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STATE PROCUREMENT OFFICE NOTICE & REQUEST FOR SOLE SOURCE

1. TO: Chief Procurement Officer

2. FROM: **DLIR**
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:

Annual Interactive Voice Response System Software Maintenance Support Services

4. Vendor Name: Tele-Voice 2000 Address:	5. Price: \$102,465
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6. Term of Contract: (mm/dd/yyyy) From: <u>02/01/2008</u> To: <u>01/31/2009</u>	7. Prior Sole Source Ref No. _____
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8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities:

Refer to the attached.

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

Refer to the attached.

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

Refer to the attached.

12. Direct any inquiries to:

Department: Labor and Industrial Relations
Contact Name/Title: Miles Yasui, Unemployment Insurance
Program Development Officer

13 Phone Number:

586-9071

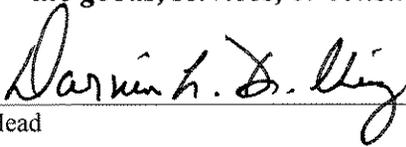
Fax Number:

586-9077

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.



Department Head

JAN 25 2008

Date

Reserved for SPO Use Only

15 Date Notice Posted: 1/29/08

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:

This approval is based on DLIR's representation that the vendor has obtained the sole right to the license, source code, and distribution for their system.

This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply.

17.

APPROVED DISAPPROVED NO ACTION REQUIRED

 2/5/08
Chief Procurement Officer Date

Attachment to "Notice & Request for Sole Source"

8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities:

A "Request for Proposal" was issued by the Department of Labor and Industrial Relations (DLIR) on June 26, 1997 to develop Hawaii Tele-Claim, an interactive voice response (IVR) system. Verizon Hawaii, then known as GTE Hawaiian Telephone Company Inc., was deemed the lowest responsible bidder and awarded the contract. The contract required that an IVR system be developed in two phases. Phase I, which enables claimants to file their weekly claim certifications via touch-tone telephone, was installed in July 2000. Phase II, which enables claimants to file their initial claims via touch-tone telephone, was installed in April 2002.

After a two year warranty period for the software that began on October 31, 2000, Quality Call Solutions, Inc. (QCS), a subcontractor under Verizon Hawaii, provided software maintenance support for Hawaii Tele-Claim until November 30, 2007. Formal bids were not required because QCS's contract was for software maintenance and no other company could perform the services. On November 19, 2007, QCS notified DLIR that they were dissolving their corporation and would no longer be able to provide software maintenance support for Hawaii Tele-Claim. QCS also notified DLIR that they were transferring the QCall license, source code, and distribution rights to Tele-Voice 2000.

This "Sole Source Request" is to award the Hawaii Tele-Claim software maintenance support contract to Tele-Voice 2000 for one year. With the dissolution of QCS and transfer of the QCall license, source codes, and distribution rights, Tele-Voice 2000 is the only company who can perform software maintenance support for Hawaii Tele-Claim. Tele-Voice 2000, a Hawaii based company, is uniquely qualified to assume responsibility for software maintenance of the Hawaii Tele-Claim system from QCS. The owner of Tele-Voice 2000, Tom Leonard, was the original architect of the Hawaii Tele-Claim system and was one of the founders of QCS. He was responsible for the development of QCall for several years before he departed from QCS and has the technical skills to provide software maintenance support service to DLIR. Tom Leonard, owner of Tele-Voice 2000, has notified DLIR that he is available to provide software maintenance support for Hawaii Tele-Claim on an on-call/hourly basis in the event of QCall problems. DLIR has put on hold all changes to improve Hawaii Tele-Claim until Tele-Voice 2000 is awarded the software maintenance contract.

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

Awarding the software maintenance contract for Hawaii Tele-Claim software will insure that any problems will be immediately attended to by the contractor. Hawaii Tele-Claim enables claimants to file both their initial claims and weekly claim certifications by touch-tone telephone. The continuous operation of Hawaii Tele-Claim will insure compliance

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with state and federal regulations regarding the unemployment insurance (UI) program. Federal regulations require that states be able to make prompt and proper payments of UI benefits. Failure to meet these regulations could result in severe sanctions against both the UI Division and employers doing business in Hawaii. Without the continuous operation of Hawaii Tele-Claim, the UI Division would not be able to process initial claims and weekly benefit payments in an efficient, effective, and timely manner.

