



DEC 26 2009

STATE PROCUREMENT OFFICE NOTICE & REQUEST FOR SOLE SOURCE

- 1. TO: Chief Procurement Officer
- 2. FROM: Dept of Land and Natural Resources / Land 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:

This DLNR license maintenance, upgrade and training purchase comprises several parts of the Enterprise License Agreement (ELA) with Environmental Systems Research Institute (ESRI) that was contemplated last year by the Office of Planning (OP), and which received Sole Source approval (SS No. 07-047-J). However, to date individual agencies have been unable to commit the resources necessary to meet ESRI's minimum requirements for an ELA.

DLNR now seeks to acquire licenses, upgrades, maintenance and training for its own users by leveraging its investment in ESRI software. Although not an ELA, this purchase will take advantage of the same license upgrades and training package that were included in OP's request. Expired licenses will be brought to current version levels using special pricing; flexible training and consulting services are provided in ESRI's special Enterprise Advantage Program (EAP). But unlike the ELA, the resulting licensing is based on actual user counts compiled from recent DLNR agency surveys rather than an open-ended model.

<p>4. Vendor Name: Environmental Systems Research Institute</p> <p>Address: 380 New York Street Redlands, CA 92373-8100</p>	<p>5. Price: \$230,000</p>
<p>6. Term of Contract: (mm/dd/yyyy) From: <u>Jan 1, 2009</u> To: <u>Dec 31, 2010</u></p>	<p>7. Prior Sole Source Ref No.</p>

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

1. Annual license renewal for current ESRI software ["Approved for Sole Source Procurement pursuant to Chapter 3-122-81, HAR, Number 3"].
2. Discounted retroactive maintenance payment for expired ESRI software will bring them to current version levels and provide future enhancements, bug fixes and tech support. Some older software is incompatible with newer data formats; the update will bring full capability to all users. This update program is only available through ESRI and is significantly less expensive than purchasing new licenses.
3. Subscription to ESRI's EAP will provide instructor-led training, web-based training, on-site training (including neighbor island users), and technical support services. The program also includes an assigned technical advisor, a subscription to quarterly webcasts, a technical environment review, and an annual GIS strategy review. This program is only available through ESRI. In addition, ESRI is the sole provider of authorized advanced training for their software. [The EAP is an optional component of ESRI's Enterprise License Agreement (ELA) and keeps us on the path to an enterprise GIS by providing much-needed, organization-wide training opportunities at all locations and all skill levels.]

In conjunction with this purchase, DLNR is consolidating its dozen+ customer numbers with ESRI into one umbrella customer number. This will result in a significant savings under ESRI's tiered pricing and will facilitate future maintenance renewals. Furthermore, some of these licenses will be centrally managed by ICSD's / OP's statewide License Manager server as another step toward an enterprise GIS for the state.

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

With the simultaneous downturn in the economy and rise in the use of GIS technology at DLNR, the Department is seeking to economically leverage its existing pool of software to accommodate the needs of the increasing numbers of GIS users. Not all users have access to current versions of the software and are thus unable to use certain incompatible data layers.

GIS and spatial data play increasingly important roles in planning and resource management at the Department. This expanded use and the increasing needs of users will be met by providing current software, flexible training opportunities, and strategic and technical consulting services.

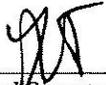
11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because: Only ESRI offers these maintenance renewals, expired license reinstatements, and special training and support packages. (see Attachment 1). Resellers are not authorized to offer software maintenance, nor is any advanced training authorized or certified by ESRI. In addition, because of the bundling of the software licensing and EAP, ESRI is providing a significant discount.

<p>12. Direct any inquiries to: Department: <u>DLNR, Land Division</u> Contact Name/Title: <u>Arthur Buto / Information Systems Manager</u></p>	<p>13 Phone Number: <u>587-0423</u> Fax Number: <u>587-0455</u></p>
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Expenditure may be processed with a purchase order/p-Card: Yes No If no, a contract must be executed and funds certified.

Agency shall ensure adherence to applicable administrative and statutory requirements, including HAR Chapter 3-122, Subchapter 15, Cost or Pricing Data, if required.

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.*


12/24/08
 Department Head Signature Date

Reserved for SPO Use Only

15 Date Notice Posted: 12/29/08

Submit written objections to this notice to issue a sole source contract within seven calendar days or as otherwise allowed from the above posted date to:

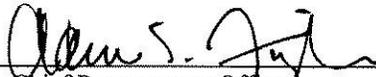
Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

16. Chief Procurement Officer's comments:

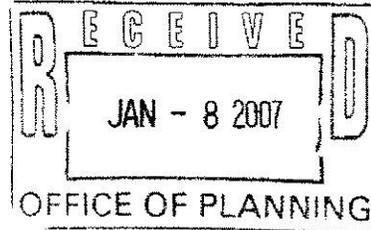
This approval is based on the DLNR's representation that ESRI is the sole provider for the update maintenance program for expired ESRI software and multi-method and advance training program on ESRI products. Annual computer software license renewal and maintenance for existing software is pre-approved under HAR 3-122-81.

17.

APPROVED DISAPPROVED NO ACTION REQUIRED


Chief Procurement Officer

1/16/09
Date



January 5, 2007

Laura H. Thielen
Director, State Office of Planning
P.O. Box 2359
Honolulu, Hawaii

ESRI Sole Source Justification for Geographic Information System Software and Maintenance

Dear Ms Thielen,

This letter confirms ESRI, as owner and manufacturer, is the sole-source provider of software maintenance (annual renewal of technical support plus ESRI software updates/upgrades) for *all* ESRI products except ArcLogistics Route, and ArcGIS Business Analyst.

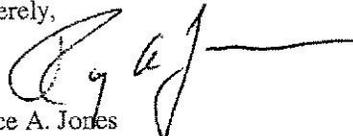
ESRI is the sole-source provider of the following ESRI products in the commercial, state, and local government marketplace:

ArcGIS ArcInfo, ArcGIS ArcEditor, ArcGIS Server, ArcGIS Server extensions, ArcSDE, NetEngine, Production Line Toolset (PLTS) for ArcGIS, including PLTS Foundation, and PLTS Solutions, Map Production System Atlas, ArcGIS Job Tracking Analyst Extension, Maplex 3.x, Military Overlay Editor (MOLE), ESRI Image Server, certain proprietary training courses, and subscriptions to the ESRI Developer Network (EDN), MapStudio, and the Virtual Campus.

ESRI distributes certain software licenses, *excluding those listed above*, through open-market value-added resellers and distributors.

If you have further questions, please feel free to call our Contracts Department at 909-793-2853, extension 1550.

Sincerely,



Royce A. Jones

Attachment 1