

BENJAMIN J. CAYETANO
GOVERNOR



RAYMOND H. SATO
COMPTROLLER

MARY PATRICIA WATERHOUSE
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

February 14, 2000

Mr. Michael Pietsch, President
Title Guaranty of Hawaii, Inc.
235 Queen Street
Honolulu, Hawaii 96813

Dear Mr. Pietsch:

SUBJECT: CONTRACT QUESTIONS REPLY:
RFP NO. ICS-FY-99-052 - SERVICES TO DEVELOP AND IMPLEMENT
A REPLACEMENT LAND COURT AND REGULAR AUTOMATED
TRACKING SYSTEM FOR THE STATE OF HAWAII

In reply to a memorandum to Ms Barbara Tom, dated February 8, 2000, the following is a restatement of your questions with our response.

1. Suggest inclusion of a listing for all included attachments, exhibits, and forms that are to be included as part of the contract.

The requested listing is not part of the standard contract issued by the State and approved by the Attorney General. However, we have enclosed a checklist for your information, which is informal and is not part of the contract.

2. Confirm process for implementing supplemental agreement to include the second 5 year batch of recorded document images. Suggest approach that minimizes requirement to issue new contract for second 5 year batch.

It is not clear what you need to be confirmed. The RFP contains details that indicate we will do supplemental agreements to continue the implementation of the new BOC system. All supplemental agreements are subject to availability of funds, as are all contracts. Supplemental agreements are forms that are attachments to a base contract. No new contract is necessary. Use of the method described for the BOC RFP and project is one way we have tried to avoid the need for unnecessary bids (RFP/IFB) and contracts under the State Procurement rules and statute. This is also consistent with our discussions advising you that we can only contract utilizing available funds. We cannot do a contract for \$400,000 because it will exceed our appropriation for fiscal

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year 1999-2000. Our plans are to contract the second five years in July during fiscal year 2000-2001.

3. Inform State of cost implications of installing/de-installing telecommunication lines and retaining staff for image batch validation/transmissions of 1st and 2nd 5 year batches.

Our intent is to have the information (the full ten years) migrated without having to disconnect and re-install the communication link. We are aware that additional costs would be incurred should you have to terminate the line and reconnect when the second 5 year increment is ready to go.

4. Confirm State expectation regarding scope of deliverables for contract.

The contract calls for the delivery of 10 years of images. We are not certain what is meant by scope of deliverables. I believe how the images are migrated would best be addressed through discussions with Nani Lindsey of the Lange Group.

5. Clarify reference in Attachment 1 to TG images in excess of ten years.

The description of "Part 2 Total Bid =" should not include to exceed 10 years. We are contracting for the delivery of 10 years of images as provided in the RFP. Reference to exceed 10 years has been stricken from Attachment 1. Attachment 4 has been revised to add "and is attached" to the last sentence in the last paragraph. See revised Attachment 1 (2 copies) and Attachment 4 (2 copies) enclosed. Please replace Attachment 1 and Attachment 4 on both copies of the Contract before execution by TG. Also, please delete and destroy any extra copies contained in both contract copies of Attachment 3 and Attachment 4.

6. Confirm State intentions with regard to project initiation date and capabilities to receive image batches from TG.

We are hopeful to be able to officially proceed with the project before the end of February. The Part 1 contract has been acknowledged and is undergoing final review by the Attorney General.

7. Confirm inclusion of best and final offer letter as attachment to contract and acceptance by State of exceptions/assumptions noted in best and final offer.

The Best and Final Offer letter is part of the Contract because it amended the RFP but is not an official RFP Amendment, all of which are included by reference along with the RFP and the TG Best and Final Proposal as part of the contract.

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Acceptance by the State of any exceptions (to the RFP)/assumptions that may be stated in a Best and Final Offer must be approved by the State and are part of a contract. In most situations exceptions or assumptions require clarification early on and cannot normally be accepted.

If further questions on the contract remain or you wish to meet with the BOC, please contact Mr. Carl Watanabe at (808) 587-0120.

