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# STATE PROCUREMENT OFFICE NOTICE OF AND REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

- 1. TO: Chief Procurement Officer
- 2. FROM: DOH/Family Health Services Division/WIC Services Branch

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:

Maintenance support for Department of Health (DOH) Women, Infants and Children (WIC) Services Branch information system, Serving Women, Infants and Children in Hawaii (SWICH). Support includes general debugging and modification enhancements due to revised Federal rules and regulations. Current maintenance support is provided by a local contractor, Commercial Data Systems (CDS), under contract IFB-07-073-O, procured competitively in March 2007, the last of three annual extensions ends November 30, 2010.

4. Name of Vendor: Commercial Data Systems, Inc.

Address: 50 South Beretania Street, Suite C-208B  
Honolulu, Hawaii 96813

5. Price:

\$297,624

6. Term of Contract: From: 11/2010 To: 11/2014

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: Maintaining SWICH requires a contractor to be locally based, and have experience and practical knowledge of the SWICH application. This stipulation is due to the complexity of the application, and prior problems with an off-site contractor. The WIC Services Branch has found CDS's services very satisfactory due to their experience with SWICH. CDS is the only local contractor that has the necessary experience and knowledge of SWICH; consequently, the competitive procurement of a new contract would be neither 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:

CDS is the only locally based contractor with the necessary experience in maintaining the SWICH application. They have demonstrated their ability to maintain this complex system for over 3 years. Additionally, CDS was the only Offeror responding to IFB-07-073-O in March 2007. The hourly rates will be compared to local industry standards to ensure fair pricing for the services.

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

A WIC Steering Committee reviews and discusses the tasks and associated costs assigned to CDS. The total cost of the current Contract No. CF-07-073-O (with 3 annual extensions) is \$254,450.00. The proposed price of \$297,624 is a fixed cost for maintenance for a two year contract (\$146,600) at the current labor rate of \$183.25 per hour for 800 hours with two annual extensions with a 2% labor cost increase per year. At 400 hours per extension, this would add \$74,764 (\$186.91 per hour for 400 hours) for the first extension, and \$76,260 (\$190.65 per hour for 400 hours) for the second extension. If all extensions are executed, the total contract term should be from 11/2010 to 11/2014.

**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)**

12. 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
Linda Chock	Branch Chief	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Gordon Chinen	IT Specialist	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Andrea Takemoto	PHAO	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: Health/FHSD/WIC Serv. Br. Contact Name: Susan Kanour Phone Number: 586-4774 Fax Number: 586-8189
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Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*



FEB 17 2010

Department Head  
Chiyome Leinaala Fukino, M.D., Director of Health

Date

**Reserved for SPO Use Only**

15. Date Notice Posted 2-25-10

The Chief Procurement Officer 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 calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer  
 State Procurement Office  
 P.O. Box 119  
 Honolulu, Hawaii 96810-0119

Chief Procurement Officer's comments:

Department shall issue a new solicitation allowing for competition for the services needed addressing specific needs and terms in the solicitation.

16.  APPROVED  DISAPPROVED  NO ACTION REQUIRED


 5/25/2010  
 Chief Procurement Officer Date