

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

**EX - 080**

<b>1. TO:</b> Chief Procurement Officer																					
<b>2. FROM:</b>	Nancy Delima																				
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: Bulk Fuel for Hospital Generators</b>																					
<b>4. Name and Address of Vendor: Hawaii Petroleum, Inc</b> 385 Hukilike Street, Suite 102, Kahului, Hawaii 96732	<b>5. Price: 1,288,245</b>																				
<b>6. Term of Contract: From: Date of Signature To: One Year term</b>	<b>7. Prior Exemption Ref. No. None</b>																				
<p><b>8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:</b>                  On November 19, 2015 an Invitation to Bid was completed in which two vendors were awarded a Contract to provide bulk fuel. This Agreement became necessary as the State of Hawaii Procurement Office discontinued allowing the Regional Boards access to the State Price List. The Agreement with Hawaii Petroleum was completed on December 18, 2015 and loaded into the Contract database. However, the previous Contract Manager had accidentally loaded the end date of the Agreement as 2018 therefore no notices were generated and we were unaware the Contract had expired. On March 21, 2018 a discussion with the State Procurement Office took place regarding the current bulk fuel contract. The SPO Request for Proposal will go out to bid in March 2018 at which time HHSC Regions can participate provided they submit all the required documentation to the SPO for the bidding process. Due to the emergent nature to continue to purchase bulk fuel for the facilities generators it has been determined that HHSC would like to continue to contract with the current vendor as there is not sufficient time to process a formal solicitation with the pending Kaiser Transition. HHSC will review its options to participate in the upcoming SPO RFP on March 31, 2018.</p>																					
<p><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> Hawaii Petroleum has continually participated in HHSC IFB Process. 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 Hawaii Petroleum. Approximately 90 days before expiration of the first year of the exemption term, HHSC will review its needs and make a determination if services are still required to warrant a formal bid process.</p>																					
<p><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.</p>																					
<p><b>11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>Name</i></th> <th style="text-align: left;"><i>Position</i></th> <th colspan="2" style="text-align: center;"><i>Involvement in Process</i></th> </tr> </thead> <tbody> <tr> <td>Joe Evanoff</td> <td>Director Contracts/Materials Management</td> <td style="text-align: center;"><input checked="" type="checkbox"/> Approval</td> <td style="text-align: center;"><input type="checkbox"/> Administration</td> </tr> <tr> <td>Nancy Delima</td> <td>Senior Contract Manager</td> <td style="text-align: center;"><input checked="" type="checkbox"/> Approval</td> <td style="text-align: center;"><input type="checkbox"/> Administration</td> </tr> <tr> <td>TBD</td> <td>TBD</td> <td style="text-align: center;"><input type="checkbox"/> Approval</td> <td style="text-align: center;"><input type="checkbox"/> Administration</td> </tr> <tr> <td>Edward N. Chu</td> <td>HHSC CFO</td> <td style="text-align: center;"><input checked="" type="checkbox"/> Approval</td> <td style="text-align: center;"><input type="checkbox"/> Administration</td> </tr> </tbody> </table>		<i>Name</i>	<i>Position</i>	<i>Involvement in Process</i>		Joe Evanoff	Director Contracts/Materials Management	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration	Nancy Delima	Senior Contract Manager	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration	TBD	TBD	<input type="checkbox"/> Approval	<input type="checkbox"/> Administration	Edward N. Chu	HHSC CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
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12. Direct inquiries to:

Contact Name:  
Phone Number:

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.*



Department Head (Print: Joe Evanoff )

Date 3/22/17

Reserved for CPO/Delegee Use Only

**14 .Date Notice Posted:** \_\_\_\_\_

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

\_\_\_\_\_  
Date

DISAPPROVED:

NO ACTION REQUIRED