

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

15 SEP -8 A7:41

TO: Chief Procurement Officer

FROM: Dept. of Business, Economic Dev. & Tourism (DBEDT)/Foreign-Trade Zone D  
*Name of Requesting Department*

ADMINISTRATION  
STATE PROCUREMENT OFFICE  
STATE OF HAWAII

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 <del>LLC</del> Pacific, Inc. <i>clk 9/14/2015</i>	3. Amount of Request:	\$ 14,950.00
4. Term of Contract From:	<i>9/1/2015</i> <i>9/8/2015</i>	To:	8/31/2016 <i>9/7/2016 clk 9/14/2015</i>
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:  
FTZ9 operates a federally-bonded warehouse, officially recognized by the US Congress as a Foreign- Trade Zone, operating outside of U.S. Customs territory. As part of the Customs requirements, FTZ9 must operate a comprehensive security system to monitor real-time activity and record as necessary. The Security Management System (SMS) must be operational at all times, 24/7/365 in order to maintain compliance with U.S. Customs requirements. Non-compliance means the revocation of a federal grant, potential de-listing as a Foreign-Trade Zone, and elimination of a vital link for Hawaii's business and economic development for import/export activities Statewide. The impact would be devastating to the local economy. There are other vendors on the U.S. Mainland and abroad who are certified to maintain this proprietary system, however Security Resources LLC is the only vendor authorized by the manufacturer to provide this service in Hawaii. Other local vendors do not have the experience, available parts and supplies, generalized or specific programming and software knowledge and training to properly maintain the system. Vendors on the mainland and abroad would not be able to provide the immediate support required; and the logistics and coordination with time difference, distance, and additional travel/lodging costs would make these options extremely disadvantageous to the State.

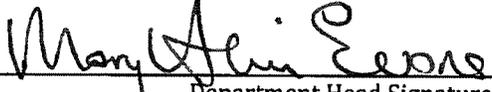
7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:  
The current security system was an upgrade to an existing system which ensures FTZ9's security remained compliant with Customs requirements. This proprietary security management system (SMS) is comprised of video surveillance, motion and intrusion detection, and an access control systems accessible through a computer graphical interface and is necessary to ensure the safety and security of FTZ9's federally bonded warehouse, facility, and customers. Any unauthorized transfer of stored merchandise into U.S. Customs territory would mean significant civil and criminal penalties to the state as an FTZ warehouse operator. Because of this, the FTZ9 security system must be maintained and operational 24/7/365. As a result, maintenance personnel must be available and responsive to ensure the system remains operational. Security Resources Pacific, Inc. is the only Hawaii vendor who is authorized by the system's manufacturer to maintain and repair the SMS. Any maintenance by an unauthorized vendor would void all system warranties and may permanently damage the system due to lack of system knowledge. Because of Hawaii's remote location, it would be impractical for a U.S. Mainland or other authorized vendor to maintain the system due to excessive time delays for critical repairs and prohibitive costs associated with transporting the necessary personnel and equipment to Hawaii.

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
David 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

9-3-15  
Date

**For Chief Procurement Officer Use Only**

Date Notice Posted: 09/10/2015

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](mailto:state.procurement.office@hawaii.gov)

Chief Procurement Officer (CPO) Comments:

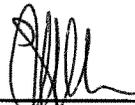
Approval is granted for the period 9/8/2015 to 9/7/2016 and is based on the department's determination that Security Resources Pacific, Inc. is the only authorized vendor certified and trained on the IDenticard Plus PASSport and Premysis Security Management system in Hawaii. Approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to provide proof of compliance and may use the Hawaii Compliance Express) for all contracts awarded and award is required to be posted on the Awards Reporting System. Copies of the compliance verification and the award posting are required to be documented in the procurement/contract file.

If there are any questions, please contact Stacey Kauleinamoku at 586-0571 or [stacey.l.kauleinamoku@hawaii.gov](mailto:stacey.l.kauleinamoku@hawaii.gov).

Approved

Disapproved

No Action Required



Chief Procurement Officer Signature

9/22/15

Date