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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 Taxation

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:
Information Technology consulting services for implementation of client based Electronic Leave System (ELS).

4. Name of Vendor: Data House Address: 1585 Kapiolani Blvd, Suite 1800 Honolulu, HI 96814	5. Price: \$25K (estimate)
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6. Term of Contract: From: on approval To: 06/30/2009	7. Prior Exemption Ref. No.
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8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: DataHouse programmed the Electronic Leave System (ELS) for the Department of Commerce and Consumer Affairs and has/is assisted/assisting in the implementation of the system, with varying degrees of customization for other State Agencies including the Department of Education and the Judiciary. ELS automates approval for leave requests and electronically tracks leave balances. ELS will benefit and will affect all permnant DOTAX employees. It is therefore, imperative that the system be customized, tested and implemented prior to the start of the 2009 tax season. It would not be practicable or advantageous for the State to hire another vendor due to the learning curve involved in the programming of the ELS system. DOTAX requires programmers that are experienced with ELS.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: DOTAX reviewed DataHouse's hourly rate. This rate is competitive with other IT consultants that DOTAX uses our Integrated Tax Information Management System and Information Technology Subject Matter Experts.

10. A description of the agency's internal controls and approval requirements for the exempted procurement: DataHouse will work closely with the DOTAX Information Technology Services Office (ITSO). ITSO will monitor DataHouse's hours to ensure accuracy and productivity. ITSO and DOTAX's Departmental Personnel Officer will review and approve all payments to DataHouse.

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
Robert Su	ITSO Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Sharon Iwamura	Departmental Personnel Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Suzanne Eghan	Administrative Services Officer	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Sandra Yahiro	Deputy Director	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Kurt Kawafuchi	Director	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: Taxation Contact Name: Suzanne Eghan Phone Number: 587-1500 Fax Number: 587-1506
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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

6/16/08
 Date

Reserved for SPO Use Only	
	15. Date Notice Posted <u>6/19/08</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: <p>A vendor's experience with the development of an Electronic Leave System (ELS), experience with assisting other State agencies with the implementation of an ELS and the learning curve involved in the development, programming, and implementation of an ELS, can all be included as evaluation criteria when soliciting competitive proposals for DOTAX's ELS. For those reasons, this request lacks justification for procurement exemption approval and is disapproved. It is recommended that the agency use the competitive sealed bid or proposal process to procure its requirements.</p>	

16. APPROVED DISAPPROVED NO ACTION REQUIRED


 Chief Procurement Officer 6/25/08
 Date