

EX 07-003

**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 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction: As part of its Corporate Integrity Agreement (CIA) with the Office of Inspector General (OIG) of the US Dept. of Health and Human Services, Hilo Medical Center (HMC) must engage the services of an Independent Review Organization (IRO) to assess and evaluate its obligations pursuant to the CIA. The IRO is typically required to perform services within 90-120 days of the effective date of the CIA.	
4. Name of Vendor: TBD Address:	5. Price: NTE \$200,000
6. Term of Contract: 3 yrs From: February 16, 2007 To: February 15, 2010	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 must execute a contract for IRO services immediately due to the time constraints of the CIA. Potential vendors must be an organization with expertise in healthcare compliance and must be approved by the federal government. Given the time frame and approval requirement, it is neither practicable or advantageous to the State to select a vendor through the normal competitive process of an RFP. <i>NOV</i>	
9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: A request for quotations on the scope of services will be sent to 3 qualifying IROs. Within 30 days after OIG received written notice of the identity of the selected IRO, OIG will notify HMC if the IRO is acceptable.	

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.

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	
Ronald J. Schurra	CEO, East Hawaii	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Julie Rukstad	CFO, East Hawaii	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Stephen Palmore	Compliance Officer	<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

12. Direct inquiries to: Department: Compliance
 Contact Name: Stephen Palmore
 Phone Number: 974-6913
 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]

1-26-7

Department Head (Print): Ronald J. Schurra

Date

Reserved for CPO/Delegee Use Only

14. Date Notice Posted

1-29-07

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 from the chapter 103D in accordance with authority given to me Tom Driakill to act in his absence. Kelley C.

15. APPROVED DISAPPROVED

NO ACTION REQUIRED

[Signature] 02/06/07
Chief Procurement Officer Date

Kelley C. Roberson
COO & CFO