



06 MAY 23 P1:36

# STATE PROCUREMENT OFFICE NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT

- 1. TO: Chief Procurement Officer
- 2. FROM: Budget and Finance-Employees' Retirement System (ERS)  
Department/Division/Agency
- 3. Name of Contractor: DATAHOUSE HOLDINGS CORP.
- 4. P.E. Reference No. 06-044-C

5. Description of goods, services, or construction:  
SEE ATTACHED

6. Scope of work for the contract is revised as follows:  
SEE ATTACHED

Original Contract Price: \$110,000.00      Amended Contract Price: \$220,000.00  
CPO Approval to July 1, 2006                      July 2, 2006 to July 1, 2007

7. Reason: This / These amendment(s) are necessary because:  
SEE ATTACHED

8. Direct questions to: Wesley Machida Phone: (808) 586-1700

Agency shall ensure adherence to applicable administrative and statutory requirements.

9. ***Pursuant to § 103D-102, HRS, and § 3-120-5, HAR, I certify that the information provided above is, to the best of my knowledge, true and correct***

*George K. Kawanan*                      *5/25/06*  
Department Head                      Date

Reserved for SPO Use Only

10. Date Posted: *05/25/06*

11. Submit written objections to this notice of intent to amend a procurement exemption contract within seven calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer  
State Procurement Office.  
P.O. Box 119  
Honolulu, Hawaii 96810-0119

Chief Procurement Officer's Comments:

12.  APPROVED       DISAPPROVED

\_\_\_\_\_  
Chief Procurement Officer                      Date

13. P.E. No. *06-044-C*

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

The Employees' Retirement System is undertaking several concurrent projects in order to provide a new retirement plan to its users. In addition to the current Contributory and Noncontributory retirement plans, State of Hawaii employees will be able to enroll in the new Hybrid retirement plan as of July 1<sup>st</sup>, 2006. The APPX system currently handles functions related to Noncontributory and Contributory member records. A new system, V3, will process the Hybrid members, however, certain processes and functions will not be available in V3 until the next rollout (Rollout 3) which is scheduled to be implemented in late 2007. Even though the Hybrid Plan is scheduled for implementation as of July 1, 2006, many of the modules in the V3 system is scheduled for a phased rollout through September 2006. DataHouse is currently under contract to provide assistance in modifying the APPX system such that APPX can process Hybrid member records until the equivalent functions are available in V3.

**Scope of work for the contract is revised as follows:**

To further troubleshoot and modify APPX functions to allow Hybrid transactions. The initial load and processing of the Hybrid enrollments is an unprecedented effort and problems have surfaced and may continue to surface that were not identifiable in ERS' earlier analysis. Since starting the ERS computer system approximately 20 years ago, thousands of computer programs in the pension benefits system were not documented. Because of the lack of documentation, ERS and/or its vendors have had difficulty with determining the impact on a change that one computer program will have on the other programs without reviewing and testing all computer programs.

Also, scripts and procedures could be developed to reduce the amount of manual processing required in the Rollout 2 – 3 interim, which is up through April 2007. For this purpose, DataHouse will provide additional support for APPX modifications from July 2006 – June 2007.