



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

1. TO: Chief Procurement Officer
2. FROM: Attorney General, Tax Division  
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:  
Professional services relating to the implementation of Act 174 (2008) that requires charities that solicit funds in Hawaii to register with the Attorney General as of January 1, 2009 and to file their IRS Form 990 or 990EZ annually with the Department. The National Center for Charitable Statistics Fed/State Retrieval System uses an application to application web service to provide IRS and State filing information to state governments. The Fed/State Retrieval System allows state charity offices to download Form 990s from the Internal Revenue Service e-filing system. This software is described as the Fed/State "Backend." The vendor will also be making adjustments to the Fed/State Retrieval System to allow charities to file their Unified Registration Statement with the Attorney General, the form mandated for use by Act 174 (2008).

4. Vendor Name: The Urban Institute Address: National Center for Charitable Statistics 2100 M Street, N.W. Washington DC 20037	5. Price: \$38,500
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6. Term of Contract: (mm/dd/yyyy) From: <u>09/30/08</u> To: <u>09/30/09</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: The Urban Institute's National Center for Charitable Statistics (NCCS) is the only vendor that has developed this software and made it available to state charity agencies. Otherwise, the Attorney General would need to contract with a software developer to custom program software which given the experience of other states that have attempted to do so, would not allow charities to register by January 1, 2009 as Act 174 requires. In addition, we believe using the Urban Institute's Fed/State Backend would be substantially cheaper than contracting for the development of a custom software program that would allow for electronic registration and annual financial reporting, and payment processing, required by Act 174. NCCI has a proven track-record of providing this unique system to state charity offices. NCCI fully developed the Mississippi registration and renewal systems -- both front-end website and Fed/State Backend -- but is still awaiting Mississippi's implementation. NCCI developed Pennsylvania's front-end website. NCCI completed New York's front-end registration system but is awaiting their final testing of their Backend system. In California, NCCI served as a subcontractor and provided the Fed/State Backend system. NCCI developed and implemented Michigan's front end registration system and the Fed/State Backend.

9. Essential features. How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work: Although it is difficult to determine exactly how many charities will have to register with the Attorney General under Act 174, it is believed that the number will be in excess of 1,500. Because we presently have only one full time Legal Assistant position devoted to this registration function, in addition to the existing obligation to register and process other filings by professional solicitors and professional fundraising counsels, it is critical that Hawaii implement a fully electronic registration process. In addition, using NCCA to implement the Fed/State Backend will facilitate the charitable sector's compliance with the law by allowing the Department to retrieve registered charities' Form 990 from the IRS -- relieving registered charities of the burden of sending the forms to the Attorney General through the mail and providing a means for them file them in a multi-state environment. The legislature contemplated a fully electronic registration system by authorizing the Attorney General to require the electronic filing of registration forms.

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because: As stated above, NCCS is the only vendor that has developed this software and made it available to State charity agencies. Otherwise, the Attorney General would need to contract with a software developer to custom program software which, given the experience of other states that have attempted to do so, would not allow charities to register by January 1, 2009 as Act 174 requires. In addition, we believe using the Urban Institute's Fed/State Backend would be substantially cheaper than contracting for the development of a custom software program that would allow for electronic registration and annual financial reporting, and payment processing, required by Act 174.

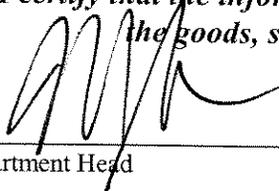
12. Direct any inquiries to:  
 Department: Attorney General  
 Contact Name/Title: Hugh Jones

13 Phone Number:  
586-1473  
 Fax Number:  
586-1477

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.*



SEP - 8 2008

Department Head

Date

**Reserved for SPO Use Only**

15 Date Notice Posted: 9/16/08

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:

Pursuant to Procurement Circular 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, sole source procurements 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

*Charles J. [Signature]*  
Chief Procurement Officer

9/17/08  
Date