

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

EX Number: 13-032

1. TO: Chief Procurement Officer

2. FROM: Jon Sakata

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 development and support of the HHSC McKesson AS/400 and replacement system interfaces.

4. Name and Address of Vendor: MDI
155 University Avenue, Suite #1220
Toronto, Ontario M5H 3B7 CANADA

5. Price: \$470,000

6. Term of Contract: From: Date of Execution To: Three Year Period

7. Prior Exemption Ref. No.
EX11-017 & EX11-017A

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

MDI has been providing development and support services for interfaces and Series AS/400 since HHSC purchased the interfaced engine prior to 2000. The reasons procurement by competitive means is not practicable or advantageous to the State are that:

- MDI has a working knowledge of the HHSC Series AS/400 system and a relationship with HHSC since 1999;
- For the HHSC's new EMR System (EMERGE), where possible HHSC plans to replicate the same interface requirements so that it deliver the same data to 3rd party vendors. MDI wrote all of the Series AS/400 Interfaces and has intimate knowledge around the interface, and the workflow supporting the interfaces.
- MDI can provide development and support of all existing interfaces. HHSC anticipates it will need to support these interfaces and any required upgrades through 2015.
- EMR/HIS interfaces will be migrated to existing applications (e.g., Care Fusion, Fuji, CLH) and supported post-live.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: The HHSC will contract initially for an one year agreement term during which time it will be running the existing systems using the current Sybase interface engine and require support for this solution, and as HHSC is developing and testing the new EMERGE interfaces. After the initial term, HHSC will re-assess support needs that require any additional MDI development assistance, if any, and how HHSC may want to restructure its maintenance Agreement with MDI going forward.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
The exemption request is reviewed by the corporate director of contract management and if approved, reviewed by senior management of HHSC, in accordance with HHSC policies and procedures. The HHSC President and CEO or his designee approves the exemption requests which cover 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	
Joe Evanoff	Director Contracts/Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Alan Ito	Chief Information Officer	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Jon Sakata	Corporate Applications Services Director	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Edward N. Chu	HHSC CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: Andrew Alvarez, Contract Manager
Phone Number: 808.442.5212

13.

Agency shall ensure adherence to applicable administrative and statutory requirements
I certify that the information provided above is, to the best of my knowledge, true and correct.

Alan Ito 6/18/13

Department Head (Print: Alan Ito)

Date

Reserved for CPO/DP/DPZ/USC only

14 .Date Notice Posted: 6/18/13

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

6/27/13
Date