

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

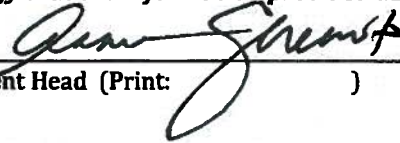
EX Number: EX-14-004

<b>1. TO:</b> Chief Procurement Officer																	
<b>2. FROM:</b>	Annie Yonemoto																
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:																	
<b>3. Description of goods, services or construction:</b> CMS Cost reporting software licenses																	
<b>4. Name /Address of Vendor:</b> KPMG LLP 355 S. Grand Ave, Los Angeles, CA 90071	<b>5. Price:</b> \$ 9,980.00																
<b>6. Term of Contract:</b> October 1, 2013 - September 30, 2023 *providing all option years are exercised.	<b>7. Prior Exemption Ref. No.</b> N/A																
<p><b>8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:</b></p> <p>The Centers for Medicare and Medicaid Services (CMS) mandate that hospitals use cost reporting software <sup>that</sup> has been approved/authorized by CMS for Cost Reports CMS 2552 and CMS 2540. HHSC requires that a vendor not only be authorized by CMS but also be able to provide both of the software licenses. Of the ten vendors on the CMS approved list, only two are able to provide both software licenses; KPMG and Health Financial Systems. (HFS). KPMG's pricing is less than HSF and their software is familiar to HHSC and known to be robust and reliable. A "small purchase" would normally require procurement via HePS, or three written quotes, however there are not three CMS-authorized vendors offering both license types; only two. HHSC is seeking a limited exemption in order to award to the lowest-cost vendor, KPMG.</p>																	
<p><b>9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:</b></p> <p>An annual query of CMS-authorized vendors is conducted to seek vendors offering both software licenses.</p>																	
<p><b>10. A description of the agency's internal controls and approval requirements for the exempted procurement:</b> This exemption shall be from HRS, Section 103D-303, and all other guidelines, rules and policies under chapter 103D shall be upheld. HHSC policies and procedures will be followed and periodic reviews of contract action will be performed.</p>																	
<p><b>11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Name</th> <th style="width: 30%;">Position</th> <th colspan="2" style="width: 50%;">Involvement in Process</th> </tr> </thead> <tbody> <tr> <td>Annie Yonemoto</td> <td>Dir. Reimbursement &amp; Budget</td> <td><input type="checkbox"/> Approval</td> <td><input checked="" type="checkbox"/> Administration</td> </tr> <tr> <td>Alison Stransky</td> <td>Contracts Manager</td> <td><input type="checkbox"/> Approval</td> <td><input checked="" type="checkbox"/> Administration</td> </tr> <tr> <td>Edward Chu</td> <td>Corporate CFO/CPO</td> <td><input checked="" type="checkbox"/> Approval</td> <td><input type="checkbox"/> Administration</td> </tr> </tbody> </table>		Name	Position	Involvement in Process		Annie Yonemoto	Dir. Reimbursement & Budget	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration	Alison Stransky	Contracts Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration	Edward Chu	Corporate CFO/CPO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Name	Position	Involvement in Process															
Annie Yonemoto	Dir. Reimbursement & Budget	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration														
Alison Stransky	Contracts Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration														
Edward Chu	Corporate CFO/CPO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration														

**12. Direct inquiries to:**

Contact Name:  
Phone Number:

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: \_\_\_\_\_ )

8/30/2013  
Date

Reserved for CPO/Delegator Use Only

**14 .Date Notice Posted:** 8-30-13


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**

  
\_\_\_\_\_  
HHSC Chief Procurement Officer - Signature

8/5/13  
Date