

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

Exemption Number: EX-123

1. TO: Chief Procurement Officer

2. FROM: Andrew Alvarez

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: Contractor provides mission critical on-site surgical instrument sharpening and off-site surgical instrumentation repair services to two HHSC facilities (Hilo Medical Center, and Kona Community Hospital).

4. Name and Address of Vendor: MacKenzie Medical Group, LLC
99-1312 Koaha Place, Ste. #204
Aiea, Hawaii 96701

5. Price: \$100,000

6. Term of Contract: April 1, 2020 through March 31, 2023 (one year period with two, one-year period renewal options)

7. Prior Exemption Ref. No.
EX13-027, EX-011, & EX-095

8. Explanation describing how procurement by competitive means is either not practical or advantageous to the State:
Contractor has successfully provided the services to three HHSC regions for several years. On-site instrument reviews are done monthly (or bi-monthly) in accordance with each Hospital's instrument/tray rotation schedule needs. When necessary, repair work required between scheduled visits is completed in most cases within a twenty-four hour period. The service provided by the vendor is critical and specialized – and by report, exemplary. Therefore, it is neither practical nor advantageous to procure the service via competition.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Service provided by the Contractor is highly specialized and sensitive in nature due to the specifications requirements and associated liability potential. Technical Representatives report consistently high satisfaction with the quality of the Contractor's work. Due to the specialized nature of the services provided, and the poor availability of similar service providers, it is highly unlikely that another vendor willing/able to provide the services could be located on the islands of Hawaii and Maui.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
The exemption request is reviewed by senior management of HHSC, and then forwarded to the corporate director of contract management for review in accordance with HHSC policies and procedures. The President and CEO of HHSC approve the exemption request covering more than one facility and 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:

Name	Position	Involvement in Process	
Joe Evanoff	Contracts/Materials Management Director	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Edward Chu	Corporate CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Anne E. Lopez	COO & General Counsel	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to: Contact Name: Andrew Alvarez

Phone Number: 808-793-2670

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.

Department Head (Print: _____)

Date

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 10/2/2018

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:

Contract is necessary to ensure patient safety.

15. ☒ APPROVED

☐ DISAPPROVED:

☐ NO ACTION REQUIRED



HHSC Chief Procurement Officer - Signature

Nov 13, 2018

Date