STATE PROCUREMENT OFFICE
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT

1. TO: Head of Purchasing Agency
2. FROM: Alice Hall
   Department/Division/Agency
3. Name of Contractor: N/A
4. P.E. Reference No. Ex: 05-015

5. Description of goods, services, or construction:
   Provides an exemption from competitive IFB, RFP, or professional services list processes for purchases of all goods, services, and construction between the cost of $25,000 and $100,000.

6. Scope of work for the contract is revised as follows:
   Scope is not revised.

   Original Contract Price: $N/A
   Amended Contract Price: $N/A

7. Reason: This amendment(s) are necessary because:
   Withdrawal of the exemption is appropriate since it was superseded by Ex. 05-021.

8. Direct questions to: Alice Hall, Director of Contract Management
   Phone: 733-4168

   Agency shall ensure adherence to applicable administrative and statutory requirements.

   Pursuant to § 103D-102, HRS, and § 3-120-5, HAR, I certify that the information provided above is, to the best of my knowledge, true and correct

   Alice M. Hall
   Department Head
   Date: 3-23-06

   Date Posted: 

11. Submit written objections to this notice of intent to amend a procurement exemption contract within seven calendar days or as otherwise allowed from the above posted date to: Head of Purchasing Agency
    HIISC
    3675 Kilauea Ave.
    Honolulu, HI 96816

   Head of Purchasing Agency's Comments:

12. [ ] APPROVED  [ ] DISAPPROVED
    Head of Purchasing Agency  Date

   SPO-07B (Rev. 09/30/2005)
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: Head of Procurement Agency

FROM: Ali Nover, HHSC Director, Materials and Contract Management

Pursuant to 103D-102(8)(d), HHSC and Chapter 128, HARR, the Department requests a procurement exemption to purchase the following:

- **Description of goods, services, or construction:**
  - HHSC small purchase threshold for all procurement needs be established at $160,000 instead of the current State/HHS 103d Requirement of $25,000

<table>
<thead>
<tr>
<th>Name of Vendor:</th>
<th>Cash:</th>
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<tbody>
<tr>
<td>Address: N/A</td>
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<tr>
<th>Term of Contract:</th>
<th>From:</th>
<th>To:</th>
<th>Prior Exemption Ref No.</th>
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- **Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:**
  - It is not practical or advantageous to HHSC to use the HHSC 103d small purchase threshold of $25,000. HHSC's healthcare procurement requires $150,000 or the small purchase threshold because of the nature of healthcare products and the clinical evaluation expediency needed. Additionally, the HHSC 103d $25,000 threshold would necessitate a huge volume of RFPs that will slow the procurement process down and have a detrimental effect on HHSC's ability to provide quality patient care.

Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition are practicable:

- The SPO, Aaron Fujisaka, on Jan 14, 2005, verbally told the HHSC CEO Tom Driskell that HHSC has the threshold raised to $150,000. Specifically, stated: "you got it" to Tom Driskell. Reference MFR Jan 14.
REQUEST FOR EXEMPTION FROM CHAPTER 109-615 HRS

A description of the agency's internal control and approval requirements for the exempted procurement:
HESC will obtain oral quotes as specified in its internal operation procedure for small purchases $1k to $5k, and write quotes from over $5k to $10k.
GPO Items 10 and 10a will be documented and placed in PO files.
Procurements of less than $1k will be documented to show evidence as to the determination that the price is fair and reasonable, i.e. product comparisons, price lists, prior purchases, prudent buyer considerations.

GPO procurements are not applicable to the above requirements.

A list of agency personnel, by position title, who will be involved in this approval process and administration of the contract:
HESC Regional Material Manager will be involved in the day-to-day administration of the small purchase program.

Direct questions to:
Phone Number:
Email: hello@hesc.com

This exemption should be considered for all exemptions attached to Chapter 5-120, HAR. Yes [ ] No [ ]

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT

[Signature]

Department Head or Designee
Date

HESC Director Materials and Contract
Management
Title

HPA's Considerations:

Institutionalizing authority vaguely delegated by the SPO Administration on 01/14/05 and modified by the SPO Administration 01/18/05.

APPROVED □ DISAPPROVED

Head of Procurement Agency

03/16/05