HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT

1. TO:    Chief Procurement Officer
2. FROM: Joe Evanoff, Director of Contract Management
          Department/Division/Agency
3. Name of Contractor: various
4. P.E. Reference No. 06-035
5. Description of goods, services, or construction:
   Physician services of all types for all facilities – see original exemption.

6. Scope of work for the contract is revised as follows:
   n/a – no change

   Original Contract Price: Sup to $50 million total
   Amended Contract Price: Sup to $75 million total

7. Reason: This/These amendment(s) are necessary because:
   To change the expiration date and contract price to include the period January 30, 2009 to January 30, 2010.

8. Direct questions to: Kay Richford
   Phone: 808.322.6937

   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

   Kelley C. Robinson
   Department Head
   12/18/07
   12/20/07

   Reserved for CPO/Deegee Use Only

   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: Chief Procurement Officer
    HHISC
    3675 Kilauea Ave.
    Honolulu, HI 96816

12. Chief Procurement Officer’s Comments:

   [Signature]
   12/21/07
   Chief Procurement Officer
   Date

   HHSC Policy No. PUR 0017
   November 1, 2006
   PUR 006
HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS

1. TO: Thomas Driskill, Jr., Chief Procurement Officer; Pres/CEO

2. FROM: Kelley Roberson, COO/CFO

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

<table>
<thead>
<tr>
<th>3. Description of goods, services or construction:</th>
</tr>
</thead>
<tbody>
<tr>
<td>All physician services and recruitment of physician services for all HHSC facilities including administrative, consulting and clinical services, on-call and patient care. The contracts will be with individuals, groups, or other legal entities supplying physician services, and will also include physician recruitment agreements. Non-physician services such as recruitment and locum tenens agencies (“head hunters”) are not covered by this exemption, but the resulting contracts with the individuals or groups of physicians obtained thru the use of these agencies are covered.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Name of Vendor:</th>
<th>various</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Price:</th>
<th>Sup to $50 million total</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>6. Term of Contract:</th>
</tr>
</thead>
<tbody>
<tr>
<td>From: various</td>
</tr>
<tr>
<td>To: up to January 30, 2008</td>
</tr>
</tbody>
</table>

|-----------------------------|

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

There has been an increase in the need for contracted physicians to provide on-call coverage as well as other physician services described above. On-call coverage contracts will be offered to all physicians who are members of the medical staff and have privileges in the needed specialty. Competition does not exist for these on-call contracts.

In addition to on-call services, physicians provide various services to HHSC via contract, including clinical, administrative, and consulting services. For all physician services, there is little competition due to a number of factors including the location of the facilities in rural areas. Therefore, solicitation utilizing the professional services list method have not yielded any results. No physicians have submitted their qualifications and expressions of interest in response to our professional services solicitations, which have been open for 17 months. Physicians generally do not respond to procurement solicitations, including RFIs, but are recruited utilizing recruitment agencies and word of mouth and because they chose to live in a particular area. Most HHSC facilities are in rural areas, which makes it even more difficult to attract physicians utilizing the traditional 103D methods. Since alternative procurement is the general practice due to no response to solicitations, it is more efficient to grant a blanket exemption. This will save employee time in drafting and processing alternative procurement documents for each contract.

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

On call services will be offered to physicians in most specialties who are credentialed in the needed field and members of the medical staff.

HHSC will conduct competitive solicitation where it is feasible and expected to result in competition, as determined by the contract manager. HHSC will continue to seek physicians to provide the coverage and will conduct a competitive solicitation where it appears that there is more than one viable provider expressing interest in providing the service and where an exclusive contract is necessary. Exclusive contracts will not be awarded unless the Board of Directors makes a determination that is in HHSC's best interest to award an exclusive contract in order to attract providers of the needed services. A fair market value negotiation and evaluation process is strictly adhered to when contracting for these health care services and is reviewed by the Corporate Compliance Office in order to ensure that no vendor is overpaid, which also furthers competition. The contracts will be entered on the State PRS as CPO granted exemptions. Tax clearance requirements of Chapter 103-53 HRS will be followed.
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

10. A description of the agency’s internal controls and approval requirements for the exempted procurement:
The Regional CFOs, Regional CEO, Corporate COO/CFO, and Pres/CEO and trained contract managers will all be involved in awarding the contracts. The Medical Directors of the facilities will also be involved.

