

EX 07-005

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

1. TO: Chief Procurement Officer
2. FROM: Barbara Kahana, VP & CIO, Corporate HHSC

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:

<p>3. Description of goods, services or construction: Provide project management regarding the implementation and customization of the Kronos time and attendance system.</p>		
<p>4. Name of Vendor: Daryl Chow Address: 175 Halemaumau Place Honolulu, Hawaii 96821</p>		<p>5. Price: \$113,500.00</p>
<p>6. Term of Contract: From: Feb. 15, 2007 To: Feb. 14, 2008 with 3 1 year options to extend</p>		<p>7. Prior Exemption Ref. No. EX 05-29</p>
<p>8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:</p> <p>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 HHSC staff immediately.</p> <p>The current project manager, Daryl Chow, has been the key architect of the current project design 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 project and overall process 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. The vendor is also familiar with the full range of Kronos resources from technical staff through executive management.</p>		
<p>9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:</p> <p>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 the pilot project is continued with the existing vendor. Starting over with a new vendor could result in delays and wasted resources amounting to hundreds of thousands of dollars.</p>		

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

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.

11. 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	
Barbara Kahana	VP & CIO	<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
Janice Wakatsuki	VP of Human Resources	<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
Kelly Robertson	COO/CFO	<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Department: Information Systems
Contact Name: Barbara Kahana
Phone Number: (808) 733-4035
Fax Number: (808) 733-4167

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.

 Kelley C. Roberson
HHSC COO & CFO

Department Head (Print: _____)

Date

02/02/07

14. Date Notice Posted

2-2-07

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 DISAPPROVED

NO ACTION REQUIRED


Chief Procurement Officer

Date

02/11/07