



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

RECEIVED
By State Procurement Office at 12:44 pm, Mar 16, 2016

TO: Chief Procurement Officer
FROM: Department 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 and/or services:
SEE ATTACHED PAGE FOR QUESTION ONE

2. Vendor/Contractor/Service Provider: Oceanit Laboratories, Inc.
3. Amount of Request: \$ 99,057.55
4. Term of Contract From: 15-May-16 To: 31-Mar-17
5. Prior SPO-007, Procurement Exemption (PE): None

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
SEE ATTACHED PAGE FOR QUESTION SIX

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
SEE ATTACHED PAGE FOR QUESTION SEVEN

13268

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
Vanessa Lau*	DDDD	587-6043	vanessa.y.lau@doh.hawaii.gov
Wendy Bullard	DDDD	586-5841	wendy.bullard@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

MAR 16 2016  
Date

**For Chief Procurement Officer Use Only**

Date Notice Posted: 3/16/16

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:

Request is denied. This should have been issued as an option with the original solicitation for high level process mapping and should have been issued as an RFP. To ensure fair and open competition the department shall procure for these services. The department should also plan sufficiently before issuing solicitations for services.

Should you have any questions, please contact Mara Smith at [mara.smith@hawaii.gov](mailto:mara.smith@hawaii.gov) or 587-4704.

Approved

Disapproved

No Action Required

  
Chief Procurement Officer Signature

4/1/16  
Date

**Oceanit Exemption Request**  
**SPO form 007**  
**Question One**

**1. Describe the goods and/or services:**

Use baseline process maps that have been developed that document the Developmental Disabilities Division (DDD) core programmatic areas, specifying the details for implementation of opportunities that have been identified for improvement including redundant processes, identification of potential problems, and recommended changes to:

- Develop a detailed implementation plan with timelines and accountability for using baseline “as-is” and “to-be” process maps to define details of the Division’s entire future business flows, inclusive of interfaces and coordination points between processes. This is to result in a fully integrated “to-be” system map that is to be used to develop detailed business requirements for a comprehensive business operations, case management and analytics information technology solution for the DDD;
- Facilitate the detailed documentation of business processes that integrate among two or more business processes, or sub-processes that are resulting from the mapping of high-level processes;
- Facilitate the development at a sufficient level of detail for Division implementation of detailed business process improvements for each identified business process, including processes that are integration functions. This is to include documenting improved processes that require separate, standalone process maps;
- Based on the identification of business process improvements, develop new process maps for Division’s implementation of any newly identified processes;
- Identify and recommend forms for consolidation, inclusive of the development of new forms for uniformity, efficiency and to avoid duplicated work. This is to result in a single set of Division-wide forms for implementation, with an associated master list of data elements for tracking care and programmatic measures;
- Identify where new policies and procedures are required, and the features of those policies and procedures that will enable the DDD to implement any new or revised business processes;
- Develop training materials so that DDD staff can lead the implementation of these new processes and business functions; and
- Document a comprehensive overall system map based on new processes demonstrating overall workflows, process interfaces, and data elements.

**Oceanit Exemption Request**  
**SPO form 007**  
**Question Six**

**6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:**

It is not practicable or advantageous for DDD to procure by competitive means as the work that DDD needs done must be based on baseline process maps that have already been developed by Oceanit Laboratories, Inc. These process maps document the DDD's core programmatic areas, specify the details for implementation of opportunities that have been identified for improvement including redundant processes, identification of potential problems, and recommended changes.

Oceanit has developed the baseline process maps for DDD, and can efficiently begin to implement what is needed by DDD based on their detailed knowledge about DDD's business processes and operations; understanding of the deficiencies of DDD's current business processes and areas that need to be integrated, changed, or discontinued. In addition, Oceanit has the ability to discern sub-processes, business process interfaces, and has developed detailed recommendations which must be the basis for developing and designing more efficient operations for DDD.

Considering the detailed knowledge and experience that Oceanit has developed about DDD processes, and DDD's previous search for a company that could efficiently address the baseline work, it is extremely unlikely that DDD would select another contractor if these services were to be procured through competitive means. DDD would have to spend many hours of staff time to orient a new contractor to every detail of the current process maps and process improvements needed, and any other contractor likely would not have the same approach to process improvements employed by Oceanit to date.

**Oceanit Exemption Request  
SPO form 007  
Question Seven**

**7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:**

The vendor was selected based on DDD's review and determination that no firm other than Oceanit would be able to provide the extensive project knowledge needed for the DDD business processes project. Issuing an RFP for this work will not yield offers that can meet the requirements of this project because the work requires building on the baseline process maps, and a working existing knowledge of DDD's core programmatic areas which will yield efficient and timely identification of business process barriers and opportunities for improvement. It is not advantageous to enter into a prolonged procurement process as a competitive procurement process is not expected to result in identification of firms that can produce the scope of work required in a timely and efficient manner without spending extensive contractor's and staff time to review work that has already been completed in the baseline business process mapping. Without timely production of process maps based on the existing work completed to date, the state risks not being able to complete this project which is anticipated to bring in a 90% Federal match for the implementation of an information technology solution, and a 50% Federal match for the administrative portions of the project.

Oceanit was selected based on its response submitted to HIePRO for a DOH/DDD request for a contract to map business processes, analyze and identify improvement strategies. Oceanit's proposal offered the best value based on its proposed approach, experience working with the State of Hawaii and expertise in business process analysis, project and program management, and Design Thinking. Oceanit's execution of those services has resulted in a well-organized and documented discovery process with staff and stakeholders throughout DDD, detailed workflow maps, and identification of improvement opportunities. Oceanit's proven timely execution capabilities, development of a depth of knowledge of DDD, and unique expertise in Design Thinking that make the firm the only fit for a partnership toward a long term goal of improved business processes and identification of business requirements for an automated case management and analytics solution. In the current work for DDD, other bids did not address these requirements and/or would have cost the state much more to address the service.