Sincerely,



Lester M. Nakamura, Administrator
Information and Communication Services Division

586-1910

Enclosures

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CHECKLIST: CONTRACTS

- 2 Copies of State Contract Form (approved by the Attorney General)

Includes Attachments 1-4

Affix corporate seal on signature page (left of authorized signature);
Notarized Contractor's Acknowledgement

Standards of Conduct Declaration (affix corporate seal to left of signature)

General Conditions, Pages 1-20, Form AGSGC(1/96)

- Evidence of authority of the Contractor's representative to sign this Contract for the Contractor (enclosed Certificate Re Corporate Resolution), affix corporate seal.

- Approved Tax Clearance Certificate

- Wage Certificate (Requirements of Chapter 104, HRS) if not included in Proposal response to IFB/RFP solicitation.

- Certificate of Current Cost Or Pricing Data if contract is over \$100K.

In addition the Bureau of Conveyances contract for Part 2 to Title Guaranty of Hawaii contains the following as attachments to the contract following Attachment 4 of the Contract Form:

- Letter Dated November 1, 1999 requesting submission of Best and Final Offer by Title Guaranty of Hawaii to RFP ICS-FY-99-052 Part 2.
- Letter Dated November 3, 1999 to correct letter of November 1, 1999.
- Significant Dates Section 2.1 of RFP ICS-FY-99-052, dated November 23, 1999.
- Appendix B of RFP No, ICS-FY-99-052 Special Provisions, Pages B-1 through B-8 plus sample Wage Certificate as of July 1, 1999.

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SCOPE OF SERVICES

CONTRACT FOR RFP NO. ICS-FY-99-052 - PART 2

SERVICES TO DEVELOP AND IMPLEMENT A REPLACEMENT
LAND COURT AND REGULAR AUTOMATED TRACKING SYSTEM
FOR THE STATE OF HAWAII

The Scope of Services to be provided by this contract is as defined in RFP No. ICS-FY-99-052 and the proposal of the Contractor submitted and awarded for completion of work for Part 2.

Part 2 = Title Guaranty of Hawaii, Inc. as follows:

Five Years of Back File conversion	<u>200,000.00</u>
	200,000.00

Part 2 Total Bid = 400,000 for 10 years

Remaining for Supplemental Agreements =	200,000.00
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Part 2 Total Bid: Title Guaranty of Hawaii Inc.	400,000.00
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*Per Barbara
Tom, there are
no changes to
attachments
2 & 3, therefore,
they were not
included. G*

(fax is 8 pages) G

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SCOPE OF SERVICES

CONTRACT FOR RFP NO. ICS-FY-99-052 – PART 2

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Part 2 Total Bid: Title Guaranty of Hawaii Inc.	400,000.00
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SPECIAL CONDITIONS

CONTRACT FOR RFP NO. ICS-FY-99-052 – PART 2

**SERVICES TO DEVELOP AND IMPLEMENT A REPLACEMENT
LAND COURT AND REGULAR AUTOMATED TRACKING SYSTEM
FOR THE STATE OF HAWAII**

The Special Conditions for this Contract is titled Appendix B Special Provisions in the RFP and are attached for information as overrides to General Conditions (also attached).

The Best and Final Offer Request letter to Title Guaranty of Hawaii, Inc. for Part 2 amends Special Provisions in the RFP and is included in this Contract by reference and is attached.

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SPECIAL CONDITIONS

CONTRACT FOR RFP NO. ICS-FY-99-052 – PART 2

SERVICES TO DEVELOP AND IMPLEMENT A REPLACEMENT
LAND COURT AND REGULAR AUTOMATED TRACKING SYSTEM
FOR THE STATE OF HAWAII

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The Best and Final Offer Request letter to Title Guaranty of Hawaii, Inc. for Part 2 amends Special Provisions in the RFP and is included in this Contract by reference and is attached.

