

STATE OF HAWAII
NOTICE OF EXEMPTION FROM CHAPTER 103D, HRS

The Head of the Purchasing Office is in the process of reviewing the request from VP & CIO, Corp HHSC for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

Kronos Project Management Services

Vendor: Daryl Chow

Address: ~~175 Kaulana Way~~ 331 HALEMAUMAU PLACE
Honolulu, Hawaii 96821

Term of Contract: From: 15FEB06 To: 14FEB07 Cost: \$ 130,000.00

Direct any inquiries to:

Department: VP CIO

Contact Name/Title: Barbara Kahana

Phone Number: 808 733-4035

Address: Hawaii Health Systems Corp

FAX Number: 808 733-4167

3675 Kilauea Ave

Honolulu, Hawaii 96816

Date Posted: 07 DEC 05

A copy of this notice of exemption from Chapter 103D, HRS, shall be posted by the Head of the Purchasing Agency in an area accessible to the public, at least seven (7) calendar days prior to any approval action. *Daryl Gillespie*

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days from the date posted to:

Head of the Purchasing Agency
Hawaii Health Systems Corporation
3675 Kilauea Avenue
Honolulu, Hawaii 96816

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: Head of Purchasing Agency

FROM: Barbara, VP & CIO, Corporate HHSC

Pursuant to 103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:

Kronos Project Management Services

Name of Vendor: Daryl Chow

Cost: \$ 130,000.00

Address: 175 Kaulana Way
Honolulu, Hawaii 96821

Term of Contract: From: 15FEB06 To: 14FEB07 Prior Exemption Ref No.

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

The learning curve for any new project manager is estimated to be a minimum of 12 months. In order to continue the Kronos project in the most expedient time, the current vendor needs to continue the work with the HHSC team in place. The contract with the software vendor is time-sensitive and requires active participation of knowledgeable HSSC staff immediately.

The current project manager, Daryl Chow, has been the key architect of the current project design and use and has the knowledge and experience gained over 5 ½ years working on the Kronos project. The current design of the overall structure of the product and the overall processes in place are the result of working directly with HHSC staff, vendors and senior management of our pilot facility, as well as with the Steering Committee of the project for HHSC. The vendor's background includes education, experience and knowledge of payroll, human resources, auditing and finance in a healthcare environment. The vendor has specific prior knowledge and experience working with Kronos, Lawson and One Staff. Vendor is familiar with the full range of Kronos resources from technical staff through executive management.

Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Not seeking competitive action at this time due to the specific time constraints associated with the project and the specific need for the specialized knowledge and experience of the existing provider. It is in the best interests of HHSC at this time that we continue this pilot project implementation with the requested vendor.

Starting over with a new vendor would result in delays & wasted resources amounting to hundreds of thousands of dollars.

<p>A description of the agency's internal control and approval requirements for the exempted procurement:</p> <p>Description of need and purchase request for services will be reviewed internally by the senior management staff for completeness and then will be referred to Contract Management for recommendations. Senior management will support and request final approval from the HHSC President and CEO, who will sign the request.</p>
<p>A list of agency personnel, by position title, who will be involved in the approval process and administration of the contract:</p> <p>Barbara Kahana, VP & CIO Janice Wakatsuki, VP of Human Resources Kelley Roberson, COO/CFO</p>
<p>Direct questions to: Barbara Kahana, VP & CIO Phone Number: 808 733-4035</p>

This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR Yes No

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT

Barbara Kahana 12/6/05
Department Head or Designee Date

VP & CIO
Title

Head of Purchasing Agency's Comments:

APPROVED DISAPPROVED

[Signature] 12/14/05
Head of Purchasing Agency Date