



STATE PROCUREMENT OFFICE
NOTICE & REQUEST FOR SOLE SOURCE

14 JUL 15 18:16

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer
FROM: Department of Business, Economic Development, and Tourism
Name of Requesting Department

Pursuant to HRS §103D-306 and HAR chapter 3-122, Subchapter 9, the Department requests sole source approval to purchase the following:

1. Describe the goods, services, or construction to be procured.
Services to monitor, maintain, repair, and ensure operational security and integrity of the DBEDT/Foreign-Trade Zone Division's (FTZ) Security Management System (SMS). This system, comprising of an intrusion (motion) detection system, physical secured and electronically-monitored gate, fence, and internal door system, electronic (badge) entry and access system, and video monitoring and recording surveillance system. The entire security system, comprising of these components, is unified and integrated over a single interface through a secure, Virtual Private Network (VPN).

Table with 2 columns: Item description and value/number. Row 1: Vendor/Contractor/Service Provider Name: Security Resources, LLC; Amount of Request: \$15,000.00. Row 2: Term of contract (shall not exceed 12 months), if applicable: From: 1-Aug-14 To: 31-Jul-15; Prior SPO-001, Sole Source (SS) No.: 12-001-K

6. Describe in detail the following:
a. The unique features, characteristics, or capabilities of the goods, service or construction.
The SMS utilizes a Passport and Identi-Pass software and specialized hardware for system monitoring, security, and remote control. The system can be accessed remotely by both FTZ managerial staff and Security Resources LLC. Security Resources LLC is the sole provider of the software and systems, and is the only authorized vendor in the State of Hawaii that can provide service for installation and on-going maintenance of both system hardware and software. This request is in accordance with HAR Sec. 3-122-81 (7).
b. How the unique features, characteristics or capabilities of the goods, service or construction are essential for the department
FTZ #9 operates a federally-bonded warehouse and is officially recognized by Congress as a zone operating outside of U.S. Customs territory on American soil. Due to this federally granted designation, U.S. Customs requires FTZ #9 to operate and maintain an adequate security system to monitor real-time activity and record as necessary. The SMS must be operational at all times, 24/7/365, in order to retain Foreign-Trade Zone status and maintain compliance with U.S. Customs requirements. Non-compliance would lead to a violation of US Customs regulations, a the loss of federal grant, a de-listing as a Foreign-Trade Zone, and the elimination of a vital link to Hawaii's business and economic development for import and export activities Statewide. The impact would be devastating to the local economy.

7. Describe the efforts and results in determining that this is the only vendor/contractor/service provider who can provide the goods, services or construction.

There are other vendors on the U.S. Mainland and abroad who have the certification to maintain this system, however Security Resources LLC is the only local vendor authorized to provide this service (Attached is a letter by the system manufacturer to this effect). Other local vendors do not have the experience, available parts and supplies, generalized or specific computer programming and software knowledge and training to properly maintain the system. Vendors on the mainland and abroad would not be able to provide hands-on support on a timely basis, and the logistics and coordination with time difference, distance, and potential for paying travel costs would make these options extremely disadvantageous to the State. The cost to replace the system as would be warranted by a new vendor would be cost prohibitive for the state.

8. Alternate source. Describe the other possible sources for the goods, services, or construction that were investigated but did not meet the department's needs.

Additionally to information provided as above, U.S. Customs regulation requires immediate resolution to security system issues to maintain the federally-bonded status of the FTZ warehouse. As mentioned in #7 above, other vendors could potentially provide the service as registered & certified supporters of the IdentiPass and Passport systems, but due to time difference, lengthy and delayed response times, and the unavailability of hands-on, local support, the cost of exploring such a contract would be both prohibitive and disadvantageous to the State and the FTZ program in Hawaii.

9. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required.)

\*Point of contact (Place asterisk after name of person to contact for additional information).

Name	Division/Agency	Phone Number	E-mail Address
David Sikkink	Foreign-Trade Zone Division	587-5374	david.j.sikkink@ftz9.org

Department shall ensure adherence to applicable administrative and statutory requirements, including HAR chapter 3-122, Subchapter 15, Cost or Pricing Data if required.

**All requirements/approvals and internal controls for this expenditure is the responsibility of the department.  
I certify that the information provided is to the best of my knowledge, true and correct.**

  
 \_\_\_\_\_  
 Department Head Signature

7-11-14  
 \_\_\_\_\_  
 Date

**For Chief Procurement Officer Use Only**

Date Notice Posted: 7/25/14

Submit written objection to this notice to issue a sole source contract within seven calendar days or as otherwise allowed from date notice posted to:

[state.procurement.office@hawaii.gov](mailto:state.procurement.office@hawaii.gov)

Chief Procurement Officer (CPO) Comments:

Approval is based on the department's representation that Security Resources, LLC is the only company in the State of Hawaii able to monitor, maintain, and repair their security management system. The local vendor's certification to provide, install and service the manufacturer's equipment enable the security management system to essentially remain operational at all time. Security Resources, LLC is able to provide immediate response and resolution to security system issues that arise.

This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting system.

If there are any questions, please contact Kevin Takaesu at 586-0568, or [Kevin.s.takaesu@hawaii.gov](mailto:Kevin.s.takaesu@hawaii.gov).

Approved

Disapproved

No Action Required

  
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Chief Procurement Officer Signature      Date 9/8/14