

EX 07-002

**HAWAII HEALTH SYSTEMS CORPORATION
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS**

- 1 TO: Chief Procurement Officer
2 FROM: Ronald J. Schurra, Chief Executive Officer, East Hawaii Region

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-130, HAR, the Department requests a procurement exemption to purchase the following:

3 Description of goods, services or construction:

Hilo Medical Center (HMC) requires expert assistance in interpreting and operationalizing the standards for Joint Commission on Accreditation for Healthcare Organizations (JACHO) for a variety of health care programs including but not limited to acute care and home care. HMC contracts with independent consultants to provide the expertise to assess performance relative to JACHO standards, and provide guidance & staff education to address potential noncompliance issues as well as track performance for periodic reviews.

4 Name of Vendor: TP Williams & Associates, Inc.

Address: 961 Hahaione Street, Suite 709, Honolulu, HI 96825

5 Price:

NTE \$264,190

6 Term of Contract: 1 yrs From: April 22, 2007 To: April 21, 2008

7 Prior Exemption Ref. No.

N/A

8 Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:

HMC executed 1 year contract with TP Williams in April 2005 inclusive of option to extend the agreement for two additional one-year periods through April 2008. As JACHO consulting services require a lengthy planning/implementation process to provide expertise needed to maintain JACHO accreditation, it would be neither practicable nor advantageous to the State to initiate a new competitive procurement action at this time. Before termination of this extended contract HMC will conduct a new procurement process compliant with 103D.

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

HMC initiated procurement of a JACHO consultant through a request for quotations in January 2005, receiving 4 proposals. The consultant selected, T.P. Williams has an existing relationship with the hospital and staff. The RFQ was conducted concurrent with implementation of new legislation requiring HHSC to comply with Chapter 103D, HRS. The service is essential and it would take time for a new vendor to develop the knowledge of HMC's operations. Thus conducting a new request for proposals at this time could cause unwarranted disruptions to the current compliance preparation activities and could result in negative impacts on the facility's accreditation.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 The Director of Contract Management reviews requests for exemptions for sufficiency prior to submission to the President and CEO for action. HHSC policies and procedures will be followed and periodic reviews of contract action will be completed. As stated, HMC will conduct a new competitive procurement for JACHO consulting services before the termination of this extension.

11. 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	
		Approval	Administration
Ronald J. Schurra	CEO, East Hawaii	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Julie Rukstad	CFO, East Hawaii	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gail Rhoades	Director of Quality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

12. Direct inquiries to:
 Department: Quality Control
 Contact Name: Gail Rhoades
 Phone Number: 974-6942
 Fax Number: 974-4746

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.

[Signature]
 Department Head (Print: Ronald J. Schurra)

Date: 1-26-07

Reserved for CPO/Delegee Use Only

14. Date Notice Posted: 1-26-07

The CPO 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 (7) calendar days or as otherwise allowed from the above posted date to: Chief Procurement Officer, HHSC, 3675 Kilauea Ave., Honolulu, Hawaii 96816

Chief Procurement Officer's comments:

I am approving this exemption in accordance with authority given to me by Thomas M. Driskill, Jr., President & CEO, to act on these matters in his absence.

15. APPROVED DISAPPROVED
 NO ACTION REQUIRED

[Signature] 02/05/07
 Chief Procurement Officer Date
 Kelley C. Robertson, COO & CFO