



STATE PROCUREMENT OFFICE NOTICE & REQUEST FOR SOLE SOURCE

1. TO: Chief Procurement Officer
2. FROM: DHS/BESSD/ECCPO
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:
DHS/BESSD is seeking to commence with a pilot project to install and implement usage of IBM's Content Manager software, which had been competitively purchased by DHS/BESSD in 4th quarter 2006 for \$476,170, on a limited scale. Through this project, IBM will be designing and implementing a "paperless" environment for the BESSD/ECCPO specifically to manage their procurement records. IBM will also be providing feedback to DHS/BESSD on what other infrastructural and workflow requirements may need to be addressed should DHS/BESSD proceed with expanding the use of Content Manager to line operations to Oahu and then statewide. This scaled-down infrastructure design would then be used as a model for DHS/BESSD to build upon. In addition to the software installation, project workflow design, and implementation of the project, IBM will also be working with DHS Office of Information and Technology (OIT) with tranference of knowledge as it relates to the project.

4. Vendor Name: International Business Machines Corporation
Address:

Amonk, NY 10504

5. Price:
\$49,500

6. Term of Contract:
(mm/dd/yyyy) From: 8/1/2007 To: 6/30/2008

7. Prior Sole Source Ref No.
0

8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities: Through this service, DHS/BESSD will be able to utilize the software which it had purchased and get a "hands-on" experience with the software in a practical environment. Through a limited specific use, DHS/BESSD can then evaluatate the software's potential as a tool to be used statewide and to then be able to craft a more thorough competitive RFP with details as to what the necessary requirements would need to be incorporated. By having the vendor of the software directly involved in the installation, development and evaluation of the "paperless environment", DHS/BESSD would be able to maximize the software's potential (through technical support that was well versed in the software's capabilities) as well as understanding it's limitations (having technical support specifically identify what the software is not capable of).

9. Essential features. How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work: Through implementation of this pilot project, it is envisioned that DHS/BESSD will be able to craft a better monitoring structure of it's procurement records which have grown exponentially in the past 4 years. The growth of the procurement records has also required additional office space which is very limited. The current technology infrastructure in which DHS/BESSD operates is based on an IBM environment (both hardware and software). Because of the limited scope, and nature of the pilot project, it will be leveraging against the DHS/BESSD environment as a means to carry out this project rather than having the full hardware and software environment which would be required to implement the Content Manager software in it's entirety statewide. A non-IBM team that would implement this pilot project would require consultation with IBM on the best practices that should be utilized in order to maximize the current DHS/BESSD technology infrastructure. This would result in additional costs in this implementation.

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because: IBM offers both the design and construction of the application that would be uniquely designed for the Division's current need. IBM offers technical assistance that is best suited to work with the design and implementation of the services sought for because they are the sole proprietors of the application. Additionally, the division and department's technology infrastructure is based on an IBM environment. No other source offers experience in implementing and providing technical assistance in an IBM environment with an IBM Content Manager application, without having to directly collaborate with IBM, other than the IBM services being sought.

12. Direct any inquiries to:
 Department: DHS/BESSD/ECCPO
 Contact Name/Title: Scott Nakasone/Acting ECCPO Administrator

13 Phone Number:
586-7062
 Fax Number:
586-5744

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.



07/12/07

Department Head

Date

CPO 07/12/07

Reserved for SPO Use Only

15 Date Notice Posted: 7/12/07

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

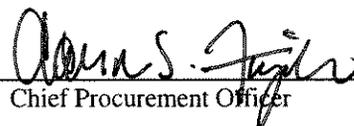
16. Chief Procurement Officer's comments:

Pursuant to Procurement Circulars 2006-07 and 2006-07, Amendment 1, sole source procurements for \$5,000 to less than \$50,000 may be approved by the department head and do not require CPO approval or to be conducted on the HePS. However, as a reminder, sole source awards \$2,500 or more are required to be posted on the Procurement Reporting System.

For the above reasons, this request is returned with no action required by the State Procurement Office.

17.

APPROVED DISAPPROVED NO ACTION REQUIRED


 Chief Procurement Officer

7/18/07
 Date