



**STATE PROCUREMENT OFFICE
NOTICE & REQUEST FOR SOLE SOURCE**

1. TO: Chief Procurement Officer
2. FROM: Department of Taxation
Department/Division/Agency

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

3. Description of goods, services, or construction:
Implementation of a full system redundancy for the Department of Taxation's call center and Interactive Voice Response System (IVR). It is envisioned that in order to fully automate the redundancy of the call center, telephony cards will need to be moved between the call center telephony servers as well as two (2) additional analog trunk cards will need to be added. Replication software will need to be installed and the servers program settings/parameters will need to be modified. A Dataprobe chassis with four (4) telco switching cards will need to be configured to accept the incoming phone lines with outputs to both call center telephony servers. Regarding the IVR, the Department's IVR's database server will need to be replaced with two (2) new database servers that should be configured with the same hardware and software. Report information and data will need to be exported from the existing database and imported into the two (2) new database servers. The above process must be performed in a manner that will reduce server downtime and expedite onsite implementation.

4. Vendor Name: Symago, L.L.C
Address: 7212 Antares Drive
Germantown, MD 20879

5. Price:
\$70,000

6. Term of Contract: From: 01/16/2007 To: 01/31/2007
(mm/dd/yyyy)

7. Prior Sole Source Ref No.
0

8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities: The Department of Taxation (DOTAX) currently has an Interactive Voice Response (IVR) and call center telephony system purchased from Symago, L.L.C., who is the sole agent authorized to access this particular IVR and telephony (call center)'s software code. If any other vendor touches these existing systems, DOTAX's warranty and maintenance agreements will become null and void.

9. Essential features. How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work: See Attachment #1

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because: Not applicable

12. Direct any inquiries to:
Department: Taxation
Contact Name/Title: Sandra Yahiro/Deputy Director

13. Phone Number:
587-1523
Fax Number:
587-1560

Expenditure may be processed with a purchase order: Yes No If no, a contract must be executed and funds certified.

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, correct and that the goods, services, or construction are available through only one source.

S. Yahiro
for Department Head

DEC. 28 2006

Date

Reserved for SPO Use Only

15. Date Notice Posted: 12/28/06

Submit written objections to this intent to issue a sole source contract 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

16. Chief Procurement Officer's comments:

17.
 APPROVED DISAPPROVED NO ACTION REQUIRED

Alan S. Fier
Chief Procurement Officer

1/4/07
Date

ATTACHMENT #1:

SPO-07, Notice and Request for Sole Source:

Response to Part 9.

In early November 2006, The Department of Taxation (DOTAX) implemented a new call center telephony system that dramatically increased the level of service that DOTAX could provide to the general public, particularly the anticipated high volume of telephone inquiries that would result due to the implementation of the new County Surcharge Tax (Act 247, SLH 2005). In addition, DOTAX's IVR system was upgraded to provide status inquiry capabilities as it directly related to the return and payment status for the General Excise tax forms - the respective form that the County Surcharge tax will be filed under. Currently, the continuity process requires that the IVR be disabled in order to allow for incoming customer calls to continue should a problem exist with the telephony system. The IVR handles approximately 20% of daily calls during the peak tax season and it's anticipated that the recently added automated interface for General Excise inquiries will increase that percentage. The 2007 tax season is expected to have a significant increase in the number of phone calls and any loss of the IVR's automated responses will have significant impact on DOTAX's ability to respond to telephone inquiries. A significant backlog and negative public impact can result for every hour or day that will be required to solve any problem(s). It is vital that DOTAX do all that it can to ensure the viability of its critical public contact interfaces.

Being that this is a new system for DOTAX and our IT staff is still becoming accustomed to this robust telephony system, expert consultation is being sought via Symago, L.L.C. to provide a turn-key solution to the vital need of having a fully redundant system. DOTAX has a very limited window of opportunity as historically; the lowest call volume months are from November to January. If any upgrades are to occur, all work must be started and completed in the month of January 2007 to mitigate the impact to staff and more importantly our customers.

It's important to note that the day after Thanksgiving of 2006, DOTAX's call center was brought down completely due to hardware issues and we were unable to provide any telephone service to our customers for several hours. With the implementation of a full system redundancy for DOTAX's call center and IVR, DOTAX should never be subjected to having our call center down for any extended period of time, short of any extended power failure that the island may experience. Instead of having the potential of being down for hours or even days, we are now talking about minutes with a full system redundancy in place.

The full system redundancy will provide, not limited to, an automated switch over to the redundant server 24x7; automatic notification to DOTAX's IT Office and Symago of any switch-over; and real-time monitoring capabilities. An essential safety net and stability becomes automatically available with the implementation of a full system redundancy for DOTAX's call center and IVR. Equally important will be DOTAX's ability to ensure a minimal downtime and 24x7 monitoring. DOTAX's implementation of the County Surcharge Tax is estimated to generate an 89% increase (224,000) in phone calls in FY:07, for an anticipated total call volume of 673,000 in FY:07. Based upon a two-year (actual) DOTAX call volume average of 448,564 calls being experienced in FY:05 and FY:06 and a dismal call pick-up rate of only 42%, the overall impact of Act 247 in terms of the volume of phone calls coming into DOTAX is expected to level off at 619,000 in FY:09 and then remain constant. With this very high call volume being anticipated as a result of Act 247, it is essential that DOTAX has the "stable" capacity to adequately service the general public via the implementation of a full system redundancy for DOTAX's call center telephony system and IVR system that must **be implemented during the month of January 2007 before the call volume peaks to levels that would increase the risks of any implementation during the tax season.**

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

December 28, 2006

TO: Aaron Fujioka, Administrator
State Procurement Office

FROM: *for* Kurt Kawafuchi, Director *Syahiro*

SUBJECT: Notice and Request for Sole Source – County Surcharge Tax IVR upgrade

Attached is SPO Form 1 Notice and Request for Sole Source for a County Surcharge tax Interactive Voice Response System (IVR) upgrade. The Department of Taxation requests your support in expediting this request in order to better service telephone inquiries related to the County Surcharge tax, which is effective January 1, 2007. Should you have any questions on this matter, please call Sandra Yahiro, Deputy Director, at 587-1523.

Attachment