



HAWAII HEALTH SYSTEMS
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HAWAII HEALTH SYSTEMS CORPORATION
USE OF ALTERNATIVE PROCUREMENT METHOD # ALT-0003

TO: Chief Procurement Officer

FROM: A.A. Stransky, Finance Division, Contracts & Materials Management Dept.
Name of Requesting Department

Provide the following information about the procurement:

1. Title of the Solicitation: Controlled Substance and Alcohol Testing for HHSC Current and Prospective Employees

2. Solicitation No.: FY16-003	3. Date of Notice: 3/4/16	4. Offer Due Date: 4/4/16	5. Term of Contract: 24 months with three 1-year options	6. Number of BAFO None
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7. Pursuant to HAR Section 3-122-35, Competitive Sealed Bidding (CSB), the Department requests approval to conduct alternative procurement for one of the following (select one and explain): <input type="checkbox"/> There was one responsive and responsible bidder but the price was not fair and reasonable. Explain the situation and why there is not time for re-solicitation or why re-solicitation would not result in a successful procurement. <u>Explanation:</u> OR <input type="checkbox"/> There were no bids received or there were no responsive and responsible bidders. Explain the situation and why it is neither practicable nor advantageous to re-solicit. In the explanation, provide the impact of time constraints, what competition exists, and whether the additional potential cost of preparing, soliciting and evaluating competitive sealed bids is expected to exceed the benefits normally associated with the solicitations. <u>Explanation:</u>
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8. Pursuant to HAR Section 3-122-59, Competitive Sealed Proposals (CSP), the Department requests approval to conduct alternative procurement for one of the following (select one and explain):

- There was one responsible offeror but the price was not fair and reasonable. Explain the situation and why there is no time for re-solicitation or why re-solicitation would not result in a successful procurement.

Explanation:

On March 4, 2016, an RFP with the option for multiple awards was posted to the SPO website. On March 3, 2016 copies of the solicitation were emailed directly to the only two clinical laboratory services providers in the State of Hawaii; Diagnostic Lab Services (DLS) and Clinical Laboratories of Hawaii (CLH). Additionally, the Issuing Officer placed telephone calls to the two laboratories inviting the vendors to submit proposals. Both the emails and phone calls highlighted the plan for HHSC to issue multiple awards.

Despite the opportunity for multiple awards DLS did not submit a proposal. A single proposal, with fair and reasonable pricing, was submitted by CLH; however, due to the planned July 1, 2016 transition of the three Maui regional hospitals from HHSC to Kaiser, the RFP did not include the three Maui facilities as participants under the RFP's Scope of Service. For this reason, although the CLH proposal contained reasonable pricing it did not include services for the Maui hospitals.

Multiple delays in the July 1 transfer of the Maui facilities required a postponement of the award to CLH. Because the new award did not include Maui facilities, in June, 2016 a second 180-day extension of the incumbent contract (CLH FY10-0638) was required in order to provide uninterrupted coverage for Maui region. As of September, 2016 there is still no firm date for the transfer of the Maui facilities and it is no longer reasonable to require CLH to continue services under an old agreement with a pricing structure that has been fixed since 2010. An Alternative Procurement is required in order to award a new agreement to CLH which will provide services to all HHSC facilities, including Maui region.

OR

- There were no proposals received or there were no responsible Offerors submitting acceptable proposals. Explain the situation and why it is neither practicable nor advantageous to re-solicit. In the explanation, provide the impact of time constraints, what competition exists, and whether the additional potential cost of preparing, soliciting and evaluating competitive sealed proposals is expected to exceed the benefits normally associated with the solicitations.

Explanation:



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9. Pursuant to HAR Section 3-122-66 Professional Services, the Department requests approval to conduct alternative procurement as follows:

- There were less than three names submitted.
Explain the situation. What process will be followed as part of the alternative procurement process? In the explanation, include why there is no time for re-solicitation or why the additional potential cost of preparing, soliciting and evaluating responses is expected to exceed the benefits normally associated with the solicitations.

Explanation:

OR

- There were no names submitted. Explain the situation and why it is neither practicable nor advantageous to resolicit for statements of qualifications and expressions of interest. In the explanation, provide whether the additional potential cost of resoliciting requests for qualifications is expected to exceed the benefits normally associated with the solicitation process.

Explanation:




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10. Proposed length of contract period:	11. Explain the process that will be followed in the alternative procurement, i.e. direct negotiations, etc. HHSC will use the pricing submitted by CLH in their RFP FY16-003 Price Proposal but will ask the vendor to expand its pricing to include the three Maui regional facilities.
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12. Identify the primary individual(s) who is knowledgeable about this request, who will conduct and manage this process; and has 1) appropriate written delegated procurement authority; 2) completed mandatory training for the procurement method; and 3) who SPO may contact for follow up inquiry, if any.

Department Personnel Name	Department & Region	Phone Number	E-mail Address
Allison Stransky	Corporate Finance	808-733-9074	astransky@hhsc.org

All requirements/approvals and internal controls for this expenditure is the responsibility of the department. I certify that the information provided is to the best of my knowledge true and correct.

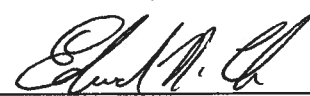

 Department Head Signature

9/14/16
 Date

For Chief Procurement Officer Use Only

Chief Procurement Officer (CPO) Comment:

Approved
 Disapproved
 No Action Required


 Chief Procurement Officer Signature

9/27/16
 Date