

05/15/2007 08:39 IFAX

→ EMMITT

001/003

EX 07-23

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

1. TO: Chief Procurement Officer
2. FROM: **Kona Community Hospital**

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: Specialized hospital site preparation and construction services for the removal of existing radiographic equipment and installation of high precision radiographic equipment to include; one (1) Luminos TF Digital Radiographic & Fluoroscopic Room , one (1) Multix TOP Radiographic Room.	
4. Name of Vendor: Siemens Medical Solutions USA, Inc. Address: 6700 Koll Center Parkway, Suite 220 Pleasanton, CA 94566	5. Price: \$408,696.17
6. Term of Contract: From: May 2007 To: January 2008	7. Prior Exemption Ref. No.
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State: The highly sophisticated radiographic equipment referenced above was competitively solicited through HHSC Group Purchasing Organization (GPO) with Siemens Medical Solutions USA Inc. (Siemens) being awarded the contract to provide the radiographic equipment and associated installation services. However, the specialized construction services for the removal and installation of the radiographic equipments is not part of the Siemens GPO contract, therefore HHSC is required to follow HRS 103D for goods and services not under GPO contract. (Continue on Page 3)	
9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Siemens was selected under a competitive solicitation and awarded a contract for removal and installation services of specialized radiographic equipment. Although there are other general construction vendors within Hawaii, Siemens requires contractors with advance knowledge and skills with radiographic and fluoroscopic equipment remove and installation for this highly technical equipment within the precision and close tolerances approved Siemens.	

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 procedure 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	
Donald Lewis	Regional CEO, West Hawaii	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Earl Greenia	Regional COO, West Hawaii	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Raymond Liu	Regional CFO, West Hawaii	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Melody Sullivan	KCH Ultrasound Tech	<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

12. Direct inquiries to: Department: Contracts Manager
 Contact Name: Christian Butt
 Phone Number: 808-733-9074
 Fax Number: 808-733-4460

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.

Earl Greenia

5/22/07

Department Head (Print: EARL GREENIA, COO)

Date

Reserved for CPO/Delegee Use Only

14. Date Notice Posted 5-14-07

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] 05/23/07
 Chief Procurement Officer Date

05/15/2007 08:39 IFAX

→ EMMITT

003/003

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

It's in HHSC best interest to maintain the burden against Siemens for the specialized installation and removal services for the radiographic equipment to the specialized construction vendor(s) selected by Siemens for their highly sophisticated radiographic equipment. The installation of a Radiographic & Fluoroscopic Room and a Multix TOP Radiographic Room is a specialized area and equipment vendor's can and will refuse to work with other vendor(s) that HHSC would select since they would not be inherently familiar with the types of sophisticated installation service required by Siemens.

It is neither practicable nor advantageous to the state or HHSC to competitively bid the installation services of the above reference precision equipment since the installation services are ultimately the responsibility of Siemens.