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

1. TO: Chief Procurement Officer
2. FROM: Jeanne Rabold, Special Procedures Supervisor, Imaging Dept, Maui Memorial Medical Center

Department/Division/Agency
Pursuant to HRS 103D-102(b)(3), 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 Maui Memorial Medical Center. See attached list of radiopharmaceutical drugs currently acquired through Pacific Radiopharmacy.

4. Name of Vendor: Pacific Radiopharmacy, Ltd.
Address: 347 North Kukui Street
Honolulu, Hawaii 96817

5. Price: $300,000

6. Term of Contract: From: 3/1/08 To: One Year Upon approval

7. Prior Exemption Ref. No.: 07-008

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
Vendor is currently the only commercial supplier of radioactive nuclides in the State of Hawaii who is equipped to ship products to the other islands outside of Oahu. The half-life of product makes it difficult to purchase the product from a mainland distributor. If purchase occurs outside of Hawaii the product would need to be purchased in larger quantities due to the decay that would occur during shipping which in turn would double the estimated cost.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
Vendor is currently the only licensed vendor in the state of Hawaii. During the term of the exemption Maui Memorial Medical Center will continually check with Nuclear Regulatory Commission and the State of Hawaii Department of Health to determine if other vendors with approved licenses have established a business in the State. If licenses have been granted and another licensed vendor is willing and able to supply Maui Memorial Medical Center with the necessary radioactive nuclides, then a Request for Proposal will be published and the best procurement practice will 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 Policies 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:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Involvement in Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wesley Lo</td>
<td>Regional Chief Executive Officer</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Pat Saka</td>
<td>Regional Chief Operating Officer</td>
<td>☑ Approval ☐ Administration</td>
</tr>
</tbody>
</table>

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.

[Signature]

Date: 2/14/09

14. Date Notice Posted: 2-20-09

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:

[Signature]

Date: 2/24/09

[ ] APPROVED [ ] DISAPPROVED

[ ] NO ACTION REQUIRED

HHSC PUR Policy 0017 Nov 2006 PUR 007