

EX 06-09



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

1. TO: Chief Procurement Officer
2. FROM: Hawaii Health Systems Corporation dba Hilo Medical Center

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:

Unit doses of radioactive nuclides used for Nuclear Medicine procedures at Hilo Medical Center

4. Name of Vendor: Pacific Radiopharmacy, Ltd.
Address: 347 North Kuakini Street
Honolulu, Hawaii 96817

5. Price:
\$250,000.00

6. Term of Contract: From: May 10, 2006 To: May 9, 2007

7. Prior Exemption Ref. No.

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

Pacific Radiopharmacy is the only commercial supplier of radioactive nuclides in the State of Hawaii. The half life (the time it takes for half a nuclei in a radioactive isotope to undergo decay) of radioactive nuclides makes it impossible to purchase unit doses from the mainland. If we were forced to purchase nuclides from the mainland, we would have to purchase 4-5 times the (radio)activity that we would otherwise purchase in Hawaii because of the decay that would occur to the nuclide during the shipping process. This would increase our cost for the same product over \$600,000 versus the \$250,000 we anticipate spending.

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

Pacific Radiopharmacy, Ltd., is the only nuclear pharmacy licensed (by the Nuclear Regulatory Commission and the State of Hawaii Department of Health's Noise & Radiation Branch) in Hawaii. Although there are other vendors in Washington, Oregon and California that supply radiopharmaceuticals, purchasing from Pacific Radiopharmacy rather than West Coast vendors would allow us the ability to buy a decreased (radio)activity of the same nuclide because the nuclide would not decay as rapidly as a nuclide shipped from the mainland.

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

Hilo Medical Center (HMC) will confirm with the Nuclear Regulatory Commission and the State of Hawaii Department of Health's Noise & Radiation Branch on an annual basis whether or not any other firms have been provided licenses/permits to do business as a nuclear pharmacy in the State of Hawaii. If licenses/permits have been issued, HMC will solicit price lists from Pacific Radiopharmacy and its competitor(s) to determine which firm has the lowest cost of goods that are required by the Nuclear Medicine Department, and will purchase goods from the most responsive and responsible firm with the lowest cost.

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

Debbie Kaina	Director, Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Julie-Beth Ako	Director, Clinical Support Services	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Ronald Schurra	Regional Chief Executive Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Waiola Fields	Lead Nuclear Medicine Technologist	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Vacant at this Time	Director of Radiology	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Julie Rukstad	Chief Financial Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: Administration
 Contact Name: Julie-Beth Ako
 Phone Number: (808) 974-4743
 Fax Number: (808) 974-4746

Agency shall ensure adherence to applicable administrative and statutory requirements

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

Julie-beth ako
 Department Head

04-27-2006
 Date

15. Date Notice Posted 5-1-06

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

[Signature] 05/10/06
 Chief Procurement Officer Date