

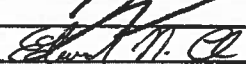


**HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS**

EX Number: EX-032

1. TO: Chief Procurement Officer	
2. FROM:	Heath Hollenbeck
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: Contractor provides a cloud-based Managed Secure File Transfer (SFTP) service needed to securely transmit data from inside HHSC's network.	
4. Name and Address of Vendor:	5. Price: \$30,000
Ipswitch, Inc. 83 Hartwell Avenue Lexington, MA 02411	
6. Term of Contract: From: August 8, 2015 To: August 7, 2018	7. Prior Exemption Ref. No. EX13-001 & EX-0012
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State: Since 2012, the Contractor has provided HHSC with a SaaS (cloud-based) Secure FTP model that far exceeds the industry standard provision of software for secure FTP. The Enterprise level Secure FTP SaaS model provided continues to exceed HHSC security needs and includes enterprise level, high availability cloud services with an Ad_hoc secure FTP feature via Outlook that is not found with other providers. By purchasing a SaaS model and not simply procuring the software and installing it on HHSC servers, HHSC has been able to take advantage of High Availability and Disaster Recovery provided by the Contractor and to avoid the added expense of supplying the same infrastructure at HHSC via a separate solution. HHSC has also spent considerable time to set up and coordinate the solution with current HHSC contractors, and switching to a new product would be time consuming and resource intense. 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 Ipswitch will be completed, and 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
Heath Hollenbeck	Director Technical  <input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Jeff Eilers	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: 808.873.3053

13.

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

Department Head (Print: Jeff Ellers)

Date

6/5/15

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted:

6/5/15

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


HHSC Chief Procurement Officer - Signature

Date

6/16/15