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

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:
Request approval to purchase IBM Passport Advantage software for Intel, AIX, LINUX, and mainframe computers outside of Price List 05-16. See attached list of software.

4. Name of Vendor: IBM Corporation Address: 1240 Ala Moana Blvd., Honolulu, Hawaii 96814	5. Price: \$1,197,205
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6. Term of Contract: From: July 2006 To: June 2011	7. Prior Exemption Ref. No.
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8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:
See attachment.

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 requirements by the ICSD Systems Services and Client Services Branches with input on requirements from the Audit and Accounting Divisions. 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 HISOA 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
Dennis Uyesugi	Chief, Client Services Branch II	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Don Hongo	Chief, Client Services Branch I	<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
 Contact Name: Wayne Sasaki
 Phone Number: 586-1940 x343
 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.*

Russ K. Seih
 Department Head

6/14/06
 Date

Reserved for SPO Use Only

15. Date Notice Posted 6/15/06

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:

Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

Chief Procurement Officer's comments:

This approval is based on the ICSD's determination that entering into this agreement with the software manufacturer for the conversions and maintenance is in the best interest of the agencies to improve connectivity with the State's IBM mainframe. This approval is for the solicitation process only, section 103D-310(c), HRS, and section 3-122-112, HAR, shall apply.

16. APPROVED DISAPPROVED

Alan S. Fujita 6/22/06
 Chief Procurement Officer Date



Software and Services Special Option

Schedule A Listed Programs

PA Programs

Maintenance coverage ends June 30, 2011

unless terminated earlier as provided herein under the terms of this Agreement.

Qty.	License + 12 Months Maintenance Part #	Maintenance Part # (after first year)	Description
10	D50N8LL	E005GLL	WebSphere Application Server ND Proc for zLinux License + SW Maintenance 12 months
2	D558FLL	E01V2LL	WebSphere Process Server for Multiplatforms Processor Linux zSeries License + SW Maintenance 12 Months
2	D5571LL	E01UDLL	WebSphere Integration Developer Authorized User License + SW Maintenance 12 Months
2	D53V1LL	E01B1LL	WebSphere Business Modeler Advanced User License + SW Maintenance 12 Months
1	D527QLL	E00P8LL	WebSphere Business Monitor Processor License + SW Maintenance 12 Months
3	D53E4LL	E015KLL	WebSphere Message Broker Processor Linux zSeries License + SW Maintenance 12 Months
3	D555PLL	E01TULL	WebSphere Adapter for JDBC Application instance License + SW Maintenance 12 Months
3	D555TLL	E01TWLL	WebSphere Adapter for Flat Files Application instance License + SW Maintenance 12 Months
3	D52DGLL	E00RDLL	WebSphere Business Integration Adapter for Lotus Domino Application instance License + SW Maintenance 12 Months
5	D53EHLL	E015RLL	WebSphere MQ Processor Linux zSeries License + SW Maintenance 12 Months
2	D56Q7LL	E02B8LL	IBM HATS for Multiplatform Processor zSeries License + SW Maintenance 12 Months
10	D5520LL	E01SLLL	IBM WebSphere Developer for zSeries (S/390) Authorized User License + SW Maintenance 12 Months
2	D529MLL	E00PZLL	IBM WebSphere Information Integrator Advanced Edition Unlimited Processor License + SW Maintenance 12 Months
10	D51LCLL	E00HXLL	IBM WebSphere Information Integrator Developer Edition User License + SW Maintenance 12 Months
2	D518GLL	E00BILL	IBM DB2 Universal Database Enterprise Server Edition Processor License + SW Maintenance 12 Months
2	D50TTLL	E006ZLL	IBM WebSphere Portal Enable Processor License + SW Maintenance 12 Months



Software and Services Special Option

Maintenance Renewals

The following Programs have been previously licensed by you under separate terms and conditions and will receive Maintenance coverage through June 30, 2011 unless terminated earlier as provided herein under the terms of this Agreement.

Qty.	Maintenance Part #	Description
		Site #7194587
3	E1B79LL	IBM DB2 Universal Database Workgroup Server Edition User Annual SW Maintenance Renewal
2	E009GLL	IBM Tivoli Storage Manager Managed Processor Annual SW Maintenance Renewal
45	E00I9LL	IBM Tivoli Storage Manager Extended Edition Managed Processor Annual SW Maintenance Renewal
1	E00I9LL	IBM Tivoli Storage Manager Extended Edition Managed Processor Annual SW Maintenance Renewal
16	E009WLL	IBM Tivoli Netview Processor Annual SW Maintenance Renewal
1	E1B7HLL	IBM DB2 Universal Database Workgroup Edition Server Install Annual SW Maintenance Renewal
1	E1B51LL	IBM DB2 Universal Developers Edition Developer Annual SW Maintenance Renewal
1	E00M6LL	IBM WebSphere Application Server Express Processor Annual SW Maintenance Renewal
5	E01MJLL	IBM Rational Application Developer for WebSphere Software Authorized User Annual SW Maintenance Renewal
2	E1ASVLL	IBM DB2 Query Management Facility (QMF) for Workstation Databases for Windows Processor Annual SW Maintenance Renewal
1	E013SLL	IBM DB2 Universal Database Express Edition CPU Option Processor Annual SW Maintenance Renewal
2	E00PLLL	IBM DB2 Query Patroller Processor Annual SW Maintenance Renewal
2	E00Q3LL	IBM DB2 Warehouse Manager Standard Edition Processor Annual SW Maintenance Renewal
1	E00IGLL	IBM DB2 Universal Database Enterprise Server Edition for Linux on Z Processor Annual SW Maintenance Renewal
		Site #7143384
4	E008ZLL	IBM Tivoli Storage Manager for Databases Managed Processor Annual SW Maintenance Renewal
100	E009GLL	IBM Tivoli Storage Manager Managed Processor Annual SW Maintenance Renewal
38	E00I9LL	IBM Tivoli Storage Manager Extended Edition Managed Processor Annual SW Maintenance Renewal
		Site #7022856
1	E1CS6LL	IBM Lotus Notes with Collaboration User Annual SW Maintenance Renewal
200	E1CS6LL	IBM Lotus Notes with Collaboration User Annual SW Maintenance Renewal
15	E1CSFLL	IBM Lotus Domino Designer User Annual SW Maintenance Renewal
50	E1CSWLL	IBM Lotus QuickPlace User Annual SW Maintenance Renewal

ATTACHMENT TO ITEM 8

The State has been utilizing IBM software called Host Integration Software (HIS). This is a suite of software to improve connectivity with the IBM mainframes housed at the State Data Center. The software is currently licensed through the Passport Advantage agreement in place through SPO Price List No. 05-16.

The original HIS software included software that the State no longer required. At the same time, Service Oriented Architecture (SOA) software technology has emerged as the Information Technology (IT) industry direction. It will enable disparate State information systems and data sources to interoperate without the need to replace or do major modifications of existing systems. SOA defines an architecture within which disparate systems and data can interoperate. We reconfigured the current HIS software license package and replaced outdated software that is no longer needed with current SOA software.

ICSD and IBM have completed the configuration of this combined software suite called Host Integration and Service Oriented Architecture and requests approval to enter into a Passport Advantage agreement outside of the existing price list agreement with ASAP (PL-05-16).

Most of this software is available through the State software contract with ASAP. However, since IBM is requiring that payments be made directly to them instead of through ASAP, a separate agreement must be executed. For this reason, we were advised by SPO that this exemption request is needed.