

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

The President, University of Hawaii, is in the process of reviewing the request from Institutional Research & Analysis Office (IRAO) _____ (Department/Campus) for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

Annual software licensing for SAS Enterprise Analytics for Education Advanced to manage and analyze various data and then distribute information, allowing data to drive decision making, measure outcomes, and inform policy decisions for UH leadership and stakeholders.

Vendor: SAS Institute Inc.
(If known) SAS Campus Drive
Address: Carey, North Carolina 27513

Term of Contract: (If known)	From: To be determined	To: To be determined	Cost: \$36,636.08
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Direct any inquiries to:
Department: Institutional Research & Analysis Office (IRAO)

Contact Name/Title: Pearl Iboshi, Director

Address: 1633 Bachman Place, SA2-4
Honolulu, Hawaii 96822-2219

Phone Number:
(808) 956-7532

Fax Number:
(808) 956-9870

Date Posted: April 5, 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, Hawaii'i 96822

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: OFFICE OF PROCUREMENT AND REAL PROPERTY MANAGEMENT

FROM: Institutional Research & Analysis Office (IRAO)
(Department/Program)

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

Description of goods, services, or construction:

Annual software licensing for SAS Enterprise Analytics for Education Advanced to manage and analyze various data and then distribute information, allowing data to drive decision-making, measure outcomes, and inform policy decisions for UH leadership and stakeholders.

Estimated Cost: \$ 36,636.08

(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: Marlene Mattos Phone: 956-5485

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

Pearl Iboshi
Full Name of Principal Investigator, Department Head, or Administrator

 MAR 15 2019
Signature Date

Blanche Fountain
Full Name of Fiscal Officer

 3/15/19
Signature Date

APPROVED:

Donald O. Straney, Ph.D.
Full Name of Vice President or Chancellor

 MAR 15 2019
Signature Date

FOR OPRPM USE ONLY

OPRPM COMMENTS:

 APPROVED _____ DENIED

PRESIDENT, UNIVERSITY OF HAWAII

4/22/19

DATE

Request for Exemption from 1030, HRS
SAS Institute, Inc.

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

In September 2015, the University of Hawaii was awarded a USA Funds grant through the University of Hawaii Foundation. Part of the overall grant objectives was to create visual analytics to provide information to UH administrators to support timely completion and improve student outcomes. In February 2016, the UH Institutional Research and Analysis Office (IRAO), working in collaboration with UH Informational Technology Services (ITS), purchased SAS Enterprise Analytics for Education Advanced software licensing, as well as the services required to install and configure the system, and train users (costing over \$250,000 and spanning 18 months). Procurement of the SAS licensing was done through the RCUH procurement system due to the grant funds being used, however, the licensing remains under the University of Hawaii.

The SAS software allows IRAO and ITS to manage and analyze various data and then distribute information, both internally and externally, allowing data to drive decision-making, measure outcomes, and inform policy decisions for UH leadership and stakeholders. The SAS software is being used to produce a variety of data dashboards for various projects and departments. These dashboards have been built using the SAS software and allows for dynamic visualization and analysis of the data. The institutional dashboards developed by IRAO can be found at: <https://data.hawaii.edu/dashboards/>

It is imperative that the SAS annual licensing be renewed in order for the University to continue to utilize the existing dashboards that have been developed using the SAS software system. These dashboards, as built under the SAS software tools, can only be run with SAS, which is proprietary and therefore, considered Sole Source. Because of this, it is not practicable for the University to attempt to purchase the SAS software licensing renewal through any other competitive means. If this request is denied, UH will need to cease using the software and all projects that are utilizing the tool to create and develop dashboards will need to be terminated, including dashboards that are available publicly. In order to continue to provide data and information to UH leadership and stakeholders, a new solution will need to be researched, procured, installed, configured, and users will need to undergo training. Given the amount of funds and time invested in SAS, procurement for a new system 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 fair and open competition as practicable;

Since the SAS software license renewal can only be purchased from SAS Institute, Inc., there is no option for open competition. However, as mentioned previously, the initial procurement of the SAS software system was done under the RCUH procurement process and the purchase was made through the Midwestern Higher Educational Compact (MHEC) contract with SAS.

The MHEC follows a highly public and competitive procurement process in establishing contracts that is comparable with the University of Hawaii's standard procurement practices and procedures. Requests for proposals (RFPs) are issued publicly and potential vendors are ensured a fair and open process. MHEC contracts provide significant advantages in pricing and contract terms favorable to state higher educational institutions like the University of Hawaii. MHEC conducted a competitive sourcing event for statistical software in November 2013 and awarded a Master Price Agreement (MPA) to SAS Institute, Inc. for statistical and analytical software for colleges, universities, K-12 districts and schools. The competitively bid contract set tiered pricing for various software solutions and allows "eligible organizations" to take advantage of the special pricing. The Western Interstate Commission of Higher Education (WICHE) and its members are defined as "eligible institutions." Thus, the University of Hawaii, as a member of WICHE, is allowed to purchase SAS software licensing under the MPA pricing.

The pricing of the SAS software renewal is consistent with the MHEC agreement with SAS. The contract and pricing tiers are publicly available at <http://www.mhec.org/resources/sas-mhec-011014>.

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

Department staff will review the quote for the licensing renewal and compare to the MHEC contract's pricing structure. If pricing is consistent with contract, department staff will forward documentation to the fiscal office for further review and approval. The fiscal office will forward to the Office of Procurement and Real Property Management for final approval.

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

Marlene Mattos, Assistant Director, Hawaii P-20 Partnerships for Education
Pearl Iboshi, Director, Institutional Research & Analysis Office
Donald Straney, Vice President, Academic Planning & Policy
Erica Taomae, Fiscal Administrator, System Administrative Services
Blanche Fountain, Director, System Administrative Services
Office of Procurement and Real Property Management