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

Acquiring other software programming consultants:

With the dissolution of QCS and the subsequent transfer of the QCall license, source codes, and distribution rights to Tele-Voice 2000, no other contractor or individual is able to perform software maintenance support for Hawaii Tele-Claim. Tele-Voice 2000, a Hawaii based company, is uniquely qualified to assume responsibility for software maintenance of the Hawaii Tele-Claim system from QCS. The owner of Tele-Voice 2000, Tom Leonard, was the original architect of the Hawaii Tele-Claim system and was one of the founders of QCS. He was responsible for the development of QCall for several years before he departed from QCS and has the technical skills to provide software maintenance support services to DLIR.

Acquiring a temporary hire:

With the dissolution of QCS, Tele-Voice 2000 is now the only qualified company that can provide software maintenance support as it has acquired the QCall license, source codes, and distribution rights.

Implementing using only "in-house" staff:

With the dissolution of QCS, Tele-Voice 2000 is now the only qualified company that can provide software maintenance support as it has acquired the QCall license, source codes, and distribution rights. DLIR's "in-house" staff can only provide limited maintenance support and is not qualified or able to modify the Hawaii Tele-Claim system.

SCHEDULE A**DESCRIPTION OF SOFTWARE PRODUCTS****“QCall” and “QReporter”**

QCall is a Computer Telephony Integration (CTI) utility that provides call management and integration between the Interactive Voice Response (IVR), Private Branch Exchange (PBX)/Central Office (CO) Switches, and Agent Workstations. QReporter is one of the QCall components provides a number of reports that are generally useful for Call Center operations; additional reports can be written using Crystal report. QReporter works with all Open Database Connectivity (ODBC) compliant databases. This assignment will include the following:

1. the source code and object code for the Software Products;
2. all copies of the Software Product in the possession of the QCS;
3. all revised and updated versions of the Software Products;
4. all new, expanded or improved versions of the Software Products;
5. all error corrections, bug corrections, program patches and updates relating to the Software Products; and
6. all documentation regarding the Software Products, namely:
 - i. all documentation relating to the design and development of the Software Products;
 - ii. all documentation relating to the use of the Software Products;
 - iii. all documentation relating to the help provided to users;
 - iv. all documentation integrated into the Software Products or accessible through the Internet;
and
 - v. all other relevant documentation, regardless of the form, medium or location of such documentation

SOFTWARE ASSIGNMENT

THIS SOFTWARE ASSIGNMENT (the "Assignment") is entered into by and between Quality Call Solutions, Inc., a California corporation ("QCS") and Tom Leonard, an individual whose mailing address is P.O. Box 3165, Kailua-Kona, Hawaii, 96745-3165 ("Mr. Leonard").

1. QCS hereby assigns, transfers, and conveys all of its right, title, and interest in and to the software products known as "QCall" and "QReporter" described on Schedule A attached hereto (the "Software Products") to Mr. Leonard.

2. QCS represents and warrants to Mr. Leonard, and his successors and assigns, that it is the lawful owner of the Software Products; that its rights, title and interest in and to Software Products are free from all liens and encumbrances; that QCS has good title and the right to transfer and assign to Mr. Leonard the Software Products and no other person, has any right or claim or ownership interest in the Software Products.

3. All rights, title and interest in and to the Software Products covered by this Assignment are, for all purposes, fully and completely conveyed and transferred to Mr. Leonard upon execution of this Assignment by both parties. Upon request, QCS will execute and deliver to the Mr. Leonard any bills of sale, conveyances, or other instruments of title that may be desirable to provide further evidence of this Assignment.

4. In exchange for the assignment of the Software Products, Mr. Leonard hereby agrees to forgive the entire principal balance and all accrued and outstanding interest under that certain Promissory Note dated May 11, 2000, payable by QCS to Mr. Leonard.

5. This Assignment shall be construed in accordance with and governed by the laws of the State of Hawaii.

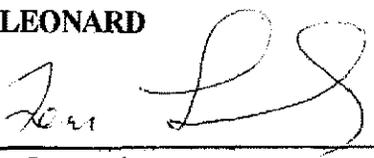
IN WITNESS WHEREOF, the undersigned has executed and dated this Software Assignment. This Assignment shall be effective as of December 17, 2007.

QUALITY CALL SOLUTIONS, INC.

By: 
Johnny Lin, President

Dated: 12-17-2007

TOM LEONARD

By: 
Tom Leonard

Dated: 12/17/2007