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

TO: Chief Procurement Officer
FROM: Patrick Sakai, MMMC Chief Operating Officer
Department Division Agency
Pursuant to 103D-110(h) (3)(a), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

Description of goods, services or construction:

Recruitment of physicians for permanent placement with HHSC. Specifically, the vendor shall have expertise and capability to recruit and place physicians including, but not limited to cardiovascular surgery, intervention, or skills related to the establishment or implementation of cardiovascular surgery program.

Name of Vendor: SH Consulting LLC
Address: Pauahi Tower, 1003 Bishop Street, Suite 1180
Honolulu, HI 96813

Term of
Contract: From: Execution To: March 15, 2008

5. Price: n/a - amount can be covered under existing NTE in current contract


Ex. 08-006

Cardiovascular surgery is a highly specialized field with a limited number of qualified providers. Those willing to subject themselves to a governmental procurement process and the time in delays required to make a competitive award further limit this subset. Negotiations to entice a qualified and highly regarded practitioner are extremely delicate and not subject to delay or a lengthy or cumbersome process. Because the field of candidates is so limited, and such highly qualified candidates have other options, competition is futile and may jeopardize the State's ability to secure providers of the caliber necessary for the project.
Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Able and qualified recruiters were consulted, however, in this situation it is the qualifications of the physician offered rather than the agency that is the determining factor. As time is of the essence in securing the desired physician in a very dynamic and highly competitive environment, competition is of secondary consideration.

A description of the agency's internal controls and approval requirements for the exempted procurement:

The request is first reviewed and approved by the CEO of the Maui Memorial Medical Center. It is then reviewed and approved by the Corporate Contracts Office. Final approval is reserved by the Corporate CEO Chief Procurement Officer

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>CEO MMMC</td>
<td>☒ Approval ☐ Administration</td>
</tr>
<tr>
<td>Christian Butt</td>
<td>Senior Contracts Manager</td>
<td>☐ Approval ☒ Administration</td>
</tr>
<tr>
<td>Joe Fyodorff</td>
<td>Corporate Contracts Director</td>
<td>☒ Approval ☐ Administration</td>
</tr>
<tr>
<td>Kelley Roberson</td>
<td>CFO/COO</td>
<td>☒ Approval ☐ Administration</td>
</tr>
<tr>
<td>Thomas Driskill</td>
<td>CEO/CPO</td>
<td>☒ Approval ☐ Administration</td>
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Department: Corporate Contracts
Contact Name: Christian Butt
Phone Number: (808) 733-9074
Fax Number: (808) 733-4460

Direct inquiries to:

This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: YES ☐ NO ☒

Agency shall ensure adherence to applicable administrative and statutory requirements

November 1, 2006
I certify that the information provided above is, to the best of my knowledge, true and correct.

[Signature]

Date: 10/18/07

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The Head of the Purchasing Agency 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:

- [ ] APPROVED
- [ ] DISAPPROVED

[Signature]

Chief Procurement Officer

Date: November 1, 2006

HHSC Place No. PUR 0017

PUR 007