchbowl Street Honolulu, Hawaii 96813	Fax Number:



Date Posted: 1/10/05

A copy of this notice of exemption from Chapter 103D, HRS, shall be posted by the Chief Procurement Officer and the purchasing agency in an area accessible to the public, at least seven (7) calendar days prior to any approval action.

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days from the date posted to:

Chief Procurement Officer
 Office/Agency _____
 Address _____