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STATE OF HAWAII — DEPARTMENT OF TAXATION
TAX CLEARANCE APPLICATION
PLEASE TYPE OR PRINT CLEARLY

1. APPLICANT INFORMATION: (PLEASE PRINT CLEARLY)

Applicant Title Guaranty of Hawaii, Inc.
Address 235 Queen Street
City/State/
Zip Code Honolulu, Hawaii 96813
DBA/
Trade Name _____

2. TAX IDENTIFICATION NUMBER(S):

HAWAII GENERAL EXCISE ID # 1 0 0 0 5 6 4 3
FEDERAL EMPLOYER ID # 9 9 . 0 1 0 5 0 3 1
SOCIAL SECURITY # _____

3. APPLICANT IS A/JAN: (CHECK ONLY ONE BOX)

- | | | |
|--|--|--|
| <input type="checkbox"/> CORPORATION | <input checked="" type="checkbox"/> S CORPORATION | <input type="checkbox"/> TAX EXEMPT ORGANIZATION |
| <input type="checkbox"/> INDIVIDUAL | <input type="checkbox"/> PARTNERSHIP | <input type="checkbox"/> ESTATE <input type="checkbox"/> TRUST |
| <input type="checkbox"/> LIMITED LIABILITY COMPANY | <input type="checkbox"/> LIMITED LIABILITY PARTNERSHIP | |

4. THE TAX CLEARANCE IS REQUIRED FOR:

- | | |
|--|---|
| <input checked="" type="checkbox"/> CITY, COUNTY, OR STATE GOVERNMENT CONTRACT IN HAWAII * | <input type="checkbox"/> LIQUOR LICENSE |
| <input type="checkbox"/> REAL ESTATE LICENSE | <input type="checkbox"/> CONTRACTOR LICENSE |
| <input type="checkbox"/> FINANCIAL CLOSING | <input type="checkbox"/> BULK SALES |
| <input type="checkbox"/> HAWAII STATE RESIDENCY | <input type="checkbox"/> PROGRESS PAYMENT |
| <input type="checkbox"/> SUBCONTRACT | <input type="checkbox"/> FEDERAL CONTRACT |
| | <input type="checkbox"/> PERSONAL |
| | <input type="checkbox"/> LOAN |
| | <input type="checkbox"/> OTHER _____ |

*IRS APPROVAL STAMP IS FOR PURPOSES INDICATED BY ASTERISK.

5. NO. OF CERTIFIED COPIES REQUESTED:

2

6. SIGNATURE:

Lois C. Kawano
PRINT NAME
[Signature]
SIGNATURE

Chief Financial Officer / Asst. Treasurer
PRINT SPECIFIC TITLE: Corporate Officer, General Partner, Individual (Sole Proprietor)
1/31/00 (808) 539-7762 (808) 532-3141
DATE TELEPHONE FAX

FOR OFFICE USE ONLY	
BUSINESS START DATE IN HAWAII IF APPLICABLE <u>10104160</u>	
HAWAII RETURNS FILED IF APPLICABLE 19____ 19____ 19____	
STATE APPROVAL STAMP State of Hawaii APPROVED <u>[Signature]</u> JAN 31 2000 per <u>[Signature]</u> Department of Taxation	
*IRS APPROVAL STAMP INTERNAL REVENUE SERVICE APPROVED <u>99-00379</u> JAN 31 2000 per <u>[Signature]</u> Pacific-Northwest District	
CERTIFIED COPY STAMP This copy is a certified copy of the original clearance certificate issued.	

POWER OF ATTORNEY. If submitted by someone other than a Corporate Officer, General Partner, or Individual (Sole Proprietor), a power of attorney (State of Hawaii Department of Taxation Form N848) must be submitted with this application. If a Tax Clearance is required from the Internal Revenue Service, IRS Form 8821, or IRS Form 2848 is also required. Applications submitted without proper authorization will be sent to the address of record with the taxing authority. **UNSIGNED APPLICATIONS WILL NOT BE PROCESSED.**

PLEASE TYPE OR PRINT CLEARLY — THE FRONT PAGE OF THIS APPLICATION BECOMES THE CERTIFICATE UPON APPROVAL.

SEE PAGE 2 ON REVERSE & INSTRUCTIONS. Failure to provide required information on page 2 of this application or as required in the separate instructions to this application will result in a denial of the Tax Clearance request.

