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PROCUREMENT OFFICE  
STATE OF HAWAII

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

1. TO: Chief Procurement Officer

2. FROM:

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 Family Health Services Division (FHSD) contracts with sixteen (16) community-based providers to provide medical (perinatal, pediatric, adult primary care) and support services to uninsured and underinsured individuals that are at or below two hundred fifty percent of the Federal poverty level. This contract is to provide technical support and maintenance of the electronic billing software (CHCPoint) for comprehensive primary care services. The system has recently gone live, and technical support is available to 6/30/2011 only.

4. Name of Vendor: APUSYS, LLC

Address: 6770 Hawaii Kai Drive, Suite 1002  
Honolulu, HI 96825

5. Price:

\$24,000

6.

Term of Contract:

From: 07/01/11

To: 06/30/13

7. Prior Exemption Ref. No.

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

Although the software is a Microsoft open-source platform, APUSYS, LLC developed the custom programming for the comprehensive primary care electronic billing system for FHSD. The program contains proprietary coding for data encryption and database management which is owned by APUSYS LLC. The "ramp-up" time to become familiar with the system and effective in its technical support and maintenance would leave the Division without qualified support for an extended period of time after 6/30/2011, not to mention the costs involved. Further, the proprietary coding for data encryption and database management would make it difficult for other vendors to provide the level of technical support and maintenance that is required without paying a substantial licensing fee. Accordingly, it would not be practicable or advantageous for the State to conduct this procurement by competitive means. (The 2<sup>nd</sup> year cost is negotiable.)

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

As mentioned above, APUSYS, LLC is the developer of the custom electronic billing software and has proprietary coding for data encryption and database management.

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

To the extent possible, all laws and administrative rules pertinent to small purchase procurement under Chapter 103D, HRS will be implemented.

