

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

Number: EX13-012

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:

HHSC requires a co-location backup data center facility to serve as a secondary data center that will house critical backup and recovery equipment needed to continue supporting the HHSC electronic health record systems. Should the primary data center at Leahi hospital incur an outage or become unable to service the needs of the HHSC regional facilities, this co-location facility will provide computing services that will allow the HHSC critical systems to remain available.

4. Name and Address of Vendor:

DRFortress (c/o Fred Rodi), fred@drfortress.com.
3375 Koapaka Street, Suite D198, Honolulu, HI 96819
Phone: (808) 528-7505; Cell: (808) 372-9300; Fax: (808) 275-3340

5. Price: \$120,000.00 for one year contract, with option to extent to up to 5 years (\$600,000 total NTE value)

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:

HHSC is in need of a backup data center facility by 12/10/2013 to meet HIPAA regulatory high availability and meaningful use of electronic health records requirements, in order to have sufficient time to configure EMERGE backup & DR systems in time for the 2/1/2012 West Hawaii go live.

The following are the requirements needed for the HHSC backup data center co-location facility:

- a) Facility must be located on the island of Oahu within the State of Hawaii.
- b) Facility must be outside of a flood zone requiring mandatory flood insurance. Specifically, the facility must be in GIS designated Flood Zone B, C, or X (outside of any GIS-defined 1% annual chance coastal floodplain) or Zone D (where flood hazards are undetermined e.g., mountainous regions). Facilities within mandatory flood insurance Zones A, AE, A1-A30, AO, AR, A99, V, or VE (within 1% annual chance coastal floodplain) do **not** meet this requirement.
- c) Facility must be a minimum of 1 mile outside of any Tsunami Evacuation Zone as defined by the Honolulu City Department of Emergency Management.
- d) An SSAE 16 Type II report specific to the colocation service will need to be submitted with the bid in order for the bid to be considered valid.
- e) Vendor must have been in business as a purpose-built data center/colocation facility for at least one year.
- f) Minimum of 5 independent telecommunication providers must be have carrier-owned equipment in the facility available for direct connection to allow for broadband diversity. A single provider aggregating multiple broadband providers does not meet with this requirement.
- g) Minimum of 2 geographically diverse land easements for broadband fiber must be available to the facility to provide physical connectivity redundancy.
- h) Vendor's power and HVAC systems must be independent of other entities' systems, except for baseline electrical power from authorized electrical utilities (i.e., Vendors primary and backup systems must be dedicated to the Colocation Facility itself, not shared with a building or campus).
- i) Vendor must directly maintain their power and HVAC systems (i.e., Vendor must not utilize a property management company, landlord, or other entity and have direct control over maintenance schedules, equipment exercise schedules, preventative maintenance schedules/deliverables, etc...).
- j) Minimum redundancy of N+1 24/7 emergency backup generator power.
- k) 24/7 on-site security guards.
- l) CCTV digital surveillance and biometric controlled access systems.
- m) Automated monitoring and alert management systems.
- n) Constant temperature and humidity control system.
- o) Dry pipe, double interlock, pre-action fire suppression system.
- p) Fully diverse and redundant power supply systems from switchgear to cabinet.

Only DR Fortress meets the above requirements. Therefore procurement by competitive means is not practicable or advantageous to the State or HHSC.

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 DR Fortress to secure co-location cage space for 3 computer cabinets and 250MB of WAN connectivity to HHSC 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 corporate director of contracts management and then forwarded to the HHSC senior 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
Joe Evanoff	Director of Contracts	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration [Review exemption only]
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 11/26/12

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 11/27/12

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 REQUIREI



 HHSC Chief Procurement Officer - Signature

 Date 12/3/12