



**STATE PROCUREMENT OFFICE  
NOTICE & REQUEST FOR SOLE SOURCE**

1. TO: Chief Procurement Officer  
2. FROM: DHS/BESSD/ECCPO  
Department/Division/Agency

Pursuant to §103D-306, HRS, and Subchapter 9, Chapter 3-122, HAR, the Department requests sole source approval to purchase the following:

3. Description of goods, services, or construction:  
DHS would like to engage the services of Mathematica Policy Research, Inc. (MPR) of Princeton, NJ, on a sole-source basis to provide technical assistance in data modeling of DHS's information management as it relates to Temporary Assistance to Needy Families (TANF) and federally-mandated TANF recipient work program participation.

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| 4. Vendor Name: Mathematica Policy Research, Inc.<br>Address: 955 Massachusetts Ave., Suite 801<br>Cambridge, MA 02139 | 5. Price:<br>\$300,000            |
| 6. Term of Contract:<br>(mm/dd/yyyy) From: 8/1/2007 To: 12/31/2008   | 7. Prior Sole Source Ref No.<br>0 |

8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities: MPR has successfully designed and implemented a TANF performance management system for the District of Columbia that has provided the same functional and analytical capability that DHS now seeks. DHS requires the capability to develop federally approvable internal controls and to maximize performance outcomes. MPR has developed a complete package of specifications, displays and reports for DC that can be adapted to fit DHS's data structures. MPR's methodology to support a TANF financing strategy requires three sets of specifications:

1. Data Element Specifications: The data element specifications identify all of the key data elements in the case management and eligibility system, the properties of the data elements (e.g. data type and valid values), and edits applied to the data elements.
2. Data Model Specifications: Under the DRA, three data models are required.
  - a. A work eligible/funding status data model that assigns participants and cases to groups based upon national and state-specific criteria.
  - b. A work participation rate (WPR) data model capable of determining if a participant and/or a case is a success for the WPR, a failure for the WPR, or an exclusion.
  - c. A closed cases data model capable of identifying which cases should be included in the closed upload file sent to HHS.
3. Report Specifications: To more easily use the model for performance reporting and management, the system must include reports that provide summary and detail information from the data models as well as detail information about performance and data issues.

9. Essential features. How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work: The State of Hawaii, Department of Human Services (DHS) must comply with the Deficit Reduction Act of 2006 (DRA), which reauthorized TANF and imposes onerous new work participation and reporting requirements on state agencies. To meet these new requirements, DHS must assess program performance and manage information in new ways. Under the DRA, state welfare agencies are now subject to new auditing standards that include establishing internal controls on information reported to the federal government. These internal controls, which are subject to federal approval, must be applied to all phases of data reporting that contribute to federal reports on work activities among TANF customers. States are also now held strictly accountable for meeting federal work participation rates. Central to DHS's response to the TANF provisions of the DRA is the implementation of a TANF financing strategy that requires detailed analysis of how each TANF recipient impacts the Work Participation Rate requirements.

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because: States are required to comply with TANF requirements by 10/2007, or face monetary penalties that would affect future block grant allocations. MPR is the only source that currently has successfully developed the data model being sought after as stated in item 8. This data model has been successfully implemented in Washington, D.C., which uses an electronic eligibility payment system similar to the one used in Hawaii, that interfaces with a work participation case management system.

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| 12. Direct any inquiries to:<br>Department: <u>DHS/BESSD</u><br>Contact Name/Title: <u>Scott Nakasone / Acting ECCPO Administrator</u> | 13 Phone Number:<br><u>586-7062</u><br>Fax Number:<br><u>586-5744</u> |
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Expenditure may be processed with a purchase order: Yes   No If no, a contract must be executed and funds certified.

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, correct and that the goods, services, or construction are available through only one source.***

Scott Nakasone 07/12/07  
 Department Head Date  
*SCN* 7/12/07

**Reserved for SPO Use Only**

15 Date Notice Posted: 7/13/07

Submit written objections to this intent to issue a sole source 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

16. Chief Procurement Officer's comments:

This request does not meet the requirements of how these services are unique and why there is only one source as required in HRS Section 103D-306. Your staff may call Colin Tanaka at 586-0558 if there are any questions.

17.

APPROVED  DISAPPROVED  NO ACTION REQUIRED

Colin S. Tanaka  
Chief Procurement Officer

7/17/07  
Date