



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

1. TO: Chief Procurement Officer
2. FROM: Kurt Kawafuchi, Director, 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: See Attachment #1	
4. Vendor Name: CGI Technologies & Solutions Inc Address: 4000 Legato Rd Fairfax, Virginia 22033	5. Price: \$18-25 mil
6. Term of Contract: (mm/dd/yyyy) From: 8/15/07 To: 8/14/2012 with two 2-yr extensions	7. Prior Sole Source Ref No. _____
8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities: The enhancements will have to be coordinated and integrated with the current applications that were developed by CGI to its proprietary software. For that reason, another vendor cannot perform this work in the proprietary software.	

9. Essential features. How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work:
 As part of its continuing efforts to maintain as robust a state revenue stream as possible, DOTAX will pursue initiatives to enhance and improve tax compliance that could result in significant increases to the collection of delinquent taxes.

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because:
 See Attachment #2

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

13 Phone Number:
587-1527
 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

7/19/07
 Date

Reserved for SPO Use Only

15 Date Notice Posted: 7/19/07

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:

The procurement of computer software conversions, modifications, and maintenance for existing programs from the manufacturer of the software has been determined to be a justified sole source procurement when it can only be obtained from the manufacturer of the software. Approval is granted based on the information provided by DOTAX that the contractor developed the software and retains ownership of the software codes.

17.

APPROVED DISAPPROVED NO ACTION REQUIRED

Anna S. Fyfe
Chief Procurement Officer

7/26/07
Date

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Attachment #1

8. Description of goods, service, or construction:

To enhance the collection of delinquent taxes, the Department proposes to acquire vendor services to implement a number of modifications to the existing ITIMS application to include:

- Modifying the ITIMS Tax Processing System (ITPS) and ITIMS Collection System (ICS) to support the identification and collection of delinquent taxes from currently registered businesses that have not filed past due returns
- An extension of the ITIMS Audit Management System (IAMS) to add new tax types and features to provide better identification of non-filers and taxpayers who have under-reported their taxes
- The addition of supplemental data, such as IRS data into IAMS to support better audit selection
- An extension IAMS and ICS to allow for the identification and pursuit of taxpayers who file a Federal return but not an appropriate corresponding State Return
- An extension of ICS to allow taxpayers to initiate their own delinquent tax payment agreements
- An enhancement to the existing telephone capabilities at the Department of Taxation (DOTAX) to support Automated Call Distribution (ACD), and Predictive Dialing to support more outbound phone calls
- An extension of ITPS to add additional tax types allowing for automated tax clearances
- An extension of the ITIMS Imaging System (IIS) to allow for data capturing and imaging of additional tax types and functionality
- Other similar features to enhance delinquent collections, including but not limited to fraud detection of refund requests, collections business process reengineering and the utilization of statistical models to prioritize delinquent collection cases.

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Attachment #2

11. Alternate source.

Other software developers were considered but not pursued because:

- The current applications contain code developed by CGI that are not owned by DOTAX. Introducing another vendor will introduce contractual issues of confidentiality and potentially ownership rights of functionality developed.
- The CGI staff working on the application development project has a unique knowledge of DOTAX business requirements and all of the DOTAX applications. Introducing another vendor would require DOTAX to provide the vendor staff extensive training on DOTAX business requirements and the applications in use by DOTAX. This additional training would be a significant cost to DOTAX and would cause additional delay in implementing the delinquent tax collections initiatives.
- CGI is a business and IT consulting firm to governments specialized in applying proprietary software and partner solutions for tax, revenue and collections. CGI's deep subject matter expertise in tax, revenue and collections, coupled with their unique knowledge of DOTAX operations, allows DOTAX to significantly reduce the risk to operations and implementation of these enhancements.