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

1. TO: Chief Procurement Officer
2. FROM: Lyle S Kobashigawa
   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:
   Water Treatment Service:
   Vendor shall provide filtered water, maintenance service on owned and leased equipment, and be on-call 24 hour's. Vendor shall assure that all equipment is clean and repaired according to the FDA/ANSI/AAMI Standards.

4. Name of Vendor: Western Slope Water
   Address: 489 Ho'opalua Drive, Pukalani, HI 96738
5. Price: NTE $49,999

6. Term of Contract: 12 mos
   From: One year from date of signatures
   To:

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
   It has been determined by the Hospital that the Western Slope Water is the only vendor registered and certified to FDA 501k/ANSI/AAMI Standards and is located on the Island of Maui. The current vendor provides 24 hour on call service and maintenance for equipment located at the Hospital that is both leased and owned.

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 one (1) year period. During the term of this exemption the hospital will conduct research to determine if other vendors can provide these services, are certified and registered to FDA 501k/ANSI/AAMI Standards, and able to provide 24 hour on-call service. If the Hospital does make a determination that another vendor meets the above requirements an IFB or RFP would 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.

11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Involvement in Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wesley Lo</td>
<td>Regional CEO</td>
<td>X Approval</td>
</tr>
<tr>
<td>Patrick Saka</td>
<td>Regional CFO</td>
<td></td>
</tr>
<tr>
<td>Nancy Delima</td>
<td>Sr Contracts Manager</td>
<td></td>
</tr>
</tbody>
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12. Direct inquiries to:
   Department: Purchasing
   Contact Name: Lyle Kobashigawa
   Phone Number: 808-442-5467
   Fax Number: 808-242-2773

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]  4/3/07

   [Department Head (Print: [Name])]

14. Date Notice Posted 4-3-07

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:

15. [ ] APPROVED  [ ] DISAPPROVED
    [ ] NO ACTION REQUIRED

   [Signature]  [Date]

HHSC PUR Policy 0017    Nov 2006    PUR 007