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**STATE OF HAWAII**  
**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS**

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

TO: Aaron S. Fujioka  
Chief Procurement Officer

FROM: Chiyome Leinaala Fukino, M.D.  
Director of Health

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120 HAR, the Department requests a procurement exemption to purchase the following:

**Description of goods, services, or construction:**

The Family Health Services Division (FHSD) of the Department of Health presently has a contract with The Axean Group to support a centralized internet database application that includes a web-based data entry and reporting system, email notifications, SQL databases, and a client-server billing system utilizing BizTalk for its Early Intervention Program. The Axean Group designed and constructed the initial system called the Child Health Early Intervention Record System (CHEIRS) and subsequent modifications. The initial contract was for the web-based data entry and reporting, and subsequent projects included a support and maintenance program, development and implementation of a billing client-server system to accommodate MedQuest's HIPAA compliance, and security remediation modifications. The current support and maintenance contract extends through October 31, 2004. It is anticipated that support and maintenance of the database is needed for a period up to two additional years to ensure that the system is stable, allow for changes in MedQuest's transaction processing, and exhibits up-time to meet end user and system administrator requirements. The FHSD shall contract for support services to include engineering, documentation and training, and quality assurance services.

**Engineering services include:**

- 1) Advanced trouble-shooting and resolution of issues not resolvable by Level 1 and/or Level 2 support.
- 2) Assistance with recovery/restart from major system crash and/or failure.
- 3) Assistance with system planning, monitoring, growth, and maintenance.
- 4) Technical consultation and guidance for Level 2 support resources regarding the application's use and modification.
- 5) Minor system enhancements as required for successful day-to-day use of the system.
- 6) Consultation on database issues, including support, maintenance, planning, and backup restoration.
- 7) Application and server deployment assistance.
- 8) Internal tracking of issues and communication of problem-resolution to appropriate resources.
- 9) On-call and on-site (as required) support during normal business hours of the STATE and 24 x 7 on-call support during pre-determined, critical business times to Level 2 support resources.
- 10) Problem ownership (track and resolve) in conjunction with other POS/STATE technical support personnel.
- 11) Bug fixes for issues discovered by STATE personnel in test and production environments regardless of actual code development source.
- 12) Configuration management support and assistance.

**Documentation and training services include:**

- 1) Documentation and modifications to documentation required as a result of actions taken under engineering services.
- 2) Training assistance required as a result of actions taken under engineering services.

**Quality assurance services include:**

- 1) Review of updated code and documentation produced under the auspices of the support and maintenance contract.
- 2) Assistance with Level 2 receipt and internal testing of updated code and documentation
- 3) Assistance with system quality of service issues.

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

Submit in Duplicate

Name of Vendor: The Axean Group Address: 7011 Koll Center Parkway, Suite 280 Pleasanton, CA 94566-3143	Cost: 11/01/04 to 10/31/05 - \$126,540.00 11/01/05 to 10/31/06 – negotiable
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Term of Contract: From: 11/01/04 To: 10/31//05 with an option to extend to 10/31/06.	Prior Exemption Ref. No. (if applicable) P.E. No. 02-13-R
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Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

Since the core requirements for the Child Health Early Intervention Reporting System (CHEIRS) have been developed by The Axean Group and subsequent modifications/enhancements have also been completed by them, it would not be practical or advantageous for the State to contract with any other vendor. Ramp up time to become familiar with the system and effective in its maintenance would leave the State without an effective support and maintenance source for an extended period of time and increase overall operational costs.

Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

A request for proposals under Chapter 103D was issued on January 9, 2000 to solicit proposals to develop a centralized internet database application using a web server and SQL database for CHEIRS. Subsequently, The Axean Group was selected as the vendor to develop the database application. The Axean Group was awarded the support and maintenance contract under a previous exemption for the period February 1, 2002 to October 31, 2004.

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

The Family Health Services Division administers CHEIRS. The Family Health Services Division will also be administering the support and maintenance contract and will perform all monitoring activities.

To the extent practicable, the Family Health Services Division will utilize the administrative rules for Chapter 103D to develop and administer the contract.

A list of agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Ellen Matoi, Public Health Administrative Officer VI  
Earl Kubo, Data Processing Systems Analyst IV

Direct questions to:  Ellen Matoi, Public Health Administrative Officer VI	Phone Number:  586-9305
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This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: Yes  No

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

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I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE,  
TRUE AND CORRECT.

*Chrymce J. Fulin, ms*

OCT 11 2004

Department Agency Head or Designee

Date

Title (If other than Department Head)

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

APPROVED  DISAPPROVED

*Alan S. Fyfe*  
Chief Procurement Officer

10/22/04  
Date

cc: Administrator,  
State Procurement Office