



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

1. TO: Chief Procurement Officer

2. FROM: DAGS/ICSD/TSB

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:

ArcSight's Security Information Management System (SIMS) software licenses, maintenance, support, and training.

The SIMS software is used to manage security information received from numerous and various communication and security devices and systems deployed throughout the State on the State's Next Generation Network (NGN).

4. Name of Vendor: ArcSight, Inc.

Address: 5 Results Way  
Cupertino, CA 95014

5. Price:

\$Statewide Price List

6. Term of Contract: From: 2/01/08 To: 1/31/09

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:

None for this exemption request.

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

None for this exemption request.

**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	
Debra Gagne	ICSD Administrator	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Sharon Wong	ICSD Acting Asst Administrator	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Sharon Wong	ICSD PPMO Chief	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Gwen Nakahara	ICSD TSB Chief	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
David Fujimoto	ICSD TSB/NMS Chief	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: DAGS/ICSD/TSB  
 Contact Name: Gwen Nakahara  
 Phone Number: 586-1930 x615  
 Fax Number: 586-1962

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.*

*Barbara A. Lewis*  
 Department Head

DEC 31 2007  
 Date

Reserved for SPO Use Only	
15. Date Notice Posted	<u>1/2/07</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

*Alan S. Fujita*    1/9/08  
 Chief Procurement Officer    Date

## ATTACHMENT

### SPO Form 7

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

The initial ArcSight SIMS was procured for the State by the federal Department of Homeland Security's Defense Logistics Agency. Sole Sources Nos. 06-25-C (expired on November 15, 2006) and 07-34-J (expired on November 21, 2007), have been utilized to acquire additional ArcSight SIMS software licenses, maintenance, support, and training by State departments and agencies. ArcSight in early 2007 authorized several resellers to market the product line. As the intellectual property rights to the SIMS are owned by ArcSight, ICSD sought and was granted a request for restrictive specifications on April 26, 2007. Subsequently, a request was made to the State Procurement Office (SPO) to issue the restrictive bid and establish a statewide price list for the ArcSight SIMS products on July 3, 2007. Since other State departments and agencies besides the ICSD need to purchase ArcSight SIMS products, SPO (the only agency authorized to establish statewide price list) needs to issue the solicitation. SPO returned the ICSD request as "unable" due to insufficient staff. About the same time the denial was received, ArcSight verbally informed ICSD that as an existing customer, we would not be able to utilize a reseller to obtain their product and had to acquire the product directly from ArcSight. The ICSD asked for a written statement to that effect from ArcSight so a Sole Source could be secured. The ICSD was informed this December that the statement was not valid.

The exemption is being sought to allow the State to continue to obtain ArcSight SIMS software licenses, maintenance, support, and training. This will allow the State to maintain and expand its ability to proactively protect the State's network through the utilization of the ArcSight SIMS until such time as the SPO is adequately staffed to resume doing the required bid solicitation.