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**STATE PROCUREMENT OFFICE
NOTICE OF REQUEST FOR EXEMPTION
FROM HRS CHAPTER 103D**

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: DEPARTMENT OF TRANSPORTATION
Name of Requesting Department

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

1. Describe the goods, services or construction:

Furnish and deliver secure programmed identity card stock compatible with existing security badging system at HNL.

2. Vendor/Contractor/Service Provider:

Johnson Controls Inc.

3. Amount of Request:

20

2014 dtk (6-20-12)

\$ 130,000 per year

4. Term of Contract From:

~~01-Jun~~

To:

~~19-Jun-22~~

5. Prior SPO-007, Procurement Exemption (PE):

2012

dtk (6-20-12)

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:

The badges utilized at Honolulu International Airport are printed on a secure medium that is pre-programmed by Johnson Controls, Inc. For security purposes, only Johnson Controls can perform the programming. This insures that others cannot duplicate the security features of the badge to gain unauthorized entry to the airport sterile area. Johnson Controls charges \$4.37 per badge, including shipping and tax. When ordered through Fastenal/Grainger (SPO Vendor List No. 11-10), Fastenal/Grainger is charged the same price by Johnson Controls, \$4.37 per badge, then they add their mark-ups plus shipping and tax and the cost comes to \$6.00 per badge. Ordering through the SPO Vendor List would add more than \$45,000 to the cost of the badges (\$1.63 x 30-40,000 badges issued each year depending on activity level). No other vendor can match Johnson Controls pricing because they purchase the badges at the same price as the State. The Airports requests a 10 year exemption on the procurement to match the estimated life of the equipment.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:

The equipment procurement for the new Statewide access control and CCTV system started in late-2008. The vendor, Johnson Controls, was selected through an IFB, Project No. AS1050-25, Contract No. 57337.

8. Identify the primary individual(s) who is knowledgeable about this request, who will conduct and manage this process, and has 1) completed mandatory training; and 2) who may contact for follow up inquiry, if any.
 (Type over "example" and delete cells not used.)

Name of Department Personnel	Division/Agency	Phone Number	e-mail address
Teena Narido <i>tn</i>	DOT/AIR/OAHU	808-836-6503	teena.r.narido@hawaii.gov
Christopher Murphy <i>cm</i>	DOT/AIR/OAHU	808-836-6487	christopher.murphy@hawaii.gov

**All requirements/approvals and internal controls for this expenditure is the responsibility of the department.
 I certify that the information provided above is, to the best of my knowledge, true and correct.**

[Signature] _____ 5/17/12
 Department Head Signature Date

For Chief Procurement Officer Use Only

Date Notice Posted: 5-18-12

Submit written objection to this notice to issue an exempt contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

Approval is for a two year period with the understanding that the contractor will charge \$4.37 per badge. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting System.

If there are any questions, please contact Donn Tsuruda-Kashiwabara at 586-0565 or donna.tsuruda-kashiwabara@hawaii.gov.

Approved Disapproved No Action Required

[Signature] _____ 6/20/2012
 Chief Procurement Officer Signature Date