

EX 06-11



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

1. TO: Head of Purchasing Agency
2. FROM: Donald Lewis - Kona Community Hospital (KCH) Regional CEO

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:

Vendor (a physicians group) currently provides on-site "hospitalist" coverage twenty-four hours per day, seven days per week with qualified Physicians and Mid-Level Providers sufficient to meet KCH's patient care needs, including:

- history and physical examinations on medical patients;
- daily rounds and progress notes;
- medical diagnosis and treatment;
- admissions (which shall be performed by physicians), transfers, treatments, and discharges;
- pediatric neonatal resuscitation;
- consultations on emergency department, psychiatric, surgical and general medicine patients;
- EKG interpretations on patients for whom physician(s) is rendering direct care;
- Performance of (by consulting appropriate KCH medical or surgical specialists) the following: central and arterial line placements, intubation, airway management, ventilator management, thoracentesis, chest tube insertion, lumbar puncture, paracentesis, treadmill stress testing, Swan-Ganz catheter placements, elective cardioversions, arthrocentesis, and flexible sigmoidoscopies, and
- other procedures and treatments for which the physicians and Mid-Level Providers are appropriately credentialed to perform.

<p>4. Name of Vendor: Primary Critical Care Medical Group Address: 6180 Laurel Canyon Blvd, Suite 325, North Hollywood, California</p>	<p>5. Price: \$142,500</p>
<p>6. Term of Contract: From: July 1, 2006 To: Jan 1, 2007</p>	<p>7. Prior Exemption Ref. No.</p>

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State: KCH and an affiliated hospital, Hilo Medical Center (HMC), are currently reviewing proposals for replacement hospitalists services at both KCH and HMC. Although the Request for Proposal (RFP No. FY06-218) was issued in a timely fashion, the evaluation process is proceeding at a pace slower than what was originally anticipated. Therefore, it is doubtful that the two hospitals will be able to make a decision regarding a new hospitalists contract before the expiration date of the existing contract with this same vendor, which is June 30th, 2006. Furthermore, even if a decision is made within the next couple of weeks, it is doubtful that either the incumbent or a new vendor will be able to transition the additional physicians needed under a new staffing model before this expiration date. Therefore, KCH is requesting that the SPO allow a new contract to be issued to the incumbent, Primary Critical Care, for a six month period to allow the RFP evaluation process to complete.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
As explained in item 8, above, there is an RFP currently under evaluation for these services. However, since the award of the services is a very complicated decision, involving patient care, patient quality of care and patient safety issues, the evaluation and subsequent award will take considerably longer than anticipated. However, the process is (and has been) managed in complete compliance with state procurement statutes and rules ensuring that a fair and open competition will result in the best vendor being awarded this very critical service.

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

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 HHSC (parent legal entity of both KCH and HMC) is very award of state procurement statutes and rules and all of its management and procurement personnel are constantly striving for fair and open competition for needed services.

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	
Donald Lewis	Regional CEO - KCH	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Dona Martinson	Director of Nursing	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Dr. Barry Blum	Medical Director	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: Contracts Department
 Contact Name: Deborah Miller
 Phone Number: 322 6938
 Fax Number: 322 6940

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.

Donald Lewis

5/19/06

Department Head

Date

16. Date Notice Posted 5/19/06

The Head of the Purchasing Agency 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:
 Head of Purchasing Agency
 HHSC
 3675 Kilauea Ave.
 Honolulu, Hawaii 96816

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

Head of Purchasing Agency's comments:

17.

APPROVED DISAPPROVED

[Handwritten Signature] *05/29/06*

 Head of Purchasing Agency Date