

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

Number: EX-13-009

**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:**

The below listed (currently Time Warner provided) wide area data networking circuits at HHSC:

Location	Facility	Circuit
628 7 <sup>th</sup> , Lanai City, Lanai	LCH	DS1
4800 Kawaihau, Kapaa	SMMH	DS1
54-383 Hospital, Kapaa	Kohala	DS1
79-1019 Haukapila, Kealahou	KCH	DS1
56-117 Pualalea, Kahuku	KMC	DS1
56-117 Pualalea, Kahuku	KMC	DS1
4489 Papalina, Kalaheo	West Kauai Clinic	DS1
4353 Waialo, Eleele	Port Allen Clinic	DS1
1027 Hala, Honolulu	Maluhia	DS1
1027 Hala, Honolulu	Maluhia	DS1
550 Palea, Honolulu	Honolulu Airport	DS3
3675 Kilauea Ave, Honolulu	Corp Computing Center Internet Conn.	40M
3675 Kilauea Ave, Honolulu		Voice T1

**4. Name and Address of Vendor:**

Time Warner Telecom  
550 Palea Street, Suite 238  
Honolulu, HI 96819

**5. Price:** \$660,000.00

**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 all HHSC facilities have Time Warner Telecom provided data networking circuits (either INET or T1 lines) and Hawaiian Telecom data networking circuits. Because Time Warner Telecom data network circuits are required at the above facilities to maintain commercial provider redundancy with non-Hawaiian Telecom cabling and central office infrastructure, 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 TW Telecom to continue service with the existing circuits 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 in Information Technology 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	
Aian 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
Joe Evanoff	Director of Contracts	<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.



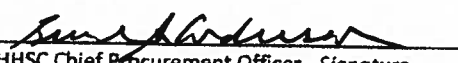
Department Head (Print: Alan Ito ) \_\_\_\_\_ Date \_\_\_\_\_

14. Date Notice Posted: 10/24/12

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

OCT 31 2012  
Date