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STATE OF HAWAII — DEPARTMENT OF TAXATION
TAX CLEARANCE APPLICATION
PLEASE TYPE OR PRINT CLEARLY

1. APPLICANT INFORMATION: (PLEASE PRINT CLEARLY)

Applicant Title Guaranty of Hawaii, Inc.
Address 235 Queen Street
City/State/
Zip Code Honolulu, Hawaii 96813
DBA/
Trade Name _____

2. TAX IDENTIFICATION NUMBER(S):

HAWAII GENERAL EXCISE ID # 1 0 0 0 5 6 4 3
FEDERAL EMPLOYER ID # 9 9 . 0 1 0 5 0 3 1
SOCIAL SECURITY # _____

3. APPLICANT IS A/AN: (CHECK ONLY ONE BOX)

- CORPORATION
- S CORPORATION
- TAX EXEMPT ORGANIZATION
- INDIVIDUAL
- PARTNERSHIP
- ESTATE
- TRUST
- LIMITED LIABILITY COMPANY
- LIMITED LIABILITY PARTNERSHIP

4. THE TAX CLEARANCE IS REQUIRED FOR:

- CITY, COUNTY, OR STATE GOVERNMENT CONTRACT IN HAWAII *
- LIQUOR LICENSE *
- REAL ESTATE LICENSE
- CONTRACTOR LICENSE
- BULK SALES
- FINANCIAL CLOSING
- PROGRESS PAYMENT
- PERSONAL
- HAWAII STATE RESIDENCY
- FEDERAL CONTRACT
- LOAN
- SUBCONTRACT
- OTHER _____

*IRS APPROVAL STAMP IS FOR PURPOSES INDICATED BY ASTERISK.

5. NO. OF CERTIFIED COPIES REQUESTED:

2

6. SIGNATURE:

Lois C. Kawano
PRINT NAME
[Signature]
SIGNATURE

Chief Financial Officer / Asst. Treasurer
PRINT SPECIFIC TITLE: Corporate Officer, General Partner, Individual (Sole Proprietor)
1/31/00 (808) 539-7762 (808) 532-3141
DATE TELEPHONE FAX

FOR OFFICE USE ONLY

BUSINESS START DATE IN HAWAII
IF APPLICABLE
10104160

HAWAII RETURNS FILED
IF APPLICABLE
19____ 19____ 19____

STATE APPROVAL STAMP
State of Hawaii
APPROVED
[Signature]
JAN 31 2000
per [Signature]
Department of Taxation

*IRS APPROVAL STAMP
INTERNAL REVENUE SERVICE
APPROVED
99-00379
JAN 31 2000
per [Signature]
Pacific-Northwest District

CERTIFIED COPY STAMP

[Faint Stamp]
Internal Revenue Service

POWER OF ATTORNEY. If submitted by someone other than a Corporate Officer, General Partner, or Individual (Sole Proprietor), a power of attorney (State of Hawaii Department of Taxation Form N848) must be submitted with this application. If a Tax Clearance is required from the Internal Revenue Service, IRS Form 8821, or IRS Form 2848 is also required. Applications submitted without proper authorization will be sent to the address of record with the taxing authority. UNSIGNED APPLICATIONS WILL NOT BE PROCESSED.

PLEASE TYPE OR PRINT CLEARLY — THE FRONT PAGE OF THIS APPLICATION BECOMES THE CERTIFICATE UPON APPROVAL.

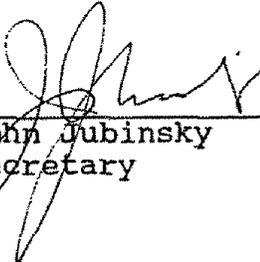
SEE PAGE 2 ON REVERSE & INSTRUCTIONS. Failure to provide required information on page 2 of this application or as required in the separate instructions to this application will result in a denial of the Tax Clearance request.

