

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

**EX11-010**

**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: Dictation/Transcription Software License and Equipment Maintenance**

**4. Name of Vendor: Nuance Technologies – Dictaphone Solutions**  
Address: 3984 Pepsi Cola Drive Melbourne, FL 32934

**5. Price: \$133,332.00**

**6. Term of Contract: From: 03/01/2011 To: 2/28/2012**

**7. Prior Exemption Ref. No.  
None**

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

HHSC has held an annual software license and equipment maintenance contract with Dictaphone for many years to provide dictation and transcription services to regional facilities. More recently HHSC executed a separate contract with Nuance/Dictaphone for a solution called e-Scripton, which is intended to eliminate the need for the services provided under the former contract.

The former contract (# 09-0045) for Dictaphone dictation/transcription software license services expired on 12/31/2010. The plan was to have the migration from the old platform (old contract) to the new e-Scripton solution (new contract) completed by the end of 2010. Due to the complexities of this effort, the migration to the new E-Scripton solution has not yet been completed, and Maui and Hilo continue to require use of the incumbent software and maintenance services offered by Dictaphone/Nuance.

An exempted agreement with Nuance is required in order to provide the hospitals with uninterrupted service while the migration is completed. An exempted contract will not require more than a one-year period of performance, as the migration to the new platform is nearly accomplished.

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

This section is not applicable; no follow-on procurement will be required as the contract for the new technology is already in place.

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	
Alice M. Hall	Interim HHSC CEO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Jon Sakata	ASD – Systems Analyst	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
A.A. Stransky	Contract Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration

Approval  Administration

**12. Direct inquiries to:** Department: Corporate Contracts  
Contact Name: Jon Sakata  
Phone Number: 733-4067  
Fax Number: 733-4091

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.*

  
Department Head (Print: John Marshall)

3/18/11  
Date

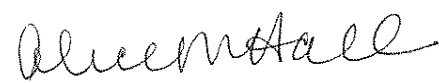
Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 3/17/11

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**

  
HHSC Chief Procurement Officer - *Signature*

3/28/11  
Date