

EX 08-027

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

1. TO: Chief Procurement Officer
2. FROM: Jon Sakata

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: On going support and upgrades for a turnkey application for medical records and radiology dictation for Maui Memorial Medical Center and Hilo Medical Center. Vendor provides software licenses and support for hardware, and for end user use of application software, direct support of servers, interfaces, operating system, backups, patches, and anti-virus upgrades. Fees for this period also include the hardware, and professional services to implement a required hardware refresh of the main database server and backup solution, the implementation of required HIPAA module for tracking data access, and the upgrade to a more current release of the software (to support the use of the HIPAA module).	
4. Name of Vendor: Nuance Communications Inc. f.n.a. Dictaphone Address: 1 Wayside Road Burlington, MA 01803	5. Price: \$ \$330,000 (for 2 years)
6. Term of Contract: From: Upon Execution To: June 30, 210	7. Prior Exemption Ref. No.
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State: The product support is necessary for the operations of several HHSC facilities. The organization has a substantial investment in this solution; implementation of existing hardware, development and implementation of interfaces. There is also a large investment in the development of processes, training of the staff and doctors in the use of the program, as well as the retention and use of historical data. The prior vendor has been purchased by the present company, and for the past six months, has been trying to obtain the required certificates to be a compliant Hawaii business under HRS sec. 103D-310. This would normally be a sole source under the situations set forth by the procurement policy board. However, due to the vendor's inability to obtain the necessary clearances necessitates the request for this exemption. Competition would not normally be applicable given the unique and proprietary aspects of this product and therefore procurement by competitive means is neither practicable nor advantageous to the State or HHSC.	

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
As this would normally be purchased as a sole source under the list of non-discretionary actions promulgated by the procurement policy board, competition is not applicable in this situation.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
This action must be reviewed by the Director of Contracts and Material Management prior to submission to the CPO.

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	
Jon Sakata	Jon fill in	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Christian Butt	Contracts Manager	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Joe Evanoff	Director Contracts and Materials Mgt	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Kelley Roberson	Chief Fiscal Officer/Chief Operations	<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

12. Direct inquiries to:
Department: Contracts
Contact Name: Christian Butt
Phone Number: (808) 733-9074
Fax Number: (808) 733-4400

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
 Department Head (Print: Kelley C. Roberson, CIO & CFO) Date 06/27/08

Reserved for CPO/Delegee Use Only

14. Date Notice Posted 6-27-08

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

[Signature] 07/14/08
 Chief Procurement Officer Date