The President, University of Hawaii, is in the process of reviewing the request from Information Technology Services for exemption from Chapter 103D, HRS, for the following goods and services: Acquisition of software maintenance and support for the University of Hawaii document imaging and management system on an annual basis.

<table>
<thead>
<tr>
<th>Vendor:</th>
<th>Hyland Software, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>28500 Clemens Road, Westlake, Ohio 44145</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Term of Contract:</th>
<th>From: May 2021 (est.)</th>
<th>To: April 2026 (est.)</th>
<th>Cost: $262,031.64 per year (est.)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Prof Srvcs: NTE $200 per hour (est.)</td>
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</tbody>
</table>

Direct any inquiries to:
Department: Information Technology Services
Contact Name/Title: Cameron Ahana, IT Specialist, Enterprise Systems
Address: 2520 Correa Road
          Info Tech Center, 6th Floor
          Honolulu, Hawaii 96822

Phone Number: (808) 956-7996
Fax Number: (808) 956-2412

Date Posted: April 21, 2021

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days from the date posted to:

Office of Procurement Management
1400 Lower Campus Road, Room 15
Honolulu, Hawaii 96822
email: OPM@hawaii.edu
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: OFFICE OF PROCUREMENT MANAGEMENT

FROM: Information Technology Services, University of Hawaii
       (Department/Program)

Pursuant to APM Section A8.220, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:

Acquisition of software maintenance and support for the University of Hawaii document imaging and management system on an annual basis.

Estimated Cost: $ See attached

(1) Explanation describing how procurement by standard competitive means is either not practicable or not advantageous to the University;

See attached.

(2) Details of the process or procedures to be followed in selecting the vendor to ensure as fair and open competition as practicable;

See attached.
(3) A description of the Department’s internal controls and approval requirements for the exempted procurement; and
See attached.

(4) A list of Department personnel, by position title, who will be involved in the approval process and administration of the contract:
See attached.

Direct questions to: Cameron Ahana Phone: (808) 956-2412

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.

Cameron Ahana, IT Specialist, Enterprise Sys. 4/20/2021
Full Name of Principal Investigator, Department Head, or Administrator
Signature Date

Cameron Ahana

Craig Shinsato, Fiscal Administrator 04/21/21
Full Name of Fiscal Administrator
Signature Date

Craig A Shinsato

APPROVED:
Garret Yoshimi, Vice President for Information Technology and Chief Information Officer 04/21/21
Full Name of Vice President or Chancellor
Signature Date

FOR OPM USE ONLY

OPM COMMENTS:


Request for Exemption from 103D, HRS
Acquisition of Software Maintenance and Support for the University of Hawaii
Document Imaging and Management System

Description of goods or services:

Acquisition of software maintenance and support for the University of Hawaii document imaging and management system on an annual basis.

Estimated Cost:

Software Maintenance: $262,016.31 per year (est.)
Professional Services: Not to exceed $200.00 per hour on an as needed basis (est.)

(1) Explanation describing how procurement by standard competitive means is either not practicable or not advantageous to the University

Within the past five years, the University has issued two separate formal request for proposals (RFP) to purchase and implement a document imaging and management system for the University of Hawaii system. The first RFP resulted in a total cancellation of the RFP and award due to the selected offeror not being able to fulfill the terms required under the RFP. The second RFP resulted in an award to a third-party software provider that offered the Onbase software solution manufactured by Hyland Software Inc. (Hyland). The University successfully implemented the Onbase solution and has been utilizing it for the past three years.

The maintenance costs for the Onbase licenses that the University currently utilizes would normally be considered a pre-approved sole source under Subchapter 9, Sole Source Procurement, Section 3-122-81, General Provisions, Hawaii Administrative Rules. However, because Hyland has resellers, the University is not able to utilize this pre-approved sole source approval.

The University has spent a lot of time, resources, and funds to implement the Onbase document imaging and management solution for the entire University system. The initial cost included Onbase license costs, maintenance fees, and implementation fees. While the implementation was ultimately successful, it was discovered during and subsequent to the implementation, that it was not to the University’s benefit to work with a third-party reseller. When issues arose, the University’s point of contact was the reseller and the reseller would more often than not, direct the University to Hyland for resolution as it did not have the technical expertise to assist the University. This resulted in delays as the University had to go through a middleman to achieve any support required, and it ultimately took the University longer to achieve satisfactory results. As such, it has been determined that it is not practicable nor advantageous to the University to solicit these services by standard competitive means.

(2) Details of the process or procedures to be followed in selecting the vendor to ensure as fair and open competition as practicable

Since it has been determined that procurement by standard competitive means is not practicable or advantageous to the University, the University is proposing to negotiate directly with Hyland to purchase the licenses and support services.
Hyland has provided the University with a preliminary cost proposal for a period of five years that provides for a solution that would replace the University’s third-party maintenance fee costs with a direct full services solution.

Hyland’s proposal includes providing the University with pricing based on its current agreement with the OMNIA Partners (OMNIA). OMNIA is a large cooperative purchasing organization for public sectors, including higher educational institutions. Although the University is not a direct participant in the OMNIA program, Hyland is willing and able to pass on the discounted pricing offered to OMNIA participants.

This solution will provide the University with a reduction in maintenance costs and professional services costs by eliminating the third party, while increasing support which is much needed to maintain the current system during the term of the agreement. Lastly, ITS has fully vetted Hyland’s proposal.

(3) **A description of the Department’s internal controls and approval requirements for the exempted procurement**

The Director of Enterprise Systems and her staff will directly control the review and technical approvals of all deliverables. In addition, ITS internal controls over the exempted procurement will include monitoring the market to ensure that the prices paid to Hyland remains competitive. Lastly, all terms and conditions of this exempted procurement will be reviewed by multiple individuals familiar with this service to ensure the University’s best interests are preserved under the exempted procurement.

(4) **A list of Department personnel, by position title, who will be involved in the approval process and administration of the contract**

Susan Inouye – Director of Enterprise Systems  
Cameron Ahana - IT Specialist, Enterprise Systems  
Craig Shinsato – Fiscal Administrator  
Garret Yoshimi – Vice President for Information Technology & Chief Information Officer