



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Ref. No. P-11461

August 9, 2006

ADMINISTRATION  
STATE PROCUREMENT OFFICE  
STATE OF HAWAII

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To: Aaron Fujioka, Administrator  
State Procurement Office  
Department of Accounting and General Services

From: Laura H. Thielen, Director 

Subject: Enterprise License Agreement

I am writing to request your approval to enter into a sole source procurement contract for an Enterprise License Agreement (ELA) for the maintenance, upgrade and deployment of Geographic Information Systems (GIS) software.

The State Office of Planning (OP) and DAGS ICSD jointly manage the hardware and database utilized by multiple State agencies who deploy GIS software. GIS is a software program which visually displays and maps large amounts of data. Many State agencies deploy GIS for a variety of programs and management purposes. The State currently holds approximately 144 separate GIS licenses with a single vendor, Environmental Systems Research Institute (ESRI).

OP recently met with the State IT Governance Committee and proposed that the State enter into a single license for GIS software. A single license would ensure all GIS users are utilizing current software and able to access all available data, and be far more administratively and cost efficient.

The State IT Governance Committee supported the single GIS license proposal. We began drafting a Request for Proposals (RFP) with the input of some of the key State GIS users. As we were drafting the RFP, questions arose as to mechanics of implementing such a contract, since it was a somewhat unusual situation (existing software, multiple agencies participating, etc.).

SS-07-012-J

On the recommendation of the DBEDT Contracts Office, we met with the following people from the State Procurement Office (SPO): Assistant Administrator Ruth Yamaguchi, Purchasing Supervisor Sharon Koga, and Purchasing Specialist Donn Tsuruda-Kashiwabara. In discussions with SPO on the DBEDT situation, SPO recommended that we consider submitting a Notice and Request for Sole Source (SPO-1) Approval to the SPO in order to enter in a contract directly with ESRI for the ELA.

It is our understanding that SPO felt that sole source procurement was a more appropriate vehicle for the ELA than an RFP for the following reasons:

1. One of the key elements of the ELA is software maintenance to keep all licenses current, thereby eliminating the problems of data and feature incompatibility between versions. This item is only offered by ESRI – no other vendor can provide software maintenance for the existing ESRI GIS licenses.
2. Some of the most-used software applications to be included in the ELA are only offered by ESRI. These include ArcEditor, ArcInfo, and ArcSDE.
3. The concept of “unlimited deployment” of the ESRI GIS software for a set annual fee is only offered by ESRI.
4. There is a model for similar sole source procurement by DAGS/ICSD for SONET equipment and software.
5. There is a model for similar sole source procurement by DOT for procurement of their Intergraph GIS software.
6. There is a model for similar sole source procurement by the City and County of Honolulu (which is required to follow the same procurement laws) for procurement of their ELA with ESRI.
7. This procurement does not represent a new GIS system, and is not meant to change the way GIS work is done, but is a means to consolidate and coordinate the acquisition, deployment and support of the **existing** ESRI software. The implementation of an ELA with ESRI would have little impact on and be mostly transparent to end-users.

SPO staff at the meeting did advise us that if we pursue sole source procurement, the ELA should only cover those departments with existing ESRI GIS licenses. Departments not yet using ESRI GIS software could not be included because this would represent procurement of a new system, and sole source procurement would not be appropriate in those cases. In addition, they advised us that because software procurement is involved, we would need T-205 approval from ICSD.

Our meeting with SPO of course resulted in a recommendation, not an approval. We are, therefore, submitting this formal and detailed Notice and Request for Sole Source to the State Procurement Office for review.

Aaron Fujioka  
Page 3  
August 9, 2006

Please don't hesitate to contact Laura H. Thielen, Director of the State Office of Planning, at 587-2833 or Craig Tasaka, GIS Branch Manager, at 587-2894 if you need further information.

APPROVED / DISAPPROVED

\_\_\_\_\_  
Administrator, State Procurement Office

\_\_\_\_\_  
Date