

EX 06-06



**STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS**

1. TO: Chief Procurement Officer
2. FROM: Orianna Skomoroch, HHSC Regional CEO—Kauai

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:

The Kauai Region of HHSC desires to enter into a rental agreement for three pieces of medical equipment:

1. Portable x-ray machine
2. Pulmonary Function Test Machine plus treadmill (PFT machine)
3. Mammography machine

4. Name of Vendor: Academic Capital Government Finance, Inc.

Address: 40 N Wells Street, Ste. 500
Chicago, IL 60606-3410

5. Price:

\$171,583.23

6. Term of Contract: From: 5/1/06
To: 4/30/11

7. Prior Exemption Ref. No.
NA

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:

The Kauai Region of HHSC issued three separate procurement requests (PR) for the above-referenced equipment. The PR for the portable x-ray machine was issued on 3/17/06; the PR for the PFT machine was re-issued on 3/8/06 (when the financing method was changed from purchase to rental); the PR for the mammography machine was issued on 11/2/05 and re-issued on 3/15/06 (when the financing method was changed from purchase to rental). Written quotes were obtained from vendors pursuant to HHSC policy for contracts less than \$100,000. When the bids were received, Academic Capital was the lowest bidder in all three cases; the combined rental agreement costs were \$171,583.23. The hospitals in the Kauai region require the three pieces of equipment to be in place no later than May 31 because: 1) the new emergency room at SMMH will open May 10 and requires the portable x-ray machine. Continued on next page. 2) a new cardiologist is holding clinic at

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

Three written quotes were obtained from various vendors. Academic Capital was the lowest bid in all three cases.

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

The Kauai Regional Contracts Manager solicited the bids from possible vendors to do the rental agreement. The proposed rental agreement will be reviewed by Corporate legal staff to ensure compliance with all applicable laws and HHSC policies. The HHSC Corporate Contracts Manager and the State Procurement Office have been consulted to ensure compliance to the fullest possible extent with 103D. The final rental agreement will be reviewed by the Kauai Regional CFO and signed by the Kauai Regional CEO only upon approval of Corporate legal staff, the Regional CFO, and the contracts manager.

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

12. 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	
Orianna Skomoroch	HHSC Regional CEO--Kauai	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Mike Perel	HHSC Regional CFO--Kauai	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
David Lane	Kauai Regional Contracts Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Alice Hall	HHSC Corporate Contracts Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
HHSC Corporate Legal Staff		<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to: Department: Kauai Regional Contracts Manager
 Contact Name: David Lane, Ph.D.
 Phone Number: 808-338-9468
 Fax Number: 808-240-2745

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.

Orianna Skomoroch
 Department Head

4-6-06
 Date

15. Date Notice Posted 4-6-06

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:

Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

Chief Procurement Officer's comments:

16. APPROVED DISAPPROVED

Designee

Thomas Driskill, Jr.
 Chief Procurement Officer Date

Thomas Driskill, Jr. President/CEO HHSC

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)**8. CONTINUED FROM ABOVE**

2) a new cardiologist is holding clinic at WKMC and requires the PFT for patient assessment, and; 3) KVMH's current mammography equipment's certification ends on May 31st and the new mammography equipment is required to be in place at the time. Going out with an IFB for this equipment is impractical as without this equipment, essential and critical medical services in Kauai will be at jeopardy, or impossible to perform; 4) all of this equipment needs to be in place on an expedited basis or patient care will be adversely affected 5) further competition via an IFB would not accomplish a better procurement than the quote process already utilized based on the specifications needed and the limited number of acceptable vendors.