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

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

- 1. TO: Chief Procurement Officer
- 2. FROM: DAGS/ICSD/SSB

Department/Division/Agency

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

3. Description of goods, services or construction:  
 Hardware; client software; and training, installation, and customization services for Secure Transport file transfer software.

The hardware requested is called an appliance. It is a complete server pre-assembled with hardware and software, certified and warranted by the publisher of the software to operate as specified by the publisher. The services identified involve the installation and customization of the Secure Transport appliance for use by the State and the training to ensure that knowledge regarding the use, support, and maintenance of the system is transferred to the Information and Communication Services Division (ICSD) personnel.

|   |                           |
|---|---------------------------|
| 4. Name of Vendor: Tumbleweed<br>Address: 700 Saginaw Drive, Redwood City, CA 94063 | 5. Price:<br>\$294,112.70 |
|---|---------------------------|

|   |                             |
|---|-----------------------------|
| 6. Term of Contract: From: January 2006 To: June 2006 | 7. Prior Exemption Ref. No. |
|---|-----------------------------|

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:  
 See Attached

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:  
 The most practicable process available to ICSD involves the detailed review of the State's FTP requirements by the ICSD Production Services, Client Services, Telecommunication Services, and Systems Services Branches. This will be followed by an assessment of alternatives available to ICSD and the review and approval of the ICSD Administrator and Assistant Administrator. Subsequent approval by the State Comptroller will also be obtained as part of the final approval process.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:  
 The ICSD internal controls for approval include the following:

Completion of a requisition form that itemizes all costs associated with the procurement. Subsequently, a departmental comments and review form is completed that is reviewed and approved by the ICSD FTP replacement committee, Assistant Administrator, Administrator, and DAGS Comptroller.

**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)**

| 12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract: |                            |   |
|---|----------------------------|---|
| Name  | Position                   | Involvement in Process  |
| Lester M. Nakamura  | Administrator              | <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration            |
| Richard S. Shimomura  | Assistant Administrator    | <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration            |
| Glen Togashi  | Chief, Production Services | <input type="checkbox"/> Approval <input type="checkbox"/> Administration                       |
| Don Hongo   | Chief, Client Services     | <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration            |
| Wayne Sasaki  | Chief, Systems Services    | <input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration |
| Christie Ferreira   | Management Analyst         | <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration            |

|                          |   |
|--------------------------|---|
| 13. Direct inquiries to: | Department: Accounting and General Service<br>Contact Name: Wayne Sasaki<br>Phone Number: 586-1940 x343<br>Fax Number: 586-2337 |
|--------------------------|---|

Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*

  
 Department Head

3/17/06  
 Date

| Reserved for SPO Use Only  |                                       |
|--|---------------------------------------|
|  | 15. Date Notice Posted <u>3/20/06</u> |
| The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to: <p align="right">                     Chief Procurement Officer<br/>                     State Procurement Office<br/>                     P.O. Box 119<br/>                     Honolulu, Hawaii 96810-0119                 </p> |                                       |
| Chief Procurement Officer's comments:<br><br><br><br><br><br><br><br><br><br>  |                                       |

16.  APPROVED  DISAPPROVED

Chief Procurement Officer

Date

Attachment to Secure Transport Form 7

Item 8.

The hardware appliance consists of server hardware with the Secure Transport software preinstalled and the hardware and software certified and warranted as a unit by the software publisher. Although any standard hardware server may be used, ICSD would be responsible for the installation of the Secure Transport software on the server hardware and resolve all problems. The publisher would be responsible only for the correction of software defects identified by ICSD. With the hardware appliance, Tumbleweed will certify and warrant that the server hardware and Secure Transport software will work.

The software license for Secure Transport is owned by the Department of Human Services and will be transferred to ICSD. Thereafter, ICSD would assume the annual license payments. The training, appliance installation, and customization services will be provided by the software publisher, Tumbleweed. No other company is authorized or certified by Tumbleweed to perform these services. In addition, no company is authorized or franchised by Tumbleweed, the intellectual property rights owner, to provide services and training for Secure Transport software and appliance.

It is not advantageous for the State to solicit these services from any other provider because the Secure Transport server will be used to transmit payroll and deduction data to various payroll related services offered to State employees. Any error or extended delays in transmitting this data will result in the payment of funds to make up any cost difference due to any delays resulting from data transmission errors. To minimize the possibility of this happening, ICSD is performing its due diligence responsibility by making every effort to implement this service with a company that is most expert with the software.