

**UNIVERSITY OF HAWAII
NOTICE OF EXEMPTION FROM CHAPTER 103D, HRS**

The President, University of Hawaii, is in the process of reviewing the request from Information Technology Services (Department/Campus) for exemption from Chapter 103D, HRS, for the following goods, services, or construction:
Managed database services via the Oracle cloud at customer's premises which includes operational database management platform inclusive of a full suite of database management tools and services managed by an Oracle operational team on a dedicated server and storage platform.

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

Term of Contract: (If known)	From: May 2019 (tentative)	To: May 2023 (tentative)	Cost: \$2,800,000.00 (estimated, 4-Year Term)
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Direct any inquiries to: Department: Information Technology Services Contact Name/Title: Dan Schumacher, Director, Information Technology Services, Technology Infrastructure Address: 2520 Correa Road Information Technology Center, 4th Floor Honolulu, Hawaii 96822-2219	Phone Number: (808) 956-5074 Fax Number: (808) 956-0705
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Date Posted: January 4, 2019

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 and Real Property Management
1400 Lower Campus Road, Room 15
Honolulu, Hawai'i 96822

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: OFFICE OF PROCUREMENT AND REAL PROPERTY 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:

Managed database services via the Oracle cloud at customer's premises which includes operational database management platform inclusive of a full suite of database management tools and services managed by an Oracle operational team on a dedicated server and storage platform.

Estimated Cost: \$ 2,800,000.00 (estimated, 4-Year Term)

(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: Dan Schumacher Phone: (808) 956-5074

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

Dan Schumacher, Director, Information Technology Services, Technology Infrastructure
Full Name of Principal Investigator, Department Head, or Administrator

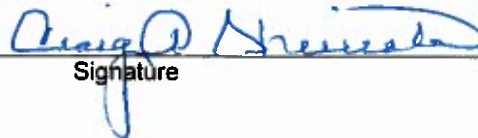


Signature

1/4/19

Date

Craig Shinsato, Fiscal Administrator
Full Name of Fiscal Officer



Signature

01/04/19

Date

APPROVED:

Garret Yoshimi, Vice President for Information Technology and Chief Information Officer
Full Name of Vice President or Chancellor



Signature

1/4/2019

Date

FOR OPRPM USE ONLY

OPRPM COMMENTS:

APPROVED DENIED



PRESIDENT, UNIVERSITY OF HAWAII

1/17/19

DATE

**Request for Exemption from 103D, HRS
Oracle Managed Database Services**

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

The University currently utilizes Oracle enterprise program licenses for its database management. Moving forward, the University would like to procure Oracle's managed database services via the Oracle cloud at customer's premises ("Oracle's managed database services"). Oracle's managed database services would include the enterprise program licenses currently utilized by the University and provide additional services managed by an Oracle operational team on a dedicated server and storage platform.

The licenses that the University currently utilizes that would be included in Oracle's managed database services is considered a pre-approved sole source under Subchapter 9, Sole Source Procurement, Section 3-122-81, General Provisions, Hawaii Administrative Rules. These licenses are proprietary to Oracle. In addition, Oracle's managed database services are proprietary to 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

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 Oracle to procure Oracle's managed database services.

Oracle has provided the University with a proposal that provides for a proprietary solution that would currently replace the University's escalating annual database maintenance fees with a full provisioned managed solution at the current ITS data center. Oracle's proposal includes purchasing its managed database services through the Midwestern Higher Education Compact (MHEC) agreement with Oracle. The University is currently a member of the Western Interstate Commission of Higher Education (WICHE). Members of WICHE have been afforded the opportunity to purchase Oracle's software licenses and services through its alliance with MHEC. The agreement between MHEC and Oracle affords MHEC and WICHE members the ability to purchase Oracle software licenses and services, including Oracle's managed database services.

This solution will provide the University with a reduction in direct database maintenance costs, while increasing performance, reducing the manpower load (Information Technology Service [ITS] resources), providing a significantly greater degree of redundancy and security, and delivering a net decrease in the University's cost of ownership. The solution would increase the University's ability to utilize the full Oracle database suite without any increase in expenditure and reduces ITS resources required to support the set of existing enterprise application systems.

Furthermore, ITS has fully vetted Oracle's proposal with other representative commercial customers and is working in parallel with other larger higher education systems in acquiring the Oracle managed database services. ITS has taken initial steps to expose

the possible alternative pieces of the solution to competitive pricing, e.g., server and storage elements, price comparisons of the incremental Oracle products licensed. ITS has also conducted informal Gartner inquiries on the pricing and total cost of ownership of Oracle's proposal and found solid results based on the offerings by Oracle to date. Once this approach is approved, ITS will take additional pricing competitive measures to further reduce the final costs to the University and ensure that the university has appropriate pricing and performance guarantees in place.

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

The Director of Technology Infrastructure and his staff will directly control the review and technical approvals of all deliverables. The Director of Administrative Services and the Vice President for Information Technology and Chief Information Officer will further review the overall processes, and vet the final proposal/solution with the University's peers.

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

AJ Leong – Manager, Database Services

Dan Schumacher – Director, Technology Infrastructure

Scott Yamashita – Director, Administrative Services

Garret Yoshimi – Vice President for Information Technology & Chief Information Officer