

The Lange Group

Software Systems Analysis & Telecommunications Consulting

December 14, 1999

Carl Watanabe, Deputy Registrar
Bureau of Conveyances
Department of Land and Natural Resources
1151 Punchbowl Street, Room 122
Honolulu, HI 96813

Re: ICS-FY-99-52 Task Milestones & Other Clarifications

Dear Mr. Watanabe,

In reference to the above captioned matter, and to follow-up after our initial discussions of December 8, 1999, we understand that the initial contract will cover only a portion of the Award, namely Task 1-5, 7 and 10 for a total of \$1,291,880.05. We understand that the balance of the Award will be contracted for completion in the year 2000, with the exception of Task 11, GIS Requirements Study, which may extend into year 2001. Because prices and availability of the "commodity" items listed in Attachment H change quite rapidly, and not within our control, we agree that where possible, the BOC should try to purchase these items directly from suppliers to obtain the greatest value.

We would like to clarify and provide the following items for your consideration:

1. Payment Milestones Schedule (see Attachment "A") – represents the cost by task along with the anticipated payment milestone schedule reflecting the deliverable item and estimated delivery date. Our detailed project schedule will be provided in Task 2 after notice to proceed.
2. Liquidated Damages – we would like to request that the per day amount be \$100.00. This amount would provide for allowances, other than change orders, should flexibility in the deliverable schedule be justified. This amount has been found in other State of Hawaii contracts. A higher amount would require a re-evaluation of the risk factors, which would take time and could increase our total cost.
3. APPX Software, Inc. Addendum – Attachment "B" is the APPX Subcontract Addendum which needs to be signed by a responsible party. It is required for installation and has been executed by other State of Hawaii agencies where SPEED II and APPX are used. It allows for defect-related warranties and states terms of use.

*given to
Watanabe
12/15*

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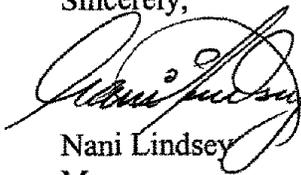
Mr. Carl Watanabe
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4. Vendor Purchases of Attachment H products – as per our discussion, we agree that the BOC should purchase directly from third party vendors where possible. We would like to request that on the “Notice To Proceed”, a proviso be included to instruct us to do this, including purchasing of the critical IBM hardware and software products directly from IBM. This will insure the higher level of discounts to the BOC and eliminate any middleman fee markups. In this case, the BOC would issue a P.O directly to these vendors including IBM, for those “commodity” products. Also, any additional hardware needed at this time for Task 12 (PART 2), which we declined to bid on, can be purchased.
5. Task 7b, Backfile Microfilm Integration - we will work together with the BOC and the successful PART 2, Task 12 Microfilm Conversion (10 years backfile) vendor, to insure that the index data and images can be imported correctly, by providing the import software program(s) and training needed to perform the import reliably. The transfer of the raw data to the BCIS, and the actual importing of the data and images, is not provided for, and is up to the BOC to perform. Based on our initial discussion, suggested hardware configuration, software and installation cost alternatives will be provided to the BOC, for Task 12 budgetary purposes. More information is needed before purchases are made.

I speak for our entire team when I say that we are very pleased to have the honor of your favor in awarding this contract. We are proud to have gained your confidence. It remains my duty and I will insure that the BOC is well served. We are all looking forward to this new and exciting project. Should there be any questions, please do not hesitate to call me at 545-1822.

Happy Holidays!

Sincerely,



Nani Lindsey
Manager

Attachments

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