

09 NOV -5 AIO:17



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

1. TO: Chief Procurement Officer

HAR 8045.10

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 and construction of a Kahului Harbor Surveillance Command Information System (KHS-CIS). DOTH is integrating the KHS-CIS system with the Honolulu Harbor H2S-CIS and the existing Kewalo surveillance systems at Kewalo Basin that is monitored 24/7 by the State Civil Defense Emergency Operating Center (SCD-EOC). The KHS-CIS system integrates the real time optical and radar surveillance of critical port areas and tracking of waterborne traffic as well as information from the California Integrated Seismic Network providing region-wide earthquake information--an alert system to monitor an all-threats approach to securing the harbors on Maui. The system, once integrated with the other harbor surveillance systems, will provide a common operating picture to state and county emergency operating centers. The project concept and approach of command, control and surveillance for the Port of Honolulu is a unique Hawaiya Technologies, Inc. (HTI) concept, architecture and technical design.

4. Name of Vendor: Hawaiya Technologies, Inc.  
Address: 98-1809 Nahele St., Aiea, Hawaii 96701

5. Price:  
\$967,439

6. Term of Contract: From: 12-1-09 To: 11-30-10

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 in selecting projects for \$ 201,170,000 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. HTI and its KHS-CIS product 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 Grant guideline. FEMA's award of the grant was based on the State's submission of the HTI project concept, review and acceptance by the US Coast Guard. (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 who responded to the DHS open announcement of the 2007 grant. DOTH selected and included their 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 for review to the Captain of the Port, USCG for field scoring based on responsiveness to the Core Program Criteria. The field scoring were 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. On August 9, 2009, FEMA awarded 2 out of 3 projects proposed in the State's application, one project concept was proposed by HTI for implementation at the Kahului Harbor. FEMA competitively awarded the grant based on its rating criteria of the project, as described in the (continued on attached)

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 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. HTI's KHS-CIS went through such (continued on attached sheet)

10-038-B

**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.*



10-27-09

Department Head

Date

Reserved for SPO Use Only

15. Date Notice Posted 11/05/09

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:

Approval is based on the DOT's representation that the process for soliciting for projects and ultimate selection of the contractor was in conformance with requirements set forth by the Federal Government (DHS/FEMA). In this situation, the DOT was unable to follow their normal procurement process and this request is to provide matching funds that are a requirement to secure the federal funds for this project.

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**


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 Chief Procurement Officer      Date 11/16/09

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

8. (Continued)

and subsequent selection and approval of a federal sole source by DHS/FEMA makes procuring other companies' product by competitive means not practicable or advantageous to the State. No other entity can execute the HTI KHS-CIS 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)

2007 Port Grant Program Guidelines and Application Kit, and its extensive review and screening process, and as such, provided a sole source authorization and grant to HTI to implement its KHS-CIS as it has already been vetted through a fair and open competition at the federal level.

10. (Continued)

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, HTI should be awarded a sole source contract as being advantageous to the State.