

EX-07-028
Revised

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

1. TO: Chief Procurement Officer
2. FROM: Maui Memorial 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:

Recombinant blood factors for use in the treatment of Hemophilia A.

4. Name of Vendor: Caremark

Address: 2211 Sanders Road, Northbrook, IL 60062

5. Price:

\$ 300,000

6. Term of Contract:

From: Date of Contract Execution

To: Two Years

7. Prior Exemption Ref. No.

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

It is in the State's best interest to buy directly from this vendor without requiring a formal competitive process because Caremark, which has a Hawaii-based distribution center, is the vendor currently used by the Blood Bank of Hawaii. As such, the vendor is able to provide the very expensive product, which must be kept on hand at all times despite its low usage record, with a short turn-around time when needed. Other Hawaii-based vendors do not routinely keep the product in stock and readily available, and if needed, require a delay as the product is delivered from the mainland.

Most advantageous to the State is the potential cost savings due to the fact that the vendor is able to provide the product, which is rarely needed, on a consignment basis. Thus, MMMC would be charged for the product when is dispensed, versus upon order. The hospital is able to return the product to the vendor without cost upon expiration, and is spared the expense of maintaining the expensive product in inventory.

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 two (2) year period. During the term of this exemption the hospital will conduct research to determine if other vendors could provide these services on a short turnaround schedule and on consignment. 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 Polices and procedures will be followed and periodic reviews of contract action will be completed.

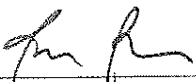
11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
Wesley Lo	Regional Chief Executive Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Pat Saka	Regional Chief Financial 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
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to: Department: Contract Manager
Contact Name: Andrew Alvarez
Phone Number: 808- 442-5212
Fax Number: 808-442-5462

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: PATRICK SAKA) (CAO/CFO) Date 7/16/07

Reserved for CPO/Delegee Use Only

14. Date Notice Posted 7-16-07

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 exemption according to authority granted to me by Tom Driskill to act on these matters in his absence. Explanation/Justification for exemption in block 8, is well-stated. - KCR

15. APPROVED DISAPPROVED

Kelley C. Roberson
Chief Procurement Officer Date 07/24/07

NO ACTION REQUIRED