



**STATE PROCUREMENT OFFICE  
NOTICE OF REQUEST FOR EXEMPTION  
FROM HRS CHAPTER 103D**

13 MAY -8 A8:07

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Director of Health  
Name of Requesting Department

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

1. Describe the 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), behavioral health care, dental treatment, 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 CHCPoint production website was operational effective January 1, 2011.

2. Vendor/Contractor/Service Provider: APUSYS, LLC		3. Amount of Request: \$ 25,130.88
4. Term of Contract From: 7/1/2013 To: 6/30/2015	5. Prior SPO-007, Procurement Exemption (PE): 11-088-K	

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:  
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 June 30, 2013, 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. Therefore, it would not be practicable or advantageous for the State to conduct this procurement by competitive means. (The 2nd year cost is negotiable).

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:  
As mentioned above, APUSYS, LLC is the developer of the custom electronic billing software and has proprienty coding for data encryption and database management.

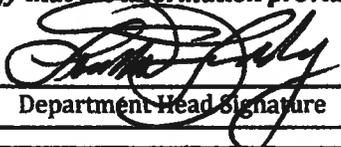
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8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required).

\*Point of contact (Place asterisk after name of person to contact for additional information).

Name	Division/Agency	Phone Number	e-mail address
Gordon Takaki	Family Health Services Division	733-8365	gordon.takaki@doh.hawaii.gov

All requirements/approvals and internal controls for this expenditure is the responsibility of the department. I certify that the information provided above is, to the best of my knowledge, true and correct.

  
 Department Head Signature

5/7/13  
 Date

**For Chief Procurement Officer Use Only**

Date Notice Posted: 6/17/13

Inquiries about this request shall be directed to the contact named in No. 8. Submit written objection to this notice to issue an exempt contract within seven calendar days or as otherwise allowed from date notice posted to:

[state.procurement.office@hawaii.gov](mailto:state.procurement.office@hawaii.gov)

**Chief Procurement Officer (CPO) Comments:**

PE-13-090B was disapproved due to department's failure to comply with CPO requirements provided in PE-11-088K. In response, department submitted PV-13-082K which was approved based on the department complying with the posting requirement and implementing corrective action. This request is approved for the period 07/01/13 to 06/30/15 and is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting System. Copies of the HCE certificate and awards posting are required to be documented in the procurement/contract file.

If there are any questions, please contact Kevin Takaesu at 586-0568, or [kevin.s.takaesu@hawaii.gov](mailto:kevin.s.takaesu@hawaii.gov).

Approved       Disapproved       No Action Required

  
 Chief Procurement Officer Signature      6/25/2013  
 Date