

EX 10-001

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

- 1. TO: Chief Procurement Officer
- 2. FROM: Joanne S. Agnes, Corporate Office Human Resources

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: To purchase an Applicant Cardscan workstations (hard/software) which will be used to conduct a national (FBI) criminal history background record checks to individuals providing services to or receiving clinical instructions from HHSC.</p>	
<p>4. Name of Vendor: Morpho Trak, Inc Address: 1145 Broadway Plaza, Ste 200 Tacoma, WA 98402</p>	<p>5. Price: \$22,790</p>
<p>6. Term of Contract: From: 09/01/2009 To: 08/31/2011</p>	<p>7. Prior Exemption Ref. No. 0</p>
<p>8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State: This is a request for exemption to purchase Applicant Cardscan workstation (hardware/software) from MorphoTrak, Inc. Morpho Trak developed and implemented a proprietary automated fingerprint identification system (AFIS) for the Hawaii Criminal Justice Data Center (HCJDC) in 1990's and has continued to provide this service to HCJDC. HCJDC is responsible for maintaining criminal history records checks for the State of Hawaii and is the FBI designated State Identification Bureau. As such, any requests for applicant cardscan equipments must comply with the system and process requirements established by HCJDC. The applicant cardscan equipment must be compatible to HCJDC AFIS developed by Morpho Trak. It will be impracticable and ineffective for HHSC to solicit competitive bid. This process and other vendors will require additional time and money to develop, test and implement a system that will be compatible with Morpho Trak's AFIS. In addition, in coordination with HCJDC, HHSC Corporate Human Resources (HR) staffs have been trained and have been using Morpho Trak's applicant cardscan workstation since 2004 to conduct its national background checks. Therefore, Corporate HR is requesting approval of this exemption.</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: HHSC Corporate HR solicited recommendations and advice from HCJDC. Corporate HR also inquired with other State of Hawaii departments (DHS, DOE, etc) that conduct national criminal history checks for its prospective employees, contractors, etc. These departments have purchased equipments from Morpho Trak and have continued to extend contracts with Morpho Trak. To ensure fair and open competition, Corporate HR will continue to conduct research, solicit recommendations from HCJDC and other state agencies and will evaluate possible vendors that may be able to develop/provide software/workstation that will be compatible to HCJDC's AFIS.</p>	

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 This exemption shall be from HRS, Section 103D-303, and all other guidelines, rules and policies under chapter 103D shall be upheld. HHSC policies and procedures will be followed and periodic reviews of contract action will be performed.

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	
Thomas Driskill	HHSC President/CEO	<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
Kelley Roberson	HHSC CFO/COO	<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
Henry Kanda <i>Henry Kanda</i>	HHSC Interim Director of Human Resources	<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: Contracts Management
 Contact Name: Kay Richford, Corporate Senior Contracts Manager
 Phone Number: 808-322-6937
 Fax Number: 808-6940

POSTED 9-10-09

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.

[Signature] _____ 09/17/09
 Department Head (Print: Kelley Roberson) Date

Reserved for CPO/Delegee Use Only

14. Date Notice Posted _____

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: *In accordance with authority granted to me by Tom Driskill to act in his absence, I am approving this request for exemption.*

15. APPROVED DISAPPROVED NO ACTION REQUIRED

[Signature] _____ 09/17/09
 Chief Procurement Officer Date