

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

EX Number: EX-110

1. TO: Chief Procurement Officer

2. FROM: Heath Hollenbeck

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: Contractor provides a secure email encryption service.

4. Name and Address of Vendor: ZixCorp
2711 N. Haskell Ave, Suite 2300
Dallas, Texas 75204

5. Price: \$200,000

6. Term of Contract: From: Date of Execution To: Three Years

7. Prior Exemption Ref. No.
EX-027, EX-045, & EX-083

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
Contractor provides a secure email encryption gateway to insure that HHSC does not send Patient Health Information (PHI) and other sensitive data via email without encryption. An HHSC provider since 2003, the Contractor has existing hardware in the HHSC Data Center that has already been professionally installed and configured. Additional hardware is not needed to continue using the Contractor's encryption service. Current HHSC staff are trained to maintain and update/configure the current Contractor's hardware. Bidding this service out for a new Contractor would not be beneficial to the State of Hawaii as it would not be cost effective. A new Contractor would require HHSC to purchase new Hardware, Installation, Professional Setup and Train HHSC staff on how to maintain and update/configure the product.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Direct negotiations with ZixCorp, and no formal solicitation will be conducted.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
The exemption request is reviewed by HHSC senior management in accordance with HHSC policies and procedures. The President and CEO of HHSC (or his delegated CPO) approves the exemption requests covering more than once facility and in accordance with internal procurement policies and procedures. HHSC policies and procedures will be followed and periodic reviews of the 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	
Heath Hollenbeck	Director Technical	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Jeff Eilers	HHSC CIO <i>Anne Lopez, CIO</i>	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Edward N. Chu	HHSC CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: Andrew Alvarez
Phone Number: 808.873.3053

13. Agency shall ensure adherence to applicable administrative and statutory requirements
I certify that the information provided above is, to the best of my knowledge, true and correct.

Anne E Lopez 4/19/18
Department Head (Print: Anne Lopez) Date

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 4/19/18

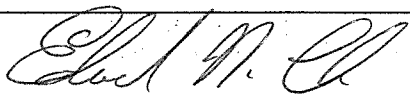
The CPO is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days or as otherwise allowed from the above posted date to: Chief Procurement Officer, HHSC, 3675 Kilauea Ave., Honolulu, Hawaii 96816

Chief Procurement Officer's comments: Necessary for compliance with rules and regulations.

15. APPROVED

DISAPPROVED:

NO ACTION REQUIRED


HHSC Chief Procurement Officer - Signature

4/27/18
Date