



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

14 MAY 21 08:56

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Department of Health/Adult Mental Health Division *4*
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:
Leasing network servers and remote management of network servers for the Adult Mental Health Division's (AMHD) electronic medical records (EMR) system. Remote management of the new network servers will include management of the virtual private network equipment, creation and maintenance of a secure server environment, data migration, database management, and installation of product and operating system updates/patching. The EMR system will consolidate two existing AMHD EMR systems into one EMR system, create one master patient index, and upgrade and enhance the EMR and claims processing system. The consolidated EMR will also allow AMHD to process electronic eligibility files as required for administrative and payment oversight of agreements with the Department of Human Services and electronically prescribe medications.

2. Vendor/Contractor/Service Provider:	Netsmart Technologies, Inc.	3. Amount of Request:
		\$ \$921,799.00
4. Term of Contract From: 6/1/2014 To: 5/31/2019	5. Prior SPO-007, Procurement Exemption (PE):	

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
It is not practicable for AMHD to purchase the new network servers by competitive means and be responsible for system operations because AMHD has insufficient staffing resources to manage and maintain the new network servers. It is also not practicable for AMHD to purchase new network servers due to the Office of Information Management and Technology's plans for centralized data systems for State programs. AMHD is also unable to purchase remote management of network server services by competitive means because the vendor does not allow the outsourcing of hosting of its EMR system.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
The EMR system was originally procured through a request for proposal, RFP No. AMHD-FY-96-1. The vendor that was awarded a contract through this RFP, Creative Socio-Medics Corporation, was subsequently purchased by Netsmart Technologies, Inc.

14-06 (74)

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
Amy Yamaguchi *	AMHD	586-4682	amy.yamaguchi@doh.hawaii.gov
Enid Kagesa	AMHD	586-8282	enid.kagesa@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.

Carole Pearson

Department Head Signature

5-20-2014

Date

For Chief Procurement Officer Use Only

Date Notice Posted: *5/22/14*

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

Chief Procurement Officer (CPO) Comments:

This request is disapproved. Department failed to provide sufficient justification, cost-price analysis, or Chief Information Office (CIO) approval. Department is required to use appropriate method of procurement to fulfill the department's requirements. Alternatively, department may submit a request for reconsideration, provided a cost-price analysis is completed and approval is obtained from the CIO for the desired goods and services.

If there are any questions, please contact Bonnie Kahakui at 587-4702, or bonnie.a.kahakui@hawaii.gov.

Approved

Disapproved

No Action Required

[Signature]

Chief Procurement Officer Signature

10/16/14

Date