

EX 06-38



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

1. TO: Head of Purchasing Agency

2 FROM: Operating Room

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:

Orthopedic and Neuro/Spinal allograft or synthetic grafts.

4. Name of Vendor: Musculoskeletal Transplant Foundation

Address: 125 Mayo Street, suite 300
Edison, NJ 08837

5. Price:

\$50,000

6.

Term of Contract: From: 12 Months

To:

7. Prior Exemption Ref. No.

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

MTF (Musculoskeletal Transplant Foundation) is non-profit organization that provides safe, high quality allografts, bone fillers and structural grafts. These are used for bone defects, trauma, tumor resection, bone revision, spinal fusion etc.. It is nationally the largest AATB (American association of tissue banks) accredited tissue bank having impeccable safety records that have met and exceeded all established AATB guidelines; never having any disease transmission. MTF is affiliated with State of Hawaii organ procurement organizations. The Ortho and Neuro surgeons are trained and rely on MTF to provide the most comprehensive selection enabling them to better meet the needs of their patients and enhance quality of life.

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

The term of the exemption will be for a total of a one year period at which time the hospital will re-evaluate the current services and determine if alternate options become available that would be more advantageous for the hospital. Based on the availability of resources, information and research the best procurement practice will be completed.

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

This exemption shall be from HRS, Section 103-302 all other guidelines, rules and policies under Chapter 103D shall be upheld. HHSC Policies and procedures will be followed and periodic reviews of contract action will be completed.

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
Wesley Lo	Chief Executive Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Patrick Saka	Chief Financial Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Lorraine Borsum	Director of Surgical Services	<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: Contracting
 Contact Name: Nancy Delima
 Phone Number: 243-3091
 Fax Number: 242-2773

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] *cro/cfo* *10/19/06*
 Department Head *Pat Saka* Date

16. Date Notice Posted 10-20-06

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
 IHSC
 3675 Kilauea Ave.
 Honolulu, Hawaii 96816

Head of Purchasing Agency's comments:

17. APPROVED DISAPPROVED *[Signature]* *10/30/06*
 Head of Purchasing Agency Date