

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

Number: EX-13-004

1. TO: Chief Procurement Officer

2. FROM: James Brady

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:

1. Hawaiian Telcom, Inc. (HT) will provision fiber optic cabling to Kona Community Hospital, Kauai Veterans Medical Hospital, and Kahuku facilities to allow for higher speed data networking circuits to meet EMeRGE requirements.
2. HHSC will cancel its existing Hawaiian Telecom T1 data networking circuit subscription; and,
3. Replace said existing Hawaiian Telecom T1 data networking circuit subscription with HT high speed Ethernet (EIPDS) data networking circuit subscription.

4. Name and Address of Vendor: Hawaiian Telcom, Inc.
1177 Bishop Street, Honolulu, HI 96841

5. Price: \$825,000.00

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

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
Due to EMeRGE requirements for high availability and redundancy, each HHSC facility needs to have two different commercial providers of high speed wide area data network circuits to avoid a downtime scenario that would occur if one of the commercial providers experiences an outage, schedule maintenance, or other disruption. Currently each HHSC facility has Time Warner Telecom provided data networking circuits (either INET or T1 lines), and HT T1 lines to meet this requirement. In order to increase the HT T1 line capacity, the only option is to remain with HT, and replace the T1 lines with higher capacity EIPDS circuits. Time-Warner Telcom and HT are the only commercial providers in Hawaii who own their own cabling and central offices. Therefore procurement by competitive means is not practicable or advantageous to the State.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Due to the reasons outlined in #8 above, direct negotiation with Hawaiian Telecom to replace the existing HT T1 circuits with HT EIPDS fiber and circuit subscription needs to take place.

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 and then forwarded to the corporate director of contracts management for additional review 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	
Alan Ito	CIO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
James Brady	Director of Technical Services	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Edward Chu	Corporate CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: James Brady
Phone Number: 808-733-4090

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: Alan Ito)

9/12/2012
Date

Reserved for CPO/Delagatee Use Only

14 .Date Notice Posted: 9/12/12

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

9/21/12
Date