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STATE PROCUREMENT OFFICE NOTICE & REQUEST FOR SOLE SOURCE

ADMINISTRATION
STATE PROCUREMENT OFFICE

TO: Chief Procurement Officer
FROM: Department of the Attorney General
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.
Copies of files from DHHL Homestead Services Division's digitized Applicant and Lessee databases with information about approximately 1,900 of the 2,721 claimants who sued the State for damages under HRS Ch. 674 in Kalima v. State, Civil No. 99-4771-12VLC. The files were scanned and digitized, and are maintained by ViaTRON Systems, Inc., under DHHL's Contract No. 62082, RFP-13-HHL-003. They contain word-searchable PDF versions of the documents DHHL regularly obtains and uses to process applications and award leases for homestead lots under the Hawaiian Homes Commission Act. If this sole source request is approved, ViaTRON will download files that contain information about the Kalima claimants onto one or more hard drives, using claimant names and/or SSNs supplied by the AG. ViaTRON will charge \$3.13 for each file it downloads, and \$8.13 to search the databases for claimant information, and download a file in which a reference is found. If information is included in multiple files, the additional files will be downloaded for \$3.13 each.

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| 2. Vendor/Contractor/Service Provider Name: ViaTRON Systems, Inc. | 3. Amount of Request: \$25,000.00 |
| 4. Term of contract (shall not exceed 12 months), if applicable: From: 1-Time Download/Current Info To: | 5. Prior SPO-001, Sole Source (SS) No.: N/A |

6. Describe in detail the following:

a. The unique features, characteristics, or capabilities of the goods, service or construction. See
Attachment for text of 6a.

b. How the unique features, characteristics or capabilities of the goods, service or construction are essential for the department See
Attachment for text of 6b.

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.

ViaTRON is the only vendor that can provide the information the Department of the Attorney General needs to prepare the State's defense in Kalima because ViaTRON was contracted by DHHL to create and maintain the electronic data bases that contain the information we need for this purpose.

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.

While information current through the summer of 2013 is available in the hard copy files ViaTRON scanned and digitized last year under DHHL Contract 62082, information in each file and any additional documents DHHL may have received since then, would have to be retrieved by reading the files and documents, and retrieving information from them, manually. If the AG is permitted to engage a sole source contract with ViaTRON, attorneys assigned to the Kalima case would be able to use the key word search capability that was added to the DHHL Applicant and Lessee databases when ViaTRON scanned and digitized the hardcopy files in 2013.

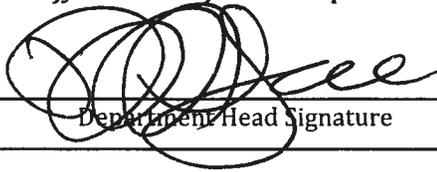
9. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required.)

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

| Name | Division/Agency | Phone Number | E-mail Address |
|----------------|-----------------|--------------|--------------------------|
| David T. Moore | OAG- Dept of AG | 586-1287 | david.t.moore@hawaii.gov |

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

SEP 17 2014

Date

For Chief Procurement Officer Use Only

Date Notice Posted: 9/19/14

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

Chief Procurement Officer (CPO) Comments:

Approval is granted for a one time download/Current Information and is based on the department's representation that ViaTRON Systems, Inc. is the only vendor that can provide the information the Department of the Attorney General needs to prepare the State's defense.

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. Copies of the HCE certificate and awards posting are required to be documented in the procurement/contract file.

If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takaesu@hawaii.gov.

Approved Disapproved No Action Required



Chief Procurement Officer Signature Date 10/10/14

ATTACHMENT

Text For 6a:

The digitized DHHL Applicant and Lessee databases that ViaTRON-maintains contains the most current information about the members of the Kalima waiting list subclass. If the digitized files are downloaded to hard drives, delivered to the AG, and uploaded onto the AG's server, attorneys assigned to prepare the State's defense against the claims for damages from the members of the waiting list subclass, would be able to use Adobe keyword searches to retrieve pertinent information about the members in a matter of seconds, at any time. If the AG does not have access to the digitized files, attorneys assigned to the case would have to review hard-copies of the files and extract information from them manually. Or, DHHL staff would have to search for and download copies of the digitized files from ViaTRON's cloud through the limited number of terminals DHHL presently uses under Contract 62082. This would take DHHL staff away from the work they ordinarily do to process applications, and offer and award homestead leases to beneficiaries. We also understand that downloading files from ViaTRON's cloud by on-line inquiries requires substantially more time than if ViaTRON downloaded the files directly from its server.

Text for 6b:

Keyword searchable access to the information in DHHL's digitized Applicant and Lessee databases is crucial to timely and efficient preparation of the State's defense to the waiting list subclass members' damages claims in Kalima. In 2009, the First Circuit Court ruled that (1) state employees committed three breaches of trust in managing the resources of the Hawaiian Home Lands trust; (2) the "combined effect of [the breaches] delay[ed] homestead awards" "were the legal cause of harm" to the members of the waiting list subclass; (3) "thus necessitating further proceedings to determine the amount of damages, if any, each subclass member proves s/he sustained as a result of the breaches." By orders filed on February 4, and 14, 2013, the circuit court established an equation and up to 20 rules for determining whether, and how much a member of the waiting list subclass who applied for and/or was offered or awarded a homestead lease is entitled to receive as damages for having to wait for a homestead award.