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

1. TO: Chief Procurement Officer  
2. FROM: DBEDT/High Technology Development Corporation

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:

HTDC has received federal grant funding from the Economic Development Administration for a targeted project for development of virtual services and eCommerce for businesses. HTDC maintains several websites to address its mission to diversify the State's economy. HTDC needs to make changes to the hitechhawaii.com website which acts as a clearinghouse of useful information for businesses (e.g., federal grant funding opportunities). In particular, this procurement includes: 1) redesign of layout to accommodate new features and content, plus updating new entries/categories to the fields, 2) improved navigation, 3) custom content management system to allow third party administrators to add, edit and delete articles in their sections, and 4) customization of the ColdFusion administrator portal to allow full access to all content and login accounts on the site.

To accommodate these changes, substantial programming and database modifications will need to be made to the existing system which has not yet been completed by our current vendor.

4. Name of Vendor: StarrTech Interactive

Address: 1003 Bishop Street, Honolulu, HI 96813-3469

5. Price:

\$15,000 (estimated)

6. Term of Contract:

*date of CPO approval*  
From: ~~12/1/08~~ *D&D*

To: 03/31/09

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: It is not practicable to pursue a competitive bid because the website changes need to be made while the current site is under reconstruction. See attached sheet for current project background and exemption request reasons.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

HTDC has submitted a request for bid to seven web design companies, five of which are ranked in the top 10 of the "Book of List" by Pacific Business News. (HTDC asked for quotes from other vendors prior to receiving a letter from the current vendor stating reasons why they cannot allow another vendor to access their server.) HTDC can use any bids received to gauge the fairness of the current vendor's price, as well as our staff's past experience in bidding for and evaluating the pricing for web design work. In the future, HTDC will be able to open up bids for further web work once the code is safely transferred to a hosted server. Further, the named vendor above was not initially selected by HTDC, but was a choice of NextLevel, our original vendor (selected via competitive bid) who subcontracted with StarrTech who was deemed by NextLevel to provide the best value for the project. Because of factors noted in #8, we are precluded from competitively bidding this procurement.

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

10. A description of the agency's internal controls and approval requirements for the exempted procurement:  
 HTDC awards State contracts/contractual agreements for its procurements and complies with all State contracting procedures. HTDC employs a Contracts Administrator, well-versed in procurement policies, to ensure compliance. Potential contract awards are reviewed and approved by the Executive Director of HTDC. The Executive Director has recently completed relevant procurement classes.

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	
Yuka Nagashima	Executive Director & CEO	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Steve Sakuda	Controller	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Sylvia Bollmeier	Contracts Administrator	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Derrin Chong	IT specialist	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
HTDC Board of Directors	oversight only	<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: DBEDT/HTDC  
 Contact Name: Yuka Nagashima  
 Phone Number: (808) 539-3601  
 Fax Number: (808) 539-3611

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

DEC 18 2008

Date

**Reserved for SPO Use Only**

15. Date Notice Posted 12/23/08

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 based on the DBEDT/HTDC representation that it is not practicable to solicit for a new vendor to provide substantial website programming changes, because of time constraints, possible loss of funding, and the challenges a new vendor will have due to security issues while the website is under construction with the original subcontractor, StarrTech.

16.

APPROVED  DISAPPROVED  NO ACTION REQUIRED

Alan S. Giff  
Chief Procurement Officer

12/30/08  
Date