



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

16 JUL 11 AM 10:03

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Dept. of Business, Economic Dev. & Tourism (DBEDT)/Foreign-Trade Zone D
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 Pacific, Inc.	3. Amount of Request:	\$ 14,950.00
4. Term of Contract From:	9/1/2016	To:	8/31/2017
		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. Other vendors on the U.S. Mainland and abroad may be certified to maintain this proprietary system, however Security Resources Pacific, Inc. is the only manufacturer authorized vendor to provide this service in Hawaii. Other local vendors do not have the manufacturer's certification, available parts and supplies, programming and software knowledge 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 due to the time difference, distance, and additional travel/lodging costs which would make these options extremely disadvantageous to the State.

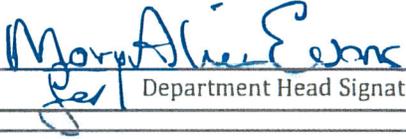
7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
The current security system was an upgrade to an existing system which ensures FTZ9's security remained compliant with Customs requirements. This proprietary security management system (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

7-6-16

Date

For Chief Procurement Officer Use Only

Date Notice Posted: 7/11/2016

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:

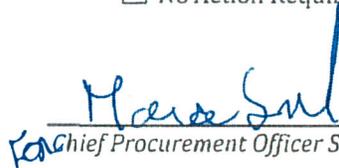
Approval is granted for the period 9/1/2016 to 8/31/2017 and is based on the department's determination that Security Resources Pacific, Inc. is the single vendor able to provide services to monitor, maintain, repair and ensure operational security and integrity of the IDenticard Plus Passport and Premysis Security Management System (IDenticard Systems). This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply (e.g., vendor is required to show proof of compliance and may use 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


Chief Procurement Officer Signature

7/21/16
Date

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
MARA SMITH
ACTING ASSISTANT ADMINISTRATOR

STATE OF HAWAII
STATE PROCUREMENT OFFICE
P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>

SPO 17-029

July 19, 2016

MEMORANDUM

TO: Mara Smith
Acting Assistant Administrator

FROM: Sarah Allen
Administrator

SUBJECT: Delegation of Signature Authority

In accordance with Hawaii Revised Statutes Section 103D, I hereby delegate authority to Mara Smith, Acting Assistant Administrator, for approval and signature all documents for the State Procurement Office. This delegation of authority covers documents signed on July 21, 2016.

A handwritten signature in black ink, appearing to read "Sarah Allen".

Sarah Allen, Administrator

7/19/16

Date