

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

**EX-132**

**1. TO:** Chief Procurement Officer

**2. FROM:** Renee Lai, Chief Information Officer

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:** Surgical Information Systems (SIS) is a fully integrated module within the HHSC Cerner Health Services, Electronic Medical Record (EMR) Soarian Suite Solution that specifically provides HHSC with a means to organize and operationalize surgical and anesthesia services.

**4. Name and Address of Vendor:** Surgical Information Systems  
555 North Point Center East, Suite 700  
Alpharetta, Georgia, 30022

**5. Price:** \$1,500,000.00

**6. Term of Contract:** From: July 21, 2019 To: July 20, 2023

**7. Prior Exemption Ref. No.** None  
EX-076

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

The SIS software was originally licensed to HHSC and all on-going support was initially provided via the Siemens Medical Solutions USA, Inc., as a fully integrated part of the Soarian Suite of products. In 2015, Siemens sold its interest in the solution and with the sale, the SIS support was assigned to Cerner Health Services ("Cerner") and HHSC will continue to receive routine software maintenance and support services through Cerner until July 20, 2019 when the current contracting cycle ends. The assignment did not include any non-routine support services, however, and SIS software upgrade assistance required HHSC contract directly with SIS. Effective with the execution of a two-year term extension of the Cerner Agreement to commence on July 21, 2019, SIS will begin requiring HHSC to contract directly for all SIS-related licensing, and associated services and software support.

While SIS is not the only product of its kind, since 2011 and the implementation of the Soarian EMR, HHSC has made significant investments in staff and resources to ensure that the application has continued to meet the needs of the HHSC staff who routinely utilize the software. HHSC plans to continue to utilize the SIS product for the foreseeable future, thus eliminating the need for HHSC to devote resources to procure a new solution. Implementation of a new surgical information system would require HHSC to build out and test a new interface with an alternative product, as well as bear the resource costs associated with staff re-training and other product adoption activities. Such cost considerations together make it highly impractical and disadvantageous to the State to engage in a competitive bid process for the goods and services at this time.

**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 SIS 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 service needs to determine if the business and technology needs warrant a rebid of the goods and services.

**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:**

<b>Name</b>	<b>Position</b>	<b>Involvement in Process</b>	
Joe Evanoff	Director Contracts & Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Andrew Alvarez	Sr. Contracts Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Renee Lai	Chief Information Officer	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Katherine Revita	IT Project Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Nancy O'Connell	Clinical Analyst, IT - EMR	<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: 808 793-2670

**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.

Department Head (Print: \_\_\_\_\_ )

*Renee Lai*

Date

*3/21/2019*

Reserved for CPO/Delegee Use Only

**14 .Date Notice Posted:** 3/21/19

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:**

Product is critical to continued effective operation of HHSC's electronic medical records system.

**15.**  **APPROVED**

*Edward N. Chu*

May 13, 2019

HHSC Chief Procurement Officer - Signature

Date

**DISAPPROVED:**

**NO ACTION REQUIRED**