

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

EX - 112

1. TO: Chief Procurement Officer

2. FROM: 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:

3. Description of goods, services or construction: General Accounting

- 1) Performing and/or reviewing general ledger account reconciliations;
- 2) Posting of transactions to the general ledger;
- 3) Preparing supporting schedules for fiscal year 2017 audit and fiscal year 2018 cost reports;;
- 4) Reviewing the general ledger close for June 2018 and the fiscal year-end close;
- 5) Preparing other financial analysis, as needed

4. Name and Address of Vendor: Pascua Accounting Services, LLC
1787 Wili Pa Loop, Suite 4, Wailuku, HI 96793

5. Price: 20,000

6. Term of Contract: From: Date of Signature To: One Year term

7. Prior Exemption Ref. No. None
EX-078

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

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, and the Maui regional healthcare system, entered into a Transfer Agreement with Kaiser Foundation Hospitals. The Transfer Agreement, executed on January 14, 2016, and as part of this arrangement the Maui Region was in the process of discontinuing direct delivery of hospital services and to transfer the management and operations of its facilities to Kaiser. As a result of the on-going transfer requirements HHSC must continue to ensure the accuracy of the accounting records, the sources and uses of cash that are available to pay off ongoing and remaining liabilities post transition services. The services of this vendor will be needed to continue with on-going review of general ledger account reconciliations, posting of transaction to general ledger, preparing supporting schedules, reviewing general ledger monthly closes for FY2018 and for the fiscal year-end close, as well as audit support for fiscal year 2018.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: 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 continue to contract with Pascua Accounting and HHSC will review its needs and make a determination if services are still required to warrant a formal bid process.

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

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>	
Joe Evanoff	Director Contracts/Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Nancy Delima	Sr. Contract Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Anne Lopez	HHSC COO/General Counsel	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Edward N. Chu	HHSC CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:

Contact Name: Doreen Nakatsu, Corporate Controller
Phone Number: 808-733-4070

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 (Anne Lopez)

Date: 5/1/2018

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 5/1/2018

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