



09 JUL -2 P1:31

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

STATE PROCUREMENT OFFICE
STATE OF HAWAII

- 1. TO: Chief Procurement Officer
- 2. FROM: Michael D. Formby, Dept. of Transportation, Harbors Div.

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:
 The State Department of Transportation, Harbors Division (DOTH) is procuring the design, construction and installation of a passive suicide bomber detection system that is radiation free, non-intrusive passenger screening devices (without security screeners having to physically pat-down passengers for explosive devices), and a system capability to detect non-metallic devices (e.g. ceramic weapons).

4. Name of Vendor: SAGO Systems Address: 733 Bishop Street, Suite 1717 Honolulu, Hawaii 96813	5. Price: \$1,187,930
6. Term of Contract: From: 7-1-09 ^{7/2/09 dfr} To: 5-31-2010	7. Prior Exemption Ref. No. 09-074-C

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: Department of Homeland Security (DHS) thru FEMA announced via its website, a competitive process of selecting projects for \$201 million in 2007 Port Security Grants. The DOTH received proposed projects from contractors responding to the DHS open announcement of the 2007 grant. The State, as an applicant for a grant, could submit up to 3 projects meeting the specific DHS/FEMA National Infrastructure Protection Plan. DOTH submitted 3 project proposals and funding the projects would be based upon a competitive FEMA evaluation process. The SAGO System passive detection system went through both a State screening process of projects meeting the National Infrastructure Protection Plan priorities and a Federal competitive evaluation and selection program as provided in the 2007 Port Grant Program Guidelines. FEMA's award of the grant was based on the State's submission of the SAGO Systems' radiation free suicide bomber (continued on attached sheet)

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
 DOTH received and screened proposed projects from contractors responding to the DHS open announcement of the 2007 grant. DOTH selected and included proposed projects in its grant application that met the risk criteria based on national port security priorities established within the National Preparedness Goal. The DOTH then forwarded the projects to be reviewed by the Captain of the Port, USCG, for field scoring based on responsiveness to the Core Program Criteria. The field scoring was forwarded to the USCG District Headquarters for review, and then to DHS/FEMA for final review and acceptance/rejection via the multi-layer competitive National Review Process. FEMA awarded 2 out of 3 projects proposed in the State's application, the SAGO System's radiation free suicide bomber technology for design, construction and implementation of the detection system at all DOTH passenger terminals. FEMA competitively awarded the grant (continued on attached sheet)

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 DOTH has a full and open process to consider concepts from any entity on projects that can be included in the grant process. Upon FEMA's competitive grant announcement, the State follows the instructions provided in the 2007 Port Grant Program Guidelines and Application Kit. The proposed projects are selected based on the State's review and determination that a project concept meets the required capability of the national port security priorities established within the National Preparedness Goal, and an opportunity for the project concept to be awarded the grant and funding based on: 1) the field review by the Captain of the Port; 2) the final National review comprised of subject matter experts from G & T, USCG, Transportation Security Administration (TSA), Customs Border Patrol (CBP), OIP, and Maritime Administration (MARAD); and, 3) the timeline and availability of technologies that suit the needs of the State within the cost and time constraints of DHS/FEMA and the State. SAGO Systems went (continued on attached sheet)

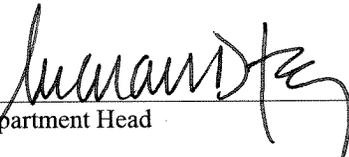
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

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
Michael D. Formby	Deputy Director	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Davis K. Yogi	Harbors Administrator	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Wade Takamoto	Project Engineer	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: Transportation - Harbors Div. Contact Name: Davis K. Yogi Phone Number: 587-1928 Fax Number: 587-1982
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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

5/13/09
 Date

Reserved for SPO Use Only

15. Date Notice Posted 7/6/09

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 based on the representation by the department that they were required to follow a process established by the U.S. Department of Homeland Security for receipt of federal grant funds.

This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. Department is reminded that procurements \$2,500 or more are required to be posted on the Procurement Reporting System.

16. **APPROVED** **DISAPPROVED** **NO ACTION REQUIRED**


 Chief Procurement Officer Date 7/27/09

SPO-07 – Continuation of Items 8, 9, and 10
SAGO Systems

8. (Continued)

detection system and acceptance by the US Coast Guard and subsequent selection and approval of a federal sole source by DHS/FEMA makes procuring another company's product by competitive means not practicable or advantageous to the State. No other entity can execute the SAGO Systems' concept in its technical and architectural design and as it directly relates to the dollar funding of the grant, capability, cost and proprietary information.

9. (Continued)

based on its rating criteria of the project, as described in the 2007 Port Grant Program Guidelines and Application Kit (see attached), and its extensive review and screening process, and as such, provided a sole source authorization and grant to SAGO Systems (see attached) to implement the radiation free passive passenger screening system as it has already been vetted through a fair and open competition at the federal level.

10. (Continued)

through such process and won the competitive award. Additionally, an assessment of the ability of a different vendor who did propose the original concept to implement the program within the cost and time is considered improbable/impracticable, and as such, SAGO Systems should be awarded a sole source contract as being advantageous to the State.