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

EX -093

1. TO:	Chief Procurement Officer
z. FROM:	Anne Lopez, General Counsel
	vision/Agency Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement urchase the following:
3. Description o	f goods, services or construction: Various Specialized Legal Services
4. Name and A	idress of Vendor: Multiple Vendors-See Section 8 52,000,000.00 Mer year.
6. Term of Cont	7. Prior Exemption Ref. No.

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

HHSC seeks a partial Exemption of Step 2 in the two-step Professional Services (PS) procurement method pertaining to numerically ranking qualified Professional Services providers solely related to unique or highly specialized legal services. Prior to each fiscal year HHSC publically posts its PS Notice, including its anticipated requirements for legal services, inviting law firms to respond with their Letter of Interest and Statement of Qualifications (SOQ's). Law firm submissions in response to this annual invitation are then evaluated and if deemed to be qualified, firms or individual attorneys are placed on HHSC's PS List of approved vendors in Step 1 of the process.

Step 2 of the PS process requires a numeric ranking of three(3) or more individual law firms from the approved PS List. It is not advantageous or practicable for HHSC to rank firms for specialized legal services; therefore, HHSC is seeking exemption from Step 2; the ranking process. This Exemption is justified by HHSC's need to make multiple awards for a wide range of legal expertise. All law firms qualified through the Step 1 process to be on the PS List may be awarded a contract based on their areas of legal expertise. HHSC legal requirements may include labor and employment law, construction arbitration, investigations, administrative proceedings, conservatorships, guarantorships, guardianships, certificates of need, medical malpractice, medical staff bylaws, medical staff policies, medical staff Issues including membership, credentialing, privileging, corrective action, medical litigation for matters not covered by insurance such as subpoenas and Temporary Restraining Orders, corporate and contracts law, physician financial arrangements (PFA's), Starke Law and Anti-Kickback Statutes, fair market value for PFA's and medical practice leases, EMTALA, HiPAA, the Affordable Care Act and HITECH.

Because all law firms who are qualified through the Step 1 phase may receive a contract award tailored to their areas of expertise, it is a redundant process to rank all the law firms for their expertise in all of the above areas of legal expertise. It is not advantageous for HHSC to rank a law firm that is identified as having expertise in construction contracting against criteria for law firms that are recognized as having expertise in medical staff bylaws. Throughout the calendar year HHSC publicly posts its Notice inviting law firms and attorneys to make application for the HHSC PS List, and continuously reviews all applicants using the PS Step 1 evaluation of Letters of Interest and SOQ's.

- 9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Direct negotiation with each legal firm or attorney on the HHSC PS List as the need may arise. Prior to the beginning of each fiscal year and then possibly throughout the calendar year, HHSC reviews the list of qualified firms attorneys and if necessary HHSC will posts its PS Notice seeking additional Letters of Interest and SOQ's.
- 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 "Ranking" three (3) or more specialized legal services. 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								
Joe Evanoff Director Contracts/Materials	Management	ПАР	proval	4 4, 13	i.	X Administration		
Anne Lopez General Counsel		X Approval		3.1	60.	Administration		
A.A. Stransky Sr. Contracts Manager		Ар	proval	Ī	(1) (4)	X Administration		
Jeff Dansdill Sr. Contracts Manager		Ap	proval	il a	277	X Administration		
Edward N. Chu HHSC CFO		X Appr	oval	1.2	¥	Administration		
12. Direct inquiries to:			**					
	act Name: Alison A. Stransky il: Astransky@hhsc.org		en men o o o					
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.								
Sun Eu	9/13/17			ž.		0.00		
Department Head Anne Lopez	Date			1.9	Ý,	727 V		
Reserved for CPO/Delagee Use Only								
14 . Date Notice Posted: 9-19-17 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	e., Honolulu, Hawaii 96816							
Chief Procurement Officer's comments: Critical services for compliance with la	us and regulations.		:					
15. APPROVED HHSC CI	hief Procurement Officer - Signature		9/20 Date	11-	7 2 1 1 1 1 1			
☐ NO ACTION REQUIRED					į.			