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

1. TO: Chief Procurement Officer
2. FROM: Ron Hemenway, Corporate IT Security Manager

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:
Computer Forensic and Breach Notification Services

4. Name and Address of Vendor: Multiple Vendors (Sylint, LMG Security, Kroll Ontrack, RSM, Mandiant, Eqlq)

5. Price: $900,000.00 ($150,000.00 per vendor)

6. Term of Contract: Three Years from Time of Contract Execution

7. Prior Exemption Ref. No. None

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
Procurement by competitive means is not practical to HHSC as in the event of a privacy or security breach of HHSC networks or records containing Protected Health Information, HHSC is required to use computer forensic and breach notification services approved by the Beazley Group, its privacy / cyber insurance provider. Pricing has been negotiated for these vendors by the Beazley Group at discounted rates.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
HHSC will review the approved list from the Beazley Group and interview those who meet the needs of computer forensics and breach notification services. From the interviews and research/prior working knowledge of the vendors, HHSC will select the vendor(s) that best fit its requirements.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
HHSC will ensure all firms that are to be contracted with are on the Beazley Group's list of approved vendors for computer forensic and breach notification services, as well as in compliance with all State and HHSC 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>Edward N. Chu</td>
<td>HHSC CFO</td>
<td>☒ Approval</td>
</tr>
<tr>
<td>Ron Hemenway</td>
<td>Corporate IT Security Manager</td>
<td>☐ Approval</td>
</tr>
<tr>
<td>Jeff Dansdill</td>
<td>Senior Contract Manager</td>
<td>☐ Approval ☒ Administration</td>
</tr>
<tr>
<td>Anne Lopez</td>
<td>General Counsel / COO</td>
<td>☒ Approval ☒ Administration</td>
</tr>
</tbody>
</table>
12. Direct inquiries to:

Contact Name: Jeffrey E. Dansdill, CPPO, CPPB
Phone Number: 808-657-3721

Agency shall ensure adherence to applicable administrative and statutory requirements

13. I certify that the information provided above is, to the best of my knowledge, true and correct.

Anne E. Lopez
Department Head (Print: Anne Lopez)

2/12/18
Date

14. Date Notice Posted: 2/12/18

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

HHSC Chief Procurement Officer - Signature

2/23/18
Date

☐ DISAPPROVED:

☐ NO ACTION REQUIRED