

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

EX Number: EX-090

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: Commercial Appraisal of Healthcare Facilities

4. Name and Address of Vendor:

John Child & Co., 733 Bishop St., Suite 2500, Honolulu, HI 96813

5. Price: \$24,600.00

6. Term of Contract: From: approx. 8/1/17 To: approx. 7/31/18

7. Prior Exemption Ref. No.
None

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

In 2012 the vendor provided an extensive commercial appraisal of HHSC facilities in order to establish gross fair market rental values related to HHSC's lease with Clinical Labs of Hawaii. This appraisal included a comprehensive study which required travel costs for multiple on-site assessments in order to establish a baseline for commercial reasonableness. HHSC now requires only an update to the existing 2012 appraisal data. HHSC does not have a need for, nor does it have the budget for a new, comprehensive study which would require many hours of billable time plus travel expenses. HHSC is only seeking a refreshed appraisal based on the work performed in 2012. Further, the vendor has offered an updated appraisal for a price that falls within the HRS 103D-305 Small Purchase threshold. The cost-savings achieved by obtaining a supplemental appraisal rather than a new appraisal is both practical and advantageous to the State.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: In the future, should HHSC require an entirely new commercial appraisal then a competitive HRS 103D-304 Professional Services solicitation process will be followed.

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:

| Name | Position | Involvement in Process | |
|-------------------|--------------------|--|--|
| Alison Stransky | Corp. Contr. Mngr. | <input type="checkbox"/> Approval | <input checked="" type="checkbox"/> Administration |
| Edward N. Chu | Corp. CFO | <input checked="" type="checkbox"/> Approval | <input checked="" type="checkbox"/> Administration |
| Linda Rosen, M.D. | Corp. CEO | <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> Administration |

12. Direct inquiries to:

Contact Name: A.A. Stransky
Phone Number: 616-803-0039

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



7/25/17

Department Head (Print: Edward N. Chu)

Date

Reserved for CPO/Deliver Use Only

14. Date Notice Posted: 7-26-17

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
 DISAPPROVED:
 NO ACTION REQUIRED


HHSC Chief Procurement Officer - Signature

AUG - 1 2017

Date