



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

13 AUG -1 A11 :07

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Department of Business, Economic Development & Tourism (DBEDT)
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:

Services to monitor, maintain, repair, and ensure operational security and integrity of the DBEDT Foreign-Trade Zone (FTZ) Security Management System (SMS). This system, comprising of an intrusion (motion) detection system, physical secure and electronically-monitored gate, fence, and internal door system, electronic (badge) entry and access system, and video monitoring and recording surveillance system. The entire security system, comprising of these components, is unified and integrated over a single interface through a Virtual Private Network (VPN).

2. Vendor/Contractor/Service Provider:	Security Resources, LLC	3. Amount of Request:	
		\$ 14,995.00	
4. Term of Contract From:	8/1/2013	To:	7/31/2014
		5. Prior SPO-007, Procurement Exemption (PE):	n/a

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

FTZ #9 operates a federally-bonded warehouse and is officially recognized by Congress as a zone operating outside of U.S. Customs on American soil. As part of the U.S. Customs requirements, the FTZ #9 must operate an adequate security system to monitor real-time activity and record as necessary. The SMS must be operational at all times, 24/7/365 in order to retain Foreign-Trade Zone status and maintain compliance with U.S. Customs requirements. Non-compliance means the loss of compliance, loss of federal grant, de-listing as a Foreign-Trade Zone, and elimination of a vital link to Hawaii's business and economic development for import and export activities Statewide. The impact would be devastating to the local economy. There are other vendors on the U.S. Mainland and abroad who have the certification to maintain this system, however Security Resources LLC is the only local vendor authorized to provide this service. Other vendors do not have the experience, available parts and supplies, generalized or specific computer programming and software knowledge and training to properly maintain the system. Vendors on the mainland and abroad would not be able to provide hands-on support, and the logistics and coordination with time difference, distance, and potential for paying travel costs would make these options extremely disadvantageous to the State.

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

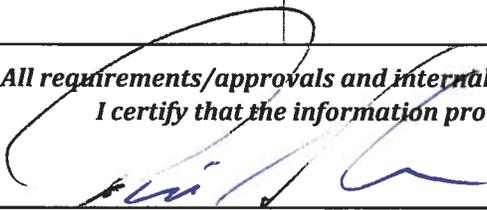
A Letter of Agreement (LOA) was commenced with Security Resources effective 7/6/2012 through 6/30/2013, and was initiated pursuant to SPO approval for SPO-001 Notice of Sole Source (SPO Sole Source #12-062K). The procurement was initiated as a result of U.S. Customs requiring that a security system be available, operational, maintained, and functioning 24/7, to include either live security guards or a video and recording system, motion or electronic sensors, and data capture. These measures are pursuant to Homeland Security directives and are intended to prevent illegal smuggling or immigration. As a result of the immediacy for any "down time" due to failures or malfunctions of the system, a local vendor is needed; as cost prohibitions abound in having a Mainland vendor station or contract a local vendor (i.e. provide training, etc), or having a Mainland vendor fly a technician, and there exist delays in securing parts (meaning the Mainland vendor would have to contact Security Resources for expertise or equipment anyway), this would create additional and unnecessary delays, when Security Resources could provide all three at once: manpower/labor, materials, and means. As mentioned above, other vendors could potentially provide the service as registered & certified supporters of the IdentiPass and Passport systems, but due to time difference, lengthy and delayed response times, and the unavailability of hands-on local support, the cost would be both prohibitive and disadvantageous to the State and the FTZ program.

8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required).

*Point of contact (Place asterisk after name of person to contact for additional information).

Name	Division/Agency	Phone Number	e-mail address
Gregory S Yukumoto <i>GSY</i>	DBEDT/FTZ9	808-587-5373	gregory.s.yukumoto@ftz9.org
David J Sikkink	DBEDT/FTZ9	808-587-5374	david.j.sikkink@ftz9.org

*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.*



Department Head Signature

7/15/12
Date

For Chief Procurement Officer Use Only

Date Notice Posted: **8-2-13**

Inquiries about this request shall be directed to the contact named in No. 8. 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 granted for the period 08/01/13 to 07/31/14 and is based on the department's determination that Security Resources is the only authorized vendor certified and trained on the IDenticard Plus Passport and Premysis Security Management system in Hawaii. 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. Copies of the HCE certificate and awards posting are required to be documented in the procurement/contract file.

If there are any questions, please contact Bonnie Kahakui at 587-4702, or bonnie.a.kahakui@hawaii.gov.

Approved Disapproved No Action Required

David S. Sikkink **8/12/2013**
Chief Procurement Officer Signature Date