

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

EX Number: 13-011

1. TO: Chief Procurement Officer

2. FROM: Heath Hollenbeck-TSD

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:

Dragon Medical Network Edition by Nuance for voice-enabled clinical dictation for electronic medical records. Products include network server licenses, perpetual Physician licenses, PowerMic's, training and 3 years of maintenance.

4. Name and Address of Vendor:

Nuance Communications, Inc.
1 Wayside Road
Burlington, MA 01803

5. Price: \$280,106.66

6. Term of Contract: November from date of execution through November 2017 inclusive of option years to extend.

7. Prior Exemption Ref. No. N/A

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

HHSC employees both full and part time Physicians to provide their medical services in our Hospitals. These services require the use of voice-enabled clinical dictation. Dragon Medical by Nuance is the only dictation software our Physicians will use within HHSC system. Nuance is by far the leader in the industry and therefore most Physicians are comfortable only with the Dragon Medical dictation software and the accuracy with the physician electronic/digital translation during dictation. In an effort to support our Physicians specific needs and keep the best talent at our hospitals it is neither practical nor advantageous to HHSC to procure the product via competition with other products for electronic dictation for our physician.

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

Based on assessments performed by HHSC clinical stakeholders and hospital Physicians it was determined that Dragon Medical dictation software was required to assist Physicians with electronic medical record dictation. Only Dragon Medical by Nuance was acceptable by HHSC Physicians. HHSC also gathered other Dragon Medical software hospital references from around the US Mainland to search out the feedback from current medical users. A very positive feedback was received. HHSC will begin discussing pricing and negotiating discounts based upon the potential size of our organization. It is important to note that there are no resellers of Dragon Medical Edition. You can only buy directly through Nuance.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

The exemption request is reviewed by senior management of HHSC, and then forwarded to the corporate director of contract management for review in accordance with HHSC policies and procedures and HRS/HAR as applicable. The President and CEO of HHSC approves the exemption request covering more than one facility and in accordance with internal procurement policies and procedures.

11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

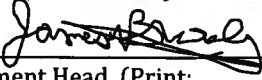
Name	Position	Involvement in Process	
James Brady	Director Technical Services	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Joe Evanoff	Contracts/Materials Management Director	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Edward Chu	Corporate CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: James Brady
Phone Number: 808.442.5212

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.

 James Brady)
Department Head (Print:) Date 11/1/2012

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 11/1/12


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 REQUIR


HHSC Chief Procurement Officer - Signature

11/13/12
Date