

**HAWAII HEALTH SYSTEMS CORPORATION  
NOTICE OF AND REQUEST FOR EXEMPTION  
FROM CHAPTER 103D, HRS**

EX Number: EX-002

**1. TO:** Chief Procurement Officer

**2. FROM:** Michael Franklin

Department/Division/Agency Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

**3. Description of goods, services or construction:** Twenty-five (25) pharmacy printer software licenses for three HHSC facilities (MMMC, Kona Community Hospital and Kohala). Software is necessary in order to enable print narcotic prescriptions printing using standard copy paper that produce a unique water mark (and thus prevents unauthorized reproduction). The water mark printed prescription also has a feature preventing modification and erasure. Price noted includes printer software licenses and one year service plan; but does not include printers.

**4. Name and Address of Vendor:** Troy Group Inc.  
940 South Coast Drive, Suite 200  
Costa Mesa, CA 92626

**5. Price:** \$25,000

**6. Term of Contract:** From: Date of Execution To: One Year Term

**7. Prior Exemption Ref. No.**  
N/A

**8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:**

The pharmacy printing software offered by this vendor is unique in that it will not obligate the State to purchase printers which are already in place at each of the facilities. This software from this vendor has already been used by another State hospital for over a year and has proven to improve the security of narcotic prescriptions printed vs. written prescriptions without the need to purchase printing special paper. The physicians who use the software are very pleased with the work flow and patients receive legible narcotic prescriptions that are protected against copying and editing.

The vendor has offered a price discount from its regular per license fee based on the purchase of 25 licenses. The licenses are a one-time purchase and HHSC owns them outright vs. the other option of continually purchasing special printing paper month after month. For the reasons cited above procurement by competitive means is neither practicable nor advantageous to the State in this case.

**9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:** Direct negotiations with Troy, no formal solicitation will be conducted.

**10. A description of the agency's internal controls and approval requirements for the exempted procurement:**

The exemption request is reviewed by HHSC senior management in accordance with HHSC policies and procedures. The President and CEO of HHSC (or his delegated CPO) approves the exemption requests covering more than once facility and in accordance with internal procurement policies and procedures. HHSC policies and procedures will be followed and periodic reviews of the contract action will be performed.

**11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:**

Name	Position	Involvement in Process	
Andrew Alvarez	Sr. Contract Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Joe Evanoff	Director Contracts/Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Mike Franklin	HHSC CIO	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Edward N. Chu	HHSC CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: Andrew Alvarez  
Phone Number: 808.442.5212

13.

Agency shall ensure adherence to applicable administrative and statutory requirements  
I certify that the information provided above is, to the best of my knowledge, true and correct.

Jay S. Kreizer  
Department Head (Print: Jay Kreizer )

12/16/13  
Date

Reserved for CPO/Delgee Use Only

14 .Date Notice Posted: 12/16/13

The CPO is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days or as otherwise allowed from the above posted date to: Chief Procurement Officer, HHSC, 3675 Kilauea Ave., Honolulu, Hawaii 96816

Chief Procurement Officer's comments:

15.  APPROVED

DISAPPROVED:

NO ACTION REQUIRED

Edward N. Ch...  
HHSC Chief Procurement Officer - Signature

12/24/13  
Date