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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: Transportation / Highways / Design Branch / Bridge Design

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:
Please see attached sheet.

Transportation Officials

4. Name of Vendor: American Association of State Highway and Highway [^]
Address: AASHTO, Dept. 5051, Washington, DC 20061-5051

5. Price:
\$88,000

6. Term of Contract: From: 7/1/06 To: 6/30/2007

7. Prior Exemption Ref. No.
06-037-J

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:
Please see attached sheet.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
AASHTO is the only provider and owner of this software and the Service Units.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
James Fu, Project Manager for the Pontis Bridge Management System will be the focal person responsible for the agency's internal control of this procurement. The request to acquire the license of the Pontis software and the five service units were routed to all applicable offices in the Department of Transportation for comments and approved by the Dept. of Transportation Director.

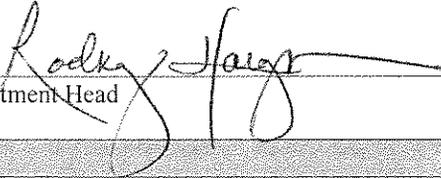
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

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
Rodney Haraga	Director	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
James Fu	Engineer (Structural) V	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Gary Choy	Highways Design Branch Head	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Gerald Dang	Admin. Services Officer	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Glenn Yasui	Highways Div. Administrator	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Philip Russell	Contracts Officer	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration

13. Direct inquiries to:	Department: Transportation Contact Name: James Fu Phone Number: (808) 692-7613 Fax Number: (808) 692-7617
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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

SEP 20 2006
 Date

Reserved for SPO Use Only	
	15. Date Notice Posted <u>9/29/06</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="center"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 </p>	
Chief Procurement Officer's comments:	

16. APPROVED DISAPPROVED NO ACTION REQUIRED


 Chief Procurement Officer 10/6/06
 Date

Description of Goods, Services or Construction:

Licensing of the Pontis software. Pontis is a software program and also a comprehensive bridge or asset management system. Pontis stores bridge inventory and inspection data; formulates network-wide preservation and improvement policies for use in evaluating the needs of each bridge in a network; and makes recommendations for which bridge projects to include in an agency's capital plan for deriving the maximum benefit from limited funds. The annual Pontis license allows use of Pontis on an unlimited number of workstations within the D.O.T. and permits the Counties and consultants/contractors employed by such to use Pontis on specified structures. Annual cost of the Pontis license = \$30,000 per year.

A Pontis service unit is defined as follows: AASHTO offers special fixed-fee contractor provided service to support an agency in expediting the implementation of Pontis. The fee for each unit of service provides approximately 56 hours of labor by a contractor employee preparing for, spending up to four days at the agency site, and providing follow-up support, and includes all other direct and related travel expenses.

Purchase of three (5) Pontis service units for FY 2006-2007 = 5 x \$11,600 = \$58,000 is needed for the following:

(3) Pontis Service Units: Model Validation and Infomaker Training

(1) Pontis Service Unit: Review Hawaii D.O.T. existing improvement feasibility check and develop a calculation method of MR&R benefits.

(1) Pontis Service Unit: Network Level Analysis.

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

Procurement by competitive means is neither practicable nor advantageous to the State because AASHTO is the only provider and owner of the Pontis software. This annual license renewal is listed as Item 3, Exhibit B. Procurement approved for Sole Source, HAR 3-122. However, the Association does not provide Certificates of Compliances as required by Act 216.

The State has been using Pontis since 1994 and has invested well over \$250,000 in its development. If the State were to open this procurement by competitive means, assuming AASHTO does not win the bid, the State would have to begin its bridge management system from scratch and would pay perhaps millions of dollars to achieve the current status of the Pontis bridge management system. This is because a Contractor would have to create a new bridge management system for the State of Hawaii. Also, by staying with AASHTO, the State may save much money because over forty States and several foreign countries currently subscribe to Pontis. AASHTO pools the funds from all Pontis participants so that development costs are spread over many users.