

EX 07-25

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

1. TO: Chief Procurement Officer
2. FROM: Earl Bethke

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:

Installation of T-1 circuits between HHSC Corporate Computer Center (CCC) and any new HHSC entity (Kahuku Hospital, Regional clinics, etc.) by Time Warner Telecom.

The Time Warner Telecom (TWT) contract provides the T-1 connections for the WAN. The current contract covers the T-1 circuits used to connect the CCC to 11 HHSC facilities (Maluhia, HMC, Kau Hospital, Hale Hoola Hamakua, KCH, Kohala Hospital, MMMC, Kula Hospital, LCH, KVMH, and SMMH). This exemption and its companion purchase request are to request an amendment to the current TWT contract to include pricing for T-1 circuits between the CCC and any new HHSC entity (Kahuku Hospital, Regional clinics, etc). As an example, adding Kahuku Hospital in the contract will provide us the ability to quickly install a T-1 circuit to Kahuku in the future - if we need to. Due to contract processing lead times, amending the contract now is just a proactive, preparatory measure that will pre-position HHSC for a faster response if/when Regions request the additional T-1 connections.

4. Name of Vendor: Time Warner Telecom

Address: 2669 Kilihau Street
Honolulu, HI 96819

5. Price:

At the going rate when the T-1 circuit is requested.

6. Term of Contract:

From: N/A

To: 4/14/09

7. Prior Exemption Ref. No.

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

Time Warner Telecom (TWT) was selected through a competitive RFP process that was just completed in April 2007. At the time of developing the RFP scope of services, it was not anticipated that Kahuku Hospital or any other new HHSC entity would be connecting onto the HHSC WAN and therefore was not included on the contract. Because this RFP was issued only short time ago, it is expected that the vendors submitting a proposal for a T-1 connection to any new HHSC entity would not be significantly different.

In addition, TWT is now contracted to provide T-1, Internet and ISDN/PRI services to HHSC and is familiar with our network setup as well as the USAC RHCD funding we receive. Using multiple carriers would require extra effort, time and resources. Furthermore, TWT has provided excellent network uptime and support when compared to other previously used carriers.

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

Time Warner Telecom (TWT) was selected through a competitive RFP process that just completed in April 2007. There were several vendors interested but only a single respondent, TWT, submitted a proposal.

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.

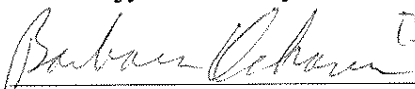
11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

| Name | Position | Involvement in Process | |
|----------------|---|--|--|
| Barbara Kahana | VP/CIO | <input checked="" type="checkbox"/> Approval | <input checked="" type="checkbox"/> Administration |
| Alice Hall | Director of Contract Management/Assistant General Counsel | <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> Administration |
| Tom Driskill | CEO | <input checked="" 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: IT
 Contact Name: Earl Bethke
 Phone Number: 733-4090
 Fax Number: 733-9864

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.**

 BARBARA KAHANA) 5/31/07
 Department Head (Print: _____) Date

Reserved for CPO/Delegee Use Only

14. Date Notice Posted 6-1-07

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

Sunday

Chief Procurement Officer Date 06/14/07