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

- 1. TO: Chief Procurement Officer
- 2. FROM: Department of Human Services / Social Services Division

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:
 This request is for exemption approval to purchase Applicant LiveScan workstations (hardware and software) that work with the State's Automated Fingerprint Identification System (AFIS). The equipment described herein is needed to do the electronic capture, transmission and processing of applicant's demographic information and fingerprints through the State's proprietary AFIS system and on to the Federal Bureau of Investigation's (FBI) Integrated Automated Fingerprint Identification System (IAFIS).

The Hawaii Criminal Justice Data Center (HCJDC) is the FBI-designated State Identification Bureau (SIB) and manages a statewide criminal fingerprint identification system of arrested offenders in the State of Hawaii. As such, the HCJDC is responsible for the State's AFIS system. Following a competitive bid, Sagem Morpho Inc. (SMI) installed Hawaii's AFIS in 1990 and continues to manage the system today. In 2002 the Department of Human Services (DHS), upon approval by the State Procurement Office, purchased 10 Applicant LiveScan workstations from Sagem Morpho Inc. and has been using them to process criminal history background record checks on various service provider groups. Since then the number of applicants requiring background checks has increased tremendously and continues to grow. Consequently DHS is buying 10 additional Applicant LiveScan unit.

4. Name of Vendor: Sagem Morpho, Inc. Address: 1145 Broadway Plaza, Suite 200 Tacoma, Washington 98402	5. Price: \$184,895.00
6. Date of Approval Term of Contract: From: 1/2/07 To: 6/30/07	7. Prior Exemption Ref. No. PE-02-045-J

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State: Sagem Morpho, Inc.'s AFIS system is proprietary. The system is unique because of its configuration, database encoding algorithms and storage, workstations, and operations, especially in the area of latent fingerprint processing. Integration of the Applicant LiveScan capability into the Hawaii AFIS requires that the fingerprint images of the applicants be in the same format as those accepted by the SMI AFIS, or that the fingerprint images captured by such a livescan device be pre-processed and converted to the proprietary format maintained by the SMI AFIS. There are no other applicant livescan devices available from other vendors that would be able to provide the compatible proprietary fingerprint data format required by the SMI AFIS. Other available devices would require the development and implementation of additional software processing that would be error-prone and work-intensive. This would entail additional costs and be time-consuming and not beneficial to the State.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
 Because of the proprietary nature of the equipment and systems involved in applicant livescan fingerprinting process, and because of the successful and effective results experienced by DHS over the past 4 years using Sagem Morpho's equipment and technical support staff, the most advantageous approach for DHS as we expand services is to stay with the same vendor. It is noteworthy that the cost of the applicant livescan equipment has decreased significantly. The original units were purchased in 2002 at a unit cost of about \$24,000. The current model we plan to buy costs \$17,750.

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

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 DHS will be submitting a form ICSD-205 "Computer Hardware or Software Request", which requires approval of DHS' Office of Information Technology, the Director, ICSD, and the State Comptroller. Once approved, a contract for exempt purchase will be written, requiring approval by the Attorney General's Office and DHS Director.

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	
Amy Tsark	SSD Acting Administrator	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
James Lum	Office of Information Technology	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Administrator	ICSD	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
State Comptroller	DAGS	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Candace Park	Deputy Attorney General	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Lillian B. Koller	Director of Human Services	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: Human Services
 Contact Name: Randy Fonseca
 Phone Number: 586-5692
 Fax Number: 586-5700

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.*

Lillian B. Koller

DEC 29 2006

Department Head

Date

Reserved for SPO Use Only

15. Date Notice Posted 1/05/07

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

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

Chief Procurement Officer's comments:

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

16.

APPROVED

DISAPPROVED

NO ACTION REQUIRED

Adam S. Fuchs
Chief Procurement Officer

1/12/07
Date