

**HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS**

EX Number: EX-034

1. TO:	Chief Procurement Officer		
2. FROM:	Pharmacy Services		
Department/Division/Agency Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:			
3. Description of goods, services or construction: Cardinal Health Pharmacy Services proposed to provide remote, after business hours entry of physician medication orders for five (5) HHSC in three (3) of its regions. The vendor provides licensed and trained pharmacists able to verify medication order over a secure data management system, communicate with hospital clinicians, enter orders into the pharmacy's clinical information management system, and approve product dispensed to patients.			
4. Name and Address of Vendor:		5. Price:	
Cardinal Health Pharmacy Services, LLC 1330 Enclave Parkway Houston, Texas 77077		\$550,000.00	
6. Term of Contract:		7. Prior Exemption Ref. No.	
From: July 1, 2015 To: June 30, 2017			
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State: The vendor, formerly known as ePharmPro, has provided HHSC with remote physician medication order coverage during non-regular business hours (including evenings, weekends, and holidays) since 2012. A Kauai regional agreement servicing KVMH and SMMH was executed in November, 2012 and in October, 2013, a second regional agreement for West Hawaii region was executed. HHSC now wishes to consolidate the regional agreements into a single system wide arrangement to be available to all HHSC regions. As part of the proposed consolidation, the vendor will expand its service provision to include two Maui Region facilities and provide these low daily volume sites with a set monthly rate, and 24 hour-a-day weekend/holiday coverage (thus enabling significant staffing savings to the facilities). In addition, the total order volume for the other facilities served will be combined and offered a discounted line rate. The vendor provides service coverage flexibility (with as little as four hours prior notice) and with an average order turn-around time of 15 minutes for stat orders. Based upon the continuity the vendor provides for a mission critical service, it is neither practical nor advantageous to the State for HHSC to compete, purchase and implement new after hour pharmacy coverage assistance at this time.			
9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Direct negotiations and contracting with Cardinal Health Pharmacy Services will be conducted, and no formal solicitation will be performed at this time. Approximately 180 days before expiration of the first year of the exemption term, HHSC will review its remote pharmacy needs to determine if the business and technology needs are sufficient to warrant a rebid of the services.			
10. A description of the agency's internal controls and approval requirements for the exempted procurement: The Exemption Request is reviewed by HHSC CPO in accordance with HHSC policies and procedures. The President and CEO of HHSC (or her delegated CPO) approves the exemption in accordance with internal procurement policies and procedures.			
11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:			
Name	Position	Involvement in Process	
Joel Krug	HHSC Pharmacist	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Edward N. Chu	HHSC Chief Financial Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: Andrew Alvarez
Phone Number: 808-873-3053

13. Agency shall ensure adherence to applicable administrative and statutory requirements
I certify that the information provided above is, to the best of my knowledge, true and correct.

 | 6/17/15
Department Head (Print: Lance Segawa) | Date

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 6/17/15

The CPO is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days or as otherwise allowed from the above posted date to: Chief Procurement Officer, HHSC, 3675 Kilauea Ave., Honolulu, Hawaii 96816

Chief Procurement Officer's comments:

15. APPROVED



HHSC Chief Procurement Officer - Signature

6/24/15

Date

DISAPPROVED

NO ACTION REQUIRED