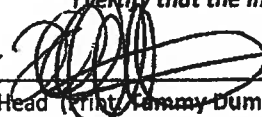


**HAWAII HEALTH SYSTEMS CORPORATION  
NOTICE OF AND REQUEST FOR EXEMPTION  
FROM CHAPTER 103D, HRS EX - 058**

<b>1. TO:</b> Chief Procurement Officer		
<b>2. FROM:</b>	Tammy Dumlao	
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:		
<b>3. Description of goods, services or construction:</b>  Bad Debt Collections of patient accounts.		
<b>4. Name and Address of Vendor:</b> EOS 11417 w. Bernardo Court, Suite G., San Diego, CA 92127	<b>5. Price:</b> \$1,200,000	
<b>6. Term of Contract:</b> From: Date of Signature To: Two Year term	<b>7. Prior Exemption Ref. No.</b> None	
<b>8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:</b> Legislature of the State of Hawaii enacted Act 103, SLH 2015 (H.B. No. 1075). The law as part of HRS Chapter 323F, Part IV, the State of Hawaii, the Hawaii Health Systems Corporation (HHSC), and the Maui Regional Healthcare System (MRHS), entered into a Transfer Agreement with Kaiser Foundation Hospitals on January 14, 2016. Maui Region was in the process of discontinuing direct delivery of hospital services, transfer the management and operations of its facilities to Kaiser on June 30, 2016, in accordance with the Transfer Agrmt. On May 17, 2016, the 9 <sup>th</sup> Circuit Court ordered the State (HHSC) to stop all activities related to the transition until September 30, 2016. Because of the 9 <sup>th</sup> Circuit Court Injunction to stop transition activities, Maui region contracts schedule to terminate on or before the Original Transition date are now required to continue. Due to the emergent nature of the unique MRHS & HHSC transfer agreement circumstance, inclusive of Maui Region previously competing the subject contract award to EOS for Bad Debt Collection services, it has been determined HHSC will assume the EOS contract services under a HHSC contract to continue same level of services for continuity of bad debt collections. With the aforementioned circumstances, it is not practicable or advantageous for HHSC to issue a formal solicitation.		
<b>9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:</b> EOS (formally True North) is and has continually participated in HHSC Professional Services List. However, at this time it is not advantageous due to the emergent situation for HHSC to begin a new formal process during the Maui Transition to Kaiser period. Therefore, HHSC will complete direct negotiations and contract with EOS. During the term of the contracted services, HHSC will periodically review its bad debt collection requirement and make a determination if services should be solicited in accordance with HRS 103D.		
<b>10. A description of the agency's internal controls and approval requirements for the exempted procurement:</b> 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.		
<b>11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:</b>		
<i>Name</i>	<i>Position</i>	
<i>Involvement In Process</i>		
Joe Evanoff	Director Contracts/Materials Management	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Nancy Dellma	Sr. Contracts Manager	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Tammy Dumlao	Director Revenue Cycle	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Edward N. Chu	HHSC CFO	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
<b>12. Direct inquiries to:</b> Tammy Dumlao, Director Phone Number: (808) 733-4068		
<b>13.</b> Agency shall ensure adherence to applicable administrative and statutory requirements <i>I certify that the information provided above is, to the best of my knowledge, true and correct.</i>		
Signature: X 	Date 8/2/16	
Department Head (Print: Tammy Dumlao)	Date	

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 8/3/2016

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:

Necessary to continue cash collections of patient charges.

15.  APPROVED

DISAPPROVED:

NO ACTION REQUIRED

*Elored N. O.*  
HHSC Chief Procurement Officer - Signature

8/3/16  
Date