

EX07-021

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

1. TO: Chief Procurement Officer  
2. FROM: Hawaii Health Systems Corporation d.b.a Hilo Medical Center

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: Unit doses of radioactive nuclides used for Nuclear Medicine procedures at Hilo Medical Center.	
4. Name of Vendor: Pacific Radiopharmacy, Ltd.  Address: 346 N. Kuakini Street Honolulu, HI 96817	5. Price: \$ 250,000/ year
6. Term of Contract: From: 05/10/2007 To: 05/09/2008	7. Prior Exemption Ref. No. 06-09
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:  Pacific Radiopharmacy is the only commercial supplier of radioactive nuclides in the State of Hawaii. The half life (the time required for half a nuclei in a radioactive isotope to undergo decay) of radioactive nuclides makes it impossible to purchase unit doses from the mainland. If we were forced to purchase nuclides from the mainland, we would need to purchase 4 – 5 times the radioactive material we would otherwise purchase in Hawaii due to the decay that would occur during the shipping process.	
9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:  Pacific Radiopharmacy Ltd. is the only nuclear pharmacy licensed (by the Nuclear Regulatory Commission and the State of Hawaii Department of Health, Noise & Radiation Branch) in Hawaii. Although there are other vendors in Washington, Oregon and California that supply radiopharmaceuticals, purchasing from Pacific Radiopharmacy rather than a West Coast vendor would allow us the ability to buy a smaller amount of the same nuclei as the nuclei will not decay as much as nuclei shipped from the mainland.	

10. A description of the agency's internal controls and approval requirements for the exempted procurement:  
 Hilo Medical Center (HMC) will confirm with the Nuclear Regulatory Commission and the State of Hawaii, Department of Health's Noise & Radiation Branch on an annual basis whether or not any other firms have been licensed or provided permits to do business as a nuclear pharmacy in the State of Hawaii. If licenses/permits have been issued, HMC will solicit price lists from Pacific Radiopharmacy and its competitor(s) to determine which firm has the lowest cost of goods that are required by the Nuclear Medicine Department, and will purchase goods from the most responsive and responsible firm with the lowest cost.

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	Regional Chief Executive Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Julie Rukstad	Regional Chief Financial Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Reyn Cabarloc	Director of Radiology	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Wialoa Fields	Lead Nuclear Medicine Technologist	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Julie-Beth Ako	Director, Clinical Support Services	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Debbie Kaina	Director, Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration

12. Direct inquiries to:  
 Department: Administration; Contract Management  
 Contact Name: Gary L. Callahan  
 Phone Number: 808- 933-2775  
 Fax Number: 808-933-2793

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.

Department Head (Print: Ronald J. Schurra ) Date 04/25/07

Reserved for CPO/Delegee Use Only

14. Date Notice Posted 4-26-07

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 have approved this request for exemption in accordance with authority given to me by Tom Driskill to act in his absence.*

15.  APPROVED  DISAPPROVED

NO ACTION REQUIRED

*[Signature]* HHSC COO & CFO  
Chief Procurement Officer Date

*MAY 7, 2007*