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

EX-063

1. TO: Chief Procurement Officer

2. FROM: Christine Asato, Director of Meaningful Use & IT Budgetary Controls

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: The Vendor will receive Electronic Medical Record (EMR) data submission to satisfy the public specialized reporting agency to meet Meaningful Use requirements.

4. Name and Address of Vendor: Premier, Inc.
   2320 Cascade Point Blvd.
   Charlotte, North Carolina 28208

5. Price: $75,000

6. Term of Contract: From: Date of Execution To: Three Years

7. Prior Exemption Ref. No.: None

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

Four HHSC acute care facilities, Hilo Medical Center, Maui Memorial Medical Center, Kauai Veterans Memorial Hospital and Kona Community Hospital, currently submit data in electronic format from their respective EMRs to Premier via the Premier Quality Advisor portal as part of a separate revenue management quality initiative project managed by the HHSC Revenue Director. The foundation of this Exemption Request is to capitalize on existing interfaces already in place and in use for the above four HHSC facilities already submitting data to Premier to satisfy the Public Reporting Agency objective for the Meaningful Use (MU) program beginning with the 2016 reporting period.

The MU program requires a certification letter be issued by the reporting agency as evidence of meeting the MU objective. Although there are other qualifying specialized reporting agencies that the four HHSC acute care facilities could select to exchange data with, the HHSC established connectivity between its EMR systems and the vendor eliminates the need to devote resources to build and test a duplicate interface feed to ensure that the connection indeed meets all MU program required deliverables. In this case, no additional interface work would be required by HHSC or Premier to meet the MU objective for 2016 thus making it not practical or advantageous to the State to engage in a competitive bid process. This Exemption is intended to span a three year period.

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 and contracting with Premier will be conducted, and no formal solicitation will be performed at this time. Periodically, within the term of this Exemption and/or upon renewal of the Exemption, HHSC will review its Meaningful Use requirements to determine if the business and technology needs are sufficient to warrant a rebid of the contract.

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

The Exemption Request is reviewed by HHSC corporate director of contracts management and then forwarded to the HHSC CPO in accordance with HHSC policies and procedures. The President and CEO of HHSC (or her delegated CPO) approves the Exemption in accordance with internal procurement policies and procedures.

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Involvement in Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe Evanoff</td>
<td>Director Contracts/Materials Management</td>
<td>Approval, Administration</td>
</tr>
<tr>
<td>Andrew Alvarez</td>
<td>Contracts Manager</td>
<td>Approval, Administration</td>
</tr>
<tr>
<td>Christine Asato</td>
<td>Dir. MU &amp; IT Budgetary Controls</td>
<td>Approval, Administration</td>
</tr>
<tr>
<td>Jeff Ellers</td>
<td>Chief Information Officer</td>
<td>Approval, Administration</td>
</tr>
<tr>
<td>Edward N. Chu</td>
<td>HHSC CFO</td>
<td>Approval, Administration</td>
</tr>
</tbody>
</table>

HHSC PUR Policy 0017  Rev. 1-30-12  PUR 007
12. Direct Inquiries to:

Contact Name: Andrew Alvarez
Phone Number: 808 873-3053

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.

[Signature]

Department Head (Print:)

JFF 12/16

Date: 11/10/16


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

[Signature]

HHSC Chief Procurement Officer - Signature 11/23/16

☐ DISAPPROVED:

☐ NO ACTION REQUIRED
HHSC EXEMPTION REQUEST INSTRUCTIONS
PUR 007 (Rev. 1/30/12)
HHSC PUR 007

HHSC PUR FORM 007- NOTICE OF AND REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS:

A. When Used
   This form is used by HHSC Corporate Office and System-Wide procurements to declare that the identified goods, services, or construction are under review for procurement with an exemption under Chapter 103D, HRS. The form will be posted by the HHSC Contract Management office – Alison Stransky, on a designated HHSC public website for seven (7) calendar days.

   The procurement EXEMPTION No. (EX #) located at the top right of the page is the number that will be assigned by the HHSC Contracts Mgt. Office for record keeping purposes.

B. General
   This form has been formatted to be completed, and then printed. The completed and signed exemption request shall be sent to HHSC Director of Contracts & Materials Mgt. for final review and acceptance:

   Hawaii Health Systems Corporation
   Contracts Department
   Attn: Joe Evanoff
   jevanoff@hhsc.org
   3675 Kilauea Avenue
   Honolulu, HI 96816

C. Form Item Usage

   BOX No 1. To. The form is submitted to the Chief Procurement Officer (CPO) after review by HHSC Director of Contracts.

   BOX No 2. From Department. The name of the department or organization that is requesting the purchase exemption from HRS Chapter 103D.

   BOX No 3. Description of the goods, services, or construction. Provide a brief, concise description. The description should be limited to the actual good, service, or construction and not how or why it is being requested.

   BOX No 4. Vendor, Address. The name and address of the vendor that is to provide the goods, services, or construction. If this request involves multiple vendors, please attach a separate sheet providing the required information or each vendor.

   BOX No 5. Price. Please provide the total price for the goods, services, or construction. If not known, provide an estimated amount.

   BOX No 6. Terms of Contract. The FROM and TO dates associated with the purchase exemption, format = mm/dd/yyyy. The start date cannot be earlier than the date approved by the CPO. If this is a “one-time purchase,” designate this in the space

   BOX No 7. Prior Exemption Reference No. If a similar request was previously submitted to the HHSC, please provide the number that was assigned to the prior request by the HHSC. HHSC Contract Management Dept. will provide Exemption # for “new” Exemptions.
BOX No 8. Explanation by procurement by competitive means is either not practicable or advantageous to the State. The HHSC or requestor must explain why it is not practicable or advantageous to procure the goods, services, or construction by competitive means. The fact that a vendor has prior knowledge or experience is not, by itself, sufficient to justify the exemption. Also, statements such as, “There are no other vendors that have the specialized knowledge to provide the good, services, or construction” must be supported with facts.

BOX No 9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable. The HHSC requestor must provide how the vendor was or will be selected. If not issuing a public notice, describe how vendors will be notified and afforded the opportunity to provide the goods, services, or construction as practicable. If direct negotiation with a single vendor, provide the determination for not allowing open competition.

BOX No 10. A Description of the HHSC’s internal controls and approval requirements for the exempted procurement. Provide a description on the HHSC’s processes for review and approvals for the exempted good, service or construction.

BOX No 11. A list of HHSC personnel, by position, who will be involved in the approval process and administration of the contract. List the name(s) of personnel who will be responsible for the approval and administration of the exempted good, service, or construction.

BOX No 12. Direct any inquiries to. The name of the contracts/purchasing department or HHSC Technical Rep, contact person, contact telephone and fax number to which questions regarding the Notice of and Request for Exemption From Chapter 103D, HRS, are to be directed.

BOX No 13. Certification by Department Head. The Department Head or designee by written delegation must certify the information in the request by signing and dating the request.

BOX No 14. Date Notice Posted/Process to Submit Written Objections/CPO’s comments.
   a. Date notice posted is the date that the Notice of Exemption Form HRS Chapter 103D was posted on the HHSC website by the HHSC Contract Mgt. Office.
   b. The process to submit written objections is provided. Written objections will be received up to the deadline by the CPO.
   c. The CPO may provide comments/explanations/conditions to an approved or disapproved request.

BOX No 15. Approved/Disapproved/No Action Required. Reserved for the CPO to check the appropriate box, sign, and date the request.

END of PAGE