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

1. TO: Chief Procurement Officer
2. FROM: DHS/BESSD/ETPO

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:

Technical consultant services to maintain Hawaii's TANF (Temporary Assistance For Needy Families) Performance Management System (TPMS). Maintenance services shall include, but are not limited to, providing technical assistance, performing acceptance testing, and updating and maintaining the TPMS specifications. Maintenance services, to be provided by the current Contractor, will be for a period not to exceed 24-months or when the Department of Human Services (DHS) has determined the TPMS design to be final, which ever occurs sooner.

4. Name of Vendor: Mathematica Policy Research, Inc. Address: (Mailing) P.O. Box 2393 Princeton, NJ 08543-2393	5. Price: \$342,688.00
6. Term of Contract: From: 12/1/2009 To: 11/30/2011	7. Prior Exemption Ref. No.

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

Please see attached.

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

The Contract services were procured through competitive sealed proposals method. Mathematica Policy Research, Inc. was selected and awarded the Contract under RFP HMS-903-08-05-S.

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

The Contract will be monitored by the Benefit, Employment and Support Services Division (BESSD), Employment and Training Program Office (ETPO). The Contractor will be required to obtain approvals from BESSD prior to modifying and enhancing the TPMS and performing task orders, and will be required to provide status reports on all task orders.

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:		
Name	Position	Involvement in Process
Lillian B. Koller	Director	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Pankaj Bhanot	BESSD Administrator	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Scott Nakasone	Acting ETPO Administrator	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: Human Services Contact Name: Catherine Dela Cruz Phone Number: 586-7095 Fax Number: 586-5744
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Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*

Lillian B. Koller
 Department Head

OCT 19 2009
 Date

PR 10/08/09

Reserved for SPO Use Only	
	15. Date Notice Posted <u>10/20/09</u>
The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to: <p align="center"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 </p>	
Chief Procurement Officer's comments: <p>Approval is granted based on the understanding that DHS is required to submit Hawaii's Federal Fiscal Year 2009 TANF and Separate State Program-Maintenance of Effort (SSP-MOE) reports to DHHS by the 12/31/09. DHS has determined the services of Mathematica Policy Research are required because of the company's extensive knowledge of the department's computer system and related data bases (HAWI and HANA), design & specifications for the TPMS. Another vendor would require a lengthy start up or training period before a design/maintenance service contract could be implemented.</p> <p>Approval is for a 12-month period 12/1/09 – 11/30/10 only. Department should now within a six month period if the 12/31/09 report is accurate and another six months to make modifications if necessary.</p>	

16. APPROVED DISAPPROVED NO ACTION REQUIRED

Charm S. Fujita 12/18/09
 Chief Procurement Officer Date

SPO—Request For Exemption From Chapter 103D, HRS

TO: Chief Procurement Officer

FR: DHS/BESSD/ETPO

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

Mathematica Policy Research, Inc. was awarded the Contract under RFP HMS-903-08-05-S, procured using competitive sealed proposal method, to design Hawaii's TANF Performance Management System (TPMS) and develop its specifications. The initial Contract and 2 Supplements provided total time of service of 23 months.

The TPMS is uniquely designed by the Contractor to process Hawaii's TANF (Temporary Assistance For Needy Families) and SSP-MOE (Separate State Program—Maintenance of Effort) data files and work participation hours, and to create the Federal TANF and SSP-MOE Report files required for electronic submission to the U.S. Department of Health and Human Services (DHHS), Administration for Children and Families (ACF). The TPMS will allow Hawaii to maximize its TANF Federal expenditures and Work Participation Rate (WPR).

The State must meet the federally mandated WPR, currently set at 90% of all work eligible 2-parent households receiving TANF cash assistance participating at 35 hours per week, and 50% of all other work eligible households receiving TANF cash assistance participating at 30 hours per week, as a condition for receiving the TANF Block Grant funding. Failure to meet the WPR obligation would result in the loss of \$5 million in future TANF funding and would require the State to contribute an additional \$5 million in General funds to make up the lost Federal funding and in order to continue to receive TANF Block Grant allocations from the Federal government.

Before designing the TPMS and developing its specifications, the Contractor studied the data flow between the HAWI (Hawaii Automated Welfare Information) eligibility/benefit payments system and the HANA (Hawaii Automated Network for Assistance) case management system, analyzed Hawaii's TANF and SSP-MOE data files and previous reports submitted to DHHS, and applied the Federal reporting requirements.

The TPMS is scheduled to migrate into production by December 2009 to produce Hawaii's Federal Fiscal Year 2009 TANF and SSP-MOE Reports for submission to DHHS by deadline of December 31, 2009. The DHHS notifies states of submission problems and case file errors and then allows states to correct and resubmit final versions of the reports.

If Hawaii's reports contain errors, modification to the TPMS may be required. Modifications involve data from the HAWI and HANA systems, the TANF and SSP-MOE reports, and the TPMS to be re-analyzed; specifications to be rewritten; and the system to be re-tested. The Department has had to resubmit its annual reports for past Federal fiscal years.

It is not practical to procure technical consultant services for the maintenance of the TPMS at this time because the procurement process will not allow the Department to meet its obligation to submit its final FFY 2009 TANF and SSP-MOE Reports by the DHHS deadline. In addition, another Contractor will require time to familiarize itself with the HAWI and HANA systems, Hawaii's TANF and SSP-MOE Reports, and the TPMS specifications before it is able to begin providing maintenance services.