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Involvement in Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas Driskill, Jr.</td>
<td>Pres/CEO</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Kelley Roberson</td>
<td>COO/CFO</td>
<td>☐ Approval ☐ Administration</td>
</tr>
<tr>
<td></td>
<td>Regional</td>
<td>☐ Administration</td>
</tr>
<tr>
<td></td>
<td>CEO’s (5)</td>
<td>☐ Administration</td>
</tr>
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<td></td>
<td>Regional</td>
<td>☐ Administration</td>
</tr>
<tr>
<td></td>
<td>CFO’s (5)</td>
<td>☐ Administration</td>
</tr>
<tr>
<td></td>
<td>Regional</td>
<td>☐ Administration</td>
</tr>
<tr>
<td></td>
<td>Medical</td>
<td>☐ Administration</td>
</tr>
<tr>
<td></td>
<td>Directors (5)</td>
<td>☐ Administration</td>
</tr>
</tbody>
</table>

13. Direct inquiries to:
   Department: Contract Management
   Contact Name: Alice Hall
   Phone Number: 733-4168
   Fax Number: 733-4460

14. This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: YES ☑ NO ☐

Agency shall ensure adherence to applicable administrative and statutory requirements

15. I certify that the information provided above is, to the best of my knowledge, true and correct.

Signed: [Signature]
Kelley C. Roberson
COO & CFO
10/27/06

Department Head

16. Date Notice Posted: 10-31-06

The Chief Procurement Officer 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 calendar days or as otherwise allowed from the above posted date to: Thomas Driskill, Jr, HRSC, 3675 Kilauea Ave., Honolulu, HI 808-733-4151.

Chief Procurement Officer's comments:

☐ APPROVED ☐ DISAPPROVED

Chief Procurement Officer

Date
HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT

1. TO: Chief Procurement Officer
2. FROM: Alice Hall, Exec. Director of Contract Management
   Department/Division/Agency
3. Name of Contractor: Various
4. P.E. Reference No. 06-035
5. Description of goods, services, or construction:
   Physician services of all types for all facilities – see original exemption.
6. Scope of work for the contract is revised as follows:
   n/a – no change
7. Original Contract Price: $50 million total
   Amended Contract Price: $0 change
8. Reason: These amendment(s) are necessary because:
   To change the expiration date from January 30, 2008 to January 30, 2009
9. Direct questions to: Alice Hall
   Phone: 808-733-4168
   Agency shall ensure adherence to applicable administrative and statutory requirements.
   Pursuant to § 103D-102, HRS, and § 3-129-5, HAR, I certify that the
   information provided above is, to the best of my knowledge, true and correct

   Alice Hall
   12/6/06
   Department Head
   Date

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: Chief Procurement Officer

   HIISC
   3675 Kilauea Ave.
   Honolulu, HI 96816

12. Chief Procurement Officer's Comments:

   [Signature]
   12/5/06
   Chief Procurement Officer
   Date

   HHSC Policy No. PUR 0017
   November 1, 2006
   PUR 006
HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT

1. TO: Chief Procurement Officer

2. FROM: Alice Hall, Exec. Director of Contract Management

3. Name of Contractor: Various

4. P.E. Reference No. 06-035

5. Description of goods, services, or construction:
   Physician services of all types for all facilities — see original exemption.

6. Scope of work for the contract is revised as follows:
   n/a — no change

Original Contract Price: Up to $50 million total
Amended Contract Price: No change

7. Reason: This amendment(s) are necessary because:
   To change the expiration date from January 30, 2008 to January 30, 2009

8. Direct questions to: Alice Hall
   Phone: 808-733-4168

Agency shall ensure adherence to applicable administrative and statutory requirements.

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

Alice Hall
Department Head
Signature
Date: 12/6/06

Date Posted: 12-6-06

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    3675 Kilauea Ave.
    Honolulu, HI 96816

12. Chief Procurement Officer’s Comments:

☑ APPROVED ☐ DISAPPROVED

Chief Procurement Officer
Signature: [Signature]
Date: 12/15/06

HHSC Policy No. PUR 0017
November 1, 2006
PUR 006
HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS

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4. Name of Vendor: Various
Address:

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Sup to $50 million total

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From: Various
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11. P.E. No. _______
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

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<td>Pres/CEO</td>
<td>X</td>
<td></td>
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<td>Kelley Roberson</td>
<td>COO/CFO</td>
<td>X</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Regional Medical Directors (5)</td>
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13. Direct inquiries to:
Department: Contract Management
Contact Name: Alice Hall
Phone Number: 733-4168
Fax Number: 733-4460

14. This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: YES □ NO □
Agency shall ensure adherence to applicable administrative and statutory requirements.

15. I certify that the information provided above is, to the best of my knowledge, true and correct.

[Signature]
Kelley C. Roberson
COO & CFO
10/27/06

Date

16. Date Notice Posted 10-31-06

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Chief Procurement Officer's comments:

☑ APPROVED □ DISAPPROVED

[Signature]
Chief Procurement Officer
10/1/06

Date