

UNIVERSITY OF HAWAII NOTICE OF EXEMPTION CHAPTER 103D, HRS

The President, University of Hawaii, is in the process of reviewing the request from
Information Technology Services, University of Hawaii System (Department/Campus)

for exemption from Chapter 103D, HRS, for the following goods and services:

Oracle database licenses to cover all University of Hawaii enterprise requirements, software maintenance services, and an allowance for up to \$200k/year in Oracle Cloud Infrastructure (OCI) to continue work started for migration of the UH PeopleSoft environments to the OCI public cloud infrastructure.

Vendor: Oracle America, Inc
(If known)
Address:
P.O. Box 5200
Belmont, California 94002

Term of Contract: (If known)	From:	To:	Cost: \$2.8 million (est.) over 5 years
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Direct any inquiries to: Department: Information Technology Services Contact Name/Title: Garret Yoshimi, Vice President for Information Technology & Chief Information Officer Address: Information Technology Center 2520 Correa Road Honolulu, Hawaii 96822	Phone Number: 808-956-3501 Fax Number: 808-956-7322
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Date Posted: August 9, 2023

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, Hawai'i 96822
email: OPM@hawaii.edu

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: OFFICE OF PROCUREMENT MANAGEMENT

FROM: Information Technology Services
(Department/Program)

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

Description of goods, services, or construction:

The requested package includes new Oracle database licenses to cover all UH enterprise requirements (purchasing new licenses allows us to access significantly less expensive maintenance support costs); software maintenance services (including a restriction on the escalation clause as provided for in the MHEC agreement, cited portion attached), and an allowance for up to \$200k/year in Oracle Cloud Infrastructure (OCI) to continue work started for migration of the UH PeopleSoft environments to the OCI public cloud infrastructure (that work will occur at our pace, over the next year or so). The support services included at no additional cost to UH include ongoing support for our OCI migration work, together with the standard Oracle subscription maintenance).

Estimated Cost: \$ 2,800,000 (est, 5-Year Term)

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

The University utilizes Oracle enterprise program licenses for its historical database management. The University will migrate to a combination of CPU-based licenses (new purchase) plus OCI subscription services with included Oracle consulting services to plan and guide the migration to OCI services as needed, over time. These licenses are proprietary to Oracle, as is its OCI services. Our current enterprise applications, including Banner, PeopleSoft HCM and Kualii Financial System require the use of Oracle. The required maintenance services are only available from Oracle. As such, procurement by standard competitive means is not practicable or advantageous to the University.

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

Oracle has committed a set of discounts that are well above the levels available via standard reseller agreements; in addition, Oracle has committed to limit the annual increases in maintenance costs (currently at 8% for the competitive market) to 6% per its commitments to the Midwestern Higher Education Compact (MHEC) - and has extended the terms to the University, further lowering our costs without having to enter directly into external consortium agreements. The bundled solution includes proprietary database licenses, and database maintenance, together with OCI subscription allowances to support the University's eventual migration from on-premise systems to OCI subscription. The bundled OCI subscription includes additional maintenance offsets that provide access to OCI for University ITS technical staff to make the migration at almost no net cost to the University. The overall package, including OCI subscription access, will afford the University with a net 20% lower total cost of ownership over our existing expenditure rate.

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

The current interim director of system services (under Technology Infrastructure) will directly control the review and technical approvals of all deliverables. System Administrative Services, together with the VP for Information Technology and CIO will have oversight over the contract process, and be responsible for ensuring the solution is in the University's best interests.

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

AJ Leong - Interim Director, System Services (part of Technology Infrastructure)
Garret Yoshimi - VP for Information Technology and CIO
System Administrative Services (Blanche Fountain - for fiscal management oversight)

Direct questions to: Garret Yoshimi Phone: 808-956-3501

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

Garret T. Yoshimi
Full Name of Principal Investigator, Department Head, or Administrator

Garret T. Yoshimi Digitally signed by Garret T. Yoshimi
Date: 2023.07.11 18:41:17 -10'00' 7/11/2023
Signature Date

Blanche Fountain
Full Name of Fiscal Administrator

Blanche Fountain Digitally signed by Blanche Fountain
Date: 2023.07.19 08:42:00 -10'00' 7/19/23
Signature Date

APPROVED:

Garret T. Yoshimi
Full Name of Vice President or Chancellor

Garret T. Yoshimi Digitally signed by Garret T. Yoshimi
Date: 2023.07.11 18:41:42 -10'00' 7/11/2023
Signature Date

FOR OPM USE ONLY

OPM COMMENTS:

APPROVED DENIED

David Lassner Digitally signed by David Lassner
Date: 2023.08.24 17:42:00 -10'00'

8/24/23

PRESIDENT, UNIVERSITY OF HAWAII

DATE