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I hereby certify that at a meeting of the Board of Directors of TITLE GUARANTY OF HAWAII, INC., a Hawaii corporation, held on January 31, 2000, the following resolution was adopted:

"RESOLVED, that any one of: the President, Michael A. Pietsch; Executive Vice Presidents, David T. Pietsch, Jr. or James W. Pietsch; or Secretary, John Jubinsky, be, and each of them hereby is, fully authorized and empowered to execute any and all documents necessary to enter into a contract with the State of Hawaii, Department of Accounting and General Services, Information and Communication Services Division, in connection with the State's implementation of a replacement Land Court and regular automated tracking system (RFP No. ICS-FY-99-052, Part 2)."

DATED: Honolulu, Hawaii; January 31, 2000.



John Jubinsky
Secretary

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**A PROPOSAL FOR AN INDUSTRY SUPPORTED PUBLIC
DOCUMENTS REPOSITORY INITIATIVE
MAY, 1999**

Description	Implement a real property conveyance documents service initiative under the sponsorship of the Hawaii Title Company Association. Participating members will use the service to obtain recorded document images for transactions registered at the State of Hawaii Bureau of Conveyances (BOC) beginning from 1985.
Problem	<p>Title companies and allied professional services firms require timely reliable access to recorded documents registered at the BOC. In the past, the BOC has had difficulty meeting the industry's requirements due to the lack of necessary systems and staff support.</p> <p>The BOC recently issued a proposal to develop an internal documents image capture and retrieval system. While this proposal addresses specified system deficiencies at the BOC, it is anticipated that the BOC will continue to have difficulty obtaining sufficient resources to ensure that documents are entered into the system in an ongoing, timely manner.</p> <p>Without a reliable service providing timely access to necessary recorded documents, title companies and allied professional services firms will be unable to provide the best service to their customers. Delayed transaction closes, inability to lock in favorable financing rates, and reduced transaction volume are among the negative service consequences that the industry will continue to be faced with.</p>
Proposed Solution	<p>The initiative proposes creation of an association sponsored service that provides participants with fair and equal access to public recorded documents used in real property sales and conveyance transaction activities. Through the proposed service, it assures that adequate resources are assigned so that recorded documents are made available to participants in a timely and predictable manner.</p> <p>A key attribute of the proposed initiative is that it levels the playing field for all participants and treats recorded documents as a critical industry infrastructure component rather than a strategic marketing advantage owned by selected companies. It allows the industry's players to focus their investments on services that add real service value to their customers.</p> <p>It provides a solution that can be developed relatively soon and minimizes start-up costs to participants by leveraging off the considerable capital and system development investments made by Title Guaranty of Hawaii (TGOH) in its own public documents image repository system.</p>

The initiative involves building an extranet system that provides users with ongoing, secure access to a documents repository containing current and archived recorded document images dating back to 1985. Components of the extranet system that are to be developed include:

- A browser based client application that supports selection of specified documents using keyword and date search criteria.
- A web server application that supports the document search and retrieval process.
- Network administrative components that support necessary security features.
- Upgraded system components to enable fast access to the TGOH public documents repository.

Users will use standard browsers to access the extranet system and will be able to retrieve, display, print and download documents contained in the repository.

Current documents will be accessible on a same day or one day delayed basis depending upon recordation and availability for uploading to the repository.

Scope

The proposed real property conveyance documents service will be administered by the Association. The Association will assess participants on an annual basis to pay for ongoing support of the service. It will also set up contracts and billing for non-Association members to use the service.

Start up development and ongoing operational support will be provided by TGOH on a cost reimbursable basis.

TGOH will provide access to its public documents image repository to the Association on a mutually agreed upon fee basis. Documents obtained from the repository will be limited to normal usage for the purpose of completing real property transactions. The Association and participants will agree not to resell documents or use access to create private, proprietary documents collections.

The BOC will be provided access to the service at no cost to them. In exchange, the BOC will provide Association service support staff with necessary and timely access to source recorded documents for document capture and indexing purposes.

Web server host support will be provided by an independent, third party vendor selected by the Association. The vendor will provide all necessary hosting services to the Association including secure access, billing, and tracking reports.