

EX 06-02



**STATE PROCUREMENT OFFICE  
NOTICE OF AND REQUEST FOR EXEMPTION  
FROM CHAPTER 103D, HRS**

1. TO: Head of Purchasing Agency

2. FROM: Carolyn Bader

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:

## Telephone Maintenance &amp; Repair:

- Year 1 - July 26, 2006 to July 25, 2007 - \$27,964 plus GET = \$29,130,  
 Year 2 - July 26, 2007 to July 25, 2008 - \$28,524 plus GET = \$29,712,  
 Year 3 - July 26, 2008 to July 25, 2009 - \$29,094 plus GET = \$30,307,  
 Year 4 - July 26, 2009 to July 25, 2010 - \$29,676 plus GET = \$30,913 = \$120,062

NOTE: Current Telephone Systems Warranty runs to July 26, 2006.

4. Name of Vendor: Hawaiian Telcom

Address: 1177 Bishop Street, A15, Honolulu, Hawaii 96813

5. Price:

\$120,062

6.

Term of Contract:

From: 03/2006

To: 07/25/2010

7. Prior Exemption Ref. No.

0

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State: Beginning in early 2004, Verizon spent nearly a year designing and programming the new NEC telephone switch, based on the specifications of the MMMC users and administrators. In January 2005 Verizon Hawaii became Hawaiian Telcom. The current PBX system is supported under warranty that came with the original system installed in 2004 and MMMC wishes to purchase continued maintenance from Hawaiian Telcom under annual fixed fee (as shown above) through July 25, 2010. Hawaiian Telcom is very familiar with MMMC facility and with the new NEC system currently in place. Hawaiian Telcom serves as MMMC's single point of contact for trouble calls dealing with the MMMC telephone system. If a different company were contracted to perform the Maintenance & Repair, they may not be able to adequately or expeditiously support the entire system, since they did not install it and are not familiar with programming, etc.

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

Open and competitive competition is not practicable because MMMC will need Maintenance and Repair of the entire telephone system under one Contractor who is intimately familiar with the installation and programming of equipment for both the old part of the hospital and the new wing. Additionally, there may be warranty issues if the Maintenance and Repair are not performed by the same Contractor that installed the original equipment. Expedious and accurate repairs to the hospital telephone system is of paramount importance, particularly during a natural disaster or other emergency situation.

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

The Exemption Request is reviewed by senior management of the facility, then forwarded to the Corporate Director of Contract Management (CDCM) for review. Any changes made by the CDCM and incorporated into the Exemption Request will be reviewed by the facility management. Once the facility management has approved the Exemption Request, it is submitted to the President & CEO of the Corporation for approval (if over \$200,000 or if it covers more than one facility). (The smaller requests are approved by the CDCM).

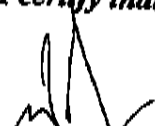
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:		
Name	Position	Involvement in Process
Wesley Lo	Regional Chief Executive Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Pat Saka	Regional Chief Financial Office	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Carolyn Bader	Contract Manager	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Gerald Matsui, Assist. Adm	Requestor of Action	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to: Department: Contract Management  
 Contact Name: Carolyn Bader  
 Phone Number: (808) 442-5254  
 Fax Number: (808) 242-2539

14. This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: YES  NO   
 Agency shall ensure adherence to applicable administrative and statutory requirements

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

  
 Department Head

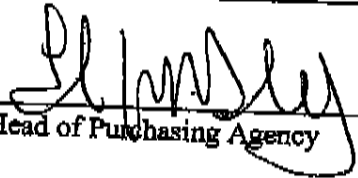
Date 2/15/06

16. Date Notice Posted 2-15-06

The Head of the Purchasing Agency 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 calendar days or as otherwise allowed from the above posted date to: Head of Purchasing Agency  
 HHSC  
 3675 Kilauea Ave.  
 Honolulu, Hawaii 96816

Head of Purchasing Agency's comments:

17.  APPROVED  DISAPPROVED

  
 Head of Purchasing Agency Date 02/23/06