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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. The following are the software: (1) Websphere DataStage Enterprise Edition four and twelve months' maintenance and (2) Websphere QualityStage Enterprise Edition four and twelve months' maintenance.

4. Name of Vendor: IBM Corporation

Address: 1240 Ala Moana Blvd., Honolulu, Hawaii 96814

5. Price:

\$585,934

6.

Term of Contract:

From: 12/2006

To: 7/2011

7. Prior Exemption Ref. No.

06-088-C

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 practical 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 DataMart steering committee. 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
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
Don Hongo	Chief, Client Services Branch I	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Dennis Uyesugi	Chief, Client Services Branch II	<input 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
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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.*


12/12/06

 Department Head Date

Reserved for SPO Use Only

15. Date Notice Posted 12/13/06

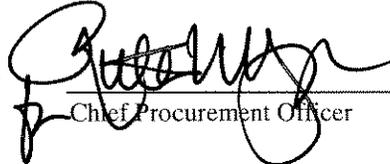
The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to:

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

Chief Procurement Officer's comments:

This approval is for the solicitation process only, HRS section 103D-310(c)
 and HRS section 3-122-112 shall apply.

16. APPROVED DISAPPROVED


12/20/06

 Chief Procurement Officer Date

ATTACHMENT TO ITEM 8

ICSD utilizes WWM software to manage and transform expenditure data from the Financial Accounting Management Information System (FAMIS) and loads that data into the State's Financial DataMart (FDM). The WWM software has been discontinued and replaced with DS/QS.

The WWM software is designed to take expenditure data from FAMIS, transform it, and update an IBM DataBase 2 (DB2) database for inquiry by FDM users. WWM is currently licensed through the Passport Advantage agreement through SPO Price List No. 05-16.

With the release of the latest version of DB2 early next year, IBM will discontinue WWM. DS/QS is a major upgrade over WWM and provides more capability and function. DS/QS is available as a separate product through ASAP but will not protect the discounts on maintenance costs in future years.

ICSD received a previous 103D exemption (PE 06-088-C) for purchase of IBM Passport Advantage software outside of Price List 05-16. This resulted in a separate Passport Advantage agreement under which ICSD was given additional discounts over a longer period of time.

This request for procurement exemption is to amend this Passport Advantage agreement to add DS/QS. Although DS/QS is available through Price List 05-16, if ICSD purchased the software through the price list, discounts would only be available for this fiscal year and maintenance payments would revert to the normal price list discounts.