



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: TOMCO Corp.

4. P.E. Reference No. Ex: 05-019

5. Description of goods, services, or construction: renovation of Samuel Mahelona Memorial Hospital to add an emergency room, and other needed renovations.

6. Scope of work for the contract is revised as follows:

Scope is not revised.

Original Contract Price: \$left blank

Amended Contract Price:
\$1,188,000.(no change but blank on
exemption previously
posted).

7. Reason: This / These amendment(s) are necessary because: Amend to add dollar amount; file is not clear as to 7 day posting prior to execution. There have been no inquiries since the exemption was posted in May, 2005. Exemption is reposted to add legibility.

8. Direct questions to: Alice Hall, Director of Contract Management

Phone: 733-4168

Agency shall ensure adherence to applicable administrative and statutory requirements.

9. ***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

3-23-06

Department Head

Date

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
HHSC
3675 Kilauea Ave.
Honolulu, HI 96816

Head of Purchasing Agency's Comments:

12. APPROVED DISAPPROVED

Head of Purchasing Agency

Date

13. P.E. No. _____

Dec. 27, 2005 8:43AM

West Kauai Medical

No. 0865, P. 2/6

Amended

**STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS**

TO: Chief Procurement Officer

FROM: Orianna Skomoroeh

Pursuant to 103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:
Design build an emergency/urgent room with an ambulance canopy and renovate bathrooms in the patient rooms that meet all state, federal, county, lifesafety, and other required regulations as set forth by Critical Access Hospital requirements. This project will be done in two phases.

- First phase renovate an existing wing to build an emergency/urgent room with an ambulance canopy and to renovate bathrooms for 6 acute beds. Completion of this phase no later than December 31, 2005 so as to meet the Critical Access Hospital designation requirement.
- 2nd phase renovation of all existing patient bathrooms. Completion date for second phase June 30, 2006.

Name of Vendor: TOMCO CORP. **\$ 1,188,000.00**
Address: 500 Alakawa St. 100A Honolulu, Hawaii, 96817

Term of Contract: From April 1, 2005 To: June 30, 2006 Prior Exemption Ref No.

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:
Samuel Mahelona Memorial Hospital (SMMH) is presently applying to become a critical access hospital (CAH). SMMH as a CAH will continue to provide excellent patient care services to the community and as a CAH will have the ability to enhance its revenue stream and therefore decrease its subsidy from the state which makes it advantageous to the State during this period of lower reimbursement. Becoming a Critical Access Hospital will result in Samuel Mahelona Memorial Hospital obtaining cost reimbursement for services that are performed for Medicare patients and reimbursement for services performed for Medicaid patients would be reimbursed at a maximum of 200% above the routine cost limit. For Samuel Mahelona Memorial Hospital to become a Critical Access Hospital all construction as required by CAH must be completed by December 31, 2005. The following is the timeline to meet this requirement.

- Acquire a contractor and implement a contract for design build to start on April 1, 2005.
- Design phase and completion of construction documents by June 3, 2005.
- Demolition of areas to be renovated to begin in April after award of contract so that construction can begin as scheduled.
- During the design phase drawings will be sent to Office Of Healthcare Assurance for review and approval as required by the State of Hawaii.
- Construction to begin June 6, 2005 and totally completed no later than December 31, 2005.

Due to the short timeline to accomplish this project procurement by competitive means under 103d would not meet the goal of completion by December 31, 2005 and therefore SMMH would not be able to become a CAH and the increase of revenue for SMMH and the decrease of State subsidy would also be loss.

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

- To insure maximum fair and open competition the following procedures will be initiated
- As stated above the use of 103d for procurement of a contractor cannot be utilized given the short timeline to complete the construction for the requirements of the CAH.
 - TOMCO is being selected to perform the const uction for this project because it presently is contracted with Hawaii Health Systems Corporation and performing work for the following Capital Improvement Projects which were funded by the State Legislature.
 - 1) Installation of a Fire Sprinkler System at SMMH in areas that are non-sprinklered.

Dec. 27, 2005 8:43AM
JUN. D. 2005 12:41PM

West Kauai Medical
MAHELONA HOSPITAL

No. 0865 P. 3/6

State of Hawaii
Request for Exemption From Chapter 103D HRS

- 2) Correction of Fire Code Deficiencies at SMMH
 - 3) Renovation of the Dietary Area at SMMH
 - 4) The renovation of the area and installation of a new Emergency Generator at SMMH
 - 5) ADA Renovations at SMMH
- TOMCO was selected and awarded the above projects through the procurement process and approved by HHSC Board to perform the construction.
- The selection of TOMCO using the procurement process for the above projects as well as the procurement of other contractors for other Capital Improvement Projects for other facilities within Hawaii Health Systems Corporation (HHSC) signifies HHSC commitment to competition. But as stated before the short timeline for completing this project is not lending itself to use 103D and therefore this Request for Exemption from Chapter 103D HRS is being submitted.

A description of the agency's internal control and approval requirements for the exempted procurement. The State Procurement Officer has delegated to Thomas Driskill, Jr President and CEO of Hawaii Health Systems Corporation duties as Chief Procurement Officer for the Corporation for approval and oversight of procurement policies including this exemption. Under this oversight Mr. Driskill has staff and systems in place to review and approve procurement as outlined in 103d. The list below is an example of staff that are involved in this exemption request.

- A list of agency personnel, by position title, who will be involved in the approval process and administration of the contract:
- Thomas Driskill Jr. President and CEO of Hawaii Health Systems Corporation
 - Kelley Roberson CFO/COO of Hawaii Health Systems Corporation
 - AJ Neves HHSC Procurement Officer
 - Orianna Skomoroch Regional CEO Kauai Region
 - Mike Perel Regional CFO Kauai Region
 - Herman Chong Regional Facilities Director Kauai Region

Direct questions to:
Phone Number: Herman Chong (808) 338-9436

This exemption should be considered for list of exemptions attached to Chapter 3-120. Yes No

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

[Signature] 3/8/05
Department Head or Designee Date

Regional CEO
Title

Chief Procurement Officer's Comments:

APPROVED DISAPPROVED

HHSC Procurement Officer Date

