

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

EX - 054

1. TO: Chief Procurement Officer

2. FROM: A.A. Stransky

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: Locum Tenens Physician Services

4. Name and Address of Vendor: CompHealth

6440 South Millrock Dr., Ste. 175, Salt Lake, UT 84121

5. Price: \$4,500,000.00

6. Term of Contract: From: 6/29/16 To: 6/28/21

7. Prior Exemption Ref. No. None

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:

In 2016 HHSC facilities identified a need for a streamlined approach to obtain locum tenens physicians. As a result HHSC selected a vendor managed solution (VMS) to furnish an electronic portal through which locums physician services could be acquired. Via the VMS agreement HHSC has access to an unlimited number of locums agencies across the United States and may negotiate directly with the agencies for physician services. However, two locums agencies, owned by CHG Corporation, upon whom HHSC facilities heavily rely, do not participate in the VMS protocol; CompHealth and Weatherby Locums. Due to acute physician shortages in the state of Hawaii on-going, uninterrupted access to the services of these agencies is critical to HHSC patient care and patient safety.

The requirement for open competition for locums physicians services is met via the terms of HHSC's VMS. It is neither practical nor advantageous for HHSC to issue a competitive solicitation since all interested parties desiring to provide services at HHSC may do so via the HHSC VMS protocol.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

The requirement for open competition for services is met via the terms of HHSC's VMS. All locums agencies are welcome to access the VMS protocol at HHSC provided they meet federal and state compliance requirements. Fair pricing within the CompHealth agreement is established two ways; pricing negotiations may be conducted at the time of request, and the overall pricing structure for CompHealth's agreement with HHSC has received an independent Fair Market Value analysis

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

This exemption shall be from HRS, Section 103D-303, and all other guidelines, rules and policies under chapter 103D shall be upheld. HHSC policies and procedures will be followed and periodic reviews of contract action will be performed.

11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

<i>Name</i>	<i>Position</i>	<i>Involvement in Process</i>	
A.A. Stransky	Corporate Contracts Manager	<input type="checkbox"/> Approval	X Administration
Joe Evanoff	Director Contracts/Materials Management	X Approval	<input type="checkbox"/> Administration
Edward N. Chu	HHSC CFO & CPO	X Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: Alison Stransky
Phone Number: 808-733-9074

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

Department Head (Print: Joseph Evanoff)

Date

6-16-16

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 6/16/16

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:

Critical for patient care.

15. APPROVED

DISAPPROVED:

NO ACTION REQUIRED

HHSC Chief Procurement Officer - Signature

Date