

EX 06-15A



STATE PROCUREMENT OFFICE NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS, CONTRACT

1. TO: Head of Purchasing Agency
2. FROM: Kelley Roberson, COO & CFO, HHSC
Department/Division/Agency

3. Name of Contractor: Powell Goldstein

4. P.E. Reference No.

5. Description of goods, services, or construction:
Services of Mr. Larry Gage and other employees of Powell Goldstein, including information and advice to HHSC Board of Directors and management on strategic and tactical issues concerning structuring operations and competitive issues.

6. Scope of work for the contract is revised as follows:
Scope of work remains unchanged. Volume of work required has increased.

Original Contract Price: \$578,000.00 Amended Contract Price:
\$250,000.00

7. Reason: This / These amendment(s) are necessary because:
The demands for services and advice from Mr. Larry Gage and others at Powell Goldstein concerning structuring operations and competitive issues, including certificate of need process issues, has exceed original estimates. It is now estimated total demands could result in total expenditures up to \$250,000.

8. Direct questions to: Kelley Roberson Phone: 808-733-4171

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

Kelley Roberson August 21, 2006
Department Head Date

Date Posted: 8-21-06

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

[Signature] 08/29/06
Head of Purchasing Agency Date
13. P.E. No.

EX 06-15



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

1. TO: Head of Purchasing Agency
2. FROM: Hawaii Health Systems Corporation

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:

a. Description of goods, services or construction:

For Services of Mr. Larry Gage to provide consultation and information and advice to HHSC Board of Directors and management on strategic and tactical issues concerning structuring operations and competitive issues.

4. Name of Vendor: Powell Goldstein
Address: Sixth Floor, 1001 Pennsylvania Ave. NW
Washington, D.C. 20004-2505

5. Price:
\$78,000.00

6. Term of Contract: From: June 19, 2006 To: June 18, 2007

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:
Mr. Gage is uniquely qualified to advise HHSC Governance and management on strategic and structural issues because of his experience in participating in the Blue Ribbon Commission that advised the Legislature and the Governor on the establishment of HHSC and his invaluable perspectives from long term service as President of the National Association of Public Hospitals (NAPH). Procurement of other advisors would not be practical because no other health care leader/attorney has the unique, personal, extensive experience with the creation of the HHSC, the political issues involved, and the stated intent of the parties. The interaction of his decades of experience as premier healthcare attorney and President of the NAPH with his experience during the establishment of HHSC provide an insight concerning what is appropriate for public hospitals based on his experience with other public hospitals and what is appropriate and possible for public hospitals in Hawaii.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
Management will review availability of other healthcare leaders and/or attorneys with extensive experience at the national level with the operations and challenges and strategies used in public hospitals and also the knowledge and personal experience with the process that led to the creation of HHSC.

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

The Director for Contract Management reviews request for Exemption for sufficiency prior to submission to the President and CEO for action.

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
Kelley Roberson	CFO/COO	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Thomas M. Driskill, Jr.	President and CEO	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Wesley Lo	Maui Regional CEO	<input type="checkbox"/> Approval <input 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: Corporate
 Contact Name: Kelley Roberson
 Phone Number: 808-733-4171
 Fax Number: 808-733-4664

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.

Kelley Roberson COO & CFO
 Kelley C. Roberson
 Department Head
 Date: 05/30/06

16. Date Notice Posted 5-31-06

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

Head of Purchasing Agency's comments:

17. APPROVED DISAPPROVED

[Signature]
 Head of Purchasing Agency
 Date: 05/31/06