

EX08-026

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

1. TO: Chief Procurement Officer  
2. FROM: Gary Callahan, Senior Contract Manager, Hilo 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: Unit doses of radioactive nuclides used for Nuclear Medicine procedures at Hilo Medical Center.	
4. Name of Vendor: Pacific Radiopharmacy, Ltd.  Address: 346 N. Kuakini Street Honolulu, HI 96718	5. Price: \$ 300,000.00 per year
6. Term of Contract: From: 05/10/08 To: 05/09/09	7. Prior Exemption Ref. No. 07-021
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 it impossible 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 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). Although there are other vendors in Washington, Oregon and California that supply radiopharmaceuticals, purchasing from Pacific Radiopharmach rather than a West Coast vendor would allow us the ability to buy smaller amounts of the same nuclei as the nuclei will not decay as dramatically as huclei shipped from the mainland.	

10. A description of the agency's internal controls and approval requirements for the exempted procurement:  
 HMC will confirm with the Nuclear Regulatory Commission and the State of Hawaii, Dept. of Health on an annual basis whether or not any other firms have been licensed or provided permits to do business as a nuclear radiopharmacy in the State. If licenses/permits have been issued, HMC will solicit price lists from all licensed radiopharmacies to determine which firm has the lowest cost of goods that are required by our Nuclear Med. Dept., and will purchase goods from the most responsive & responsible firm.

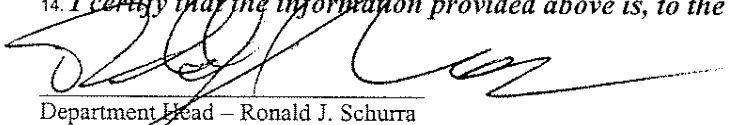
11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
Ronald J. Schurra	East HI Region, CEO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Money Atwal	East HI Region, CFO/CIO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Reyn Cabarloc	HMC, Dir. of Radiology	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