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

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. | 5. Price: $ 250,000/ year |
| Address: 346 N. Kuakini Street Honolulu, HI 96817 |

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 is 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:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Involvement in Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald J. Schurra</td>
<td>Regional Chief Executive Officer</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Julie Rukstad</td>
<td>Regional Chief Financial Officer</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Reyn Cabarcoc</td>
<td>Director of Radiology</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Wialoa Fields</td>
<td>Lead Nuclear Medicine Technologist</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Julie-Beth Ako</td>
<td>Director, Clinical Support Services</td>
<td>☐ Approval ☑ Administration</td>
</tr>
<tr>
<td>Debbie Kaina</td>
<td>Director, Materials Management</td>
<td>☑ Approval ☐ Administration</td>
</tr>
</tbody>
</table>

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.

[Signature]  
04/25/07

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: [Handwritten note: I have approved this request for exemption in accordance with authority given to me by Tom Drickel to act in his absence.]

15. ☐ APPROVED ☐ DISAPPROVED ☐ NO ACTION REQUIRED

[Signature]  
May 7, 2007

HHSC PUR Policy 0017  Nov 2006  PUR 007