

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

Number: EX-13-028

**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:**

The technical services division (TSD) at HHSC Corporate IT has an immediate need for 2,000 hours of additional staff resources to support the new UCS, VNX, Avamar, VSphere, View, Imprivata, and Appsense infrastructure currently being deployed as part of the EMERGE project at HHSC.

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

Siemens Healthcare  
51 Valley Stream Parkway, Malvern, PA, 19355-1406  
Cell: 425-299-3050  
E-Mail: [marc.leger@siemens.com](mailto:marc.leger@siemens.com)

**5. Price:** \$400,000 for 2,000 hours NTE value

**6. Term of Contract:** From: Date of Execution To: One Year

**7. Prior Exemption Ref. No.**

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

Based on: (1) a review of industry best practice IT staffing recommendations, peer healthcare organization staffing counts, and the existing HHSC IT staffing ratios that have shown that HHSC requires additional IT staff support in these technologies; (2) being unable to recruit and fill the required EMERGE-related VMWare VSphere and View, Imprivata, and Appsense roles due to a lack of qualified candidates for the positions that have been posted; and (3) the short time frame available to fill the aforementioned positions before the EMERGE project go-lives, HHSC seeks to procure 2,000 hours with Siemens for additional staff resources over a 3 month period. Given that Siemens is the provider of the EMR system and has been instrumental in implementing the HHSC VMware VSphere and View, Imprivata and Appsense, it is critical that staffing come from Siemens. Siemens has been identified as being able to backfill these positions, until such time as qualified full time candidates can be hired. 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 Siemens to immediately secure additional staffing resource is needed.

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

The exemption request is reviewed by the HHSC director of contracts management and then forwarded to 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
Heath Hollenbeck	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: Heath Hollenbeck  
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.

C. Ito  
Department Head (Print: Alan Ito ) Date 5/3/13

Reserved for CPO/Delegated Proc. Only

14 .Date Notice Posted: XX/XX/XX 5/3/13

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

Edward N. O.  
HHSC Chief Procurement Officer - Signature Date 5/13/13