

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

EX-115

**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 that needed to securely transmit data from inside HHSC's network.

**4. Name and Address of Vendor:** Ipswitch, Inc.  
83 Hartwell Avenue  
Lexington, MA 02411

**5. Price:** \$100,000

**6. Term of Contract:** From: 8/8/2018 To: 8/7/2023

**7. Prior Exemption Ref. No.**  
EX-92, EX-32, EX13-012 & EX-001

**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 HHSC Corporate CEO (or her 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:**

<i>Name</i>	<i>Position</i>	<i>Involvement in Process</i>	
Joe Evanoff	Director Contracts & Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Andrew Alvarez	Contracts Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Anne Lopez	General Counsel & Chief Operating Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Edward N. Chu	HHSC Chief Financial Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: Andrew Alvarez  
Phone Number: 808 73-26

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.

Anne Lopez 5/17/18  
Department Head (Print: Anne Lopez) Date

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 5/17/18

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:  
Necessary for compliance with security laws & regulations.

15.  APPROVED

DISAPPROVED:

NO ACTION REQUIRED

E. M. O.  
HHSC Chief Procurement Officer - Signature

6/26/18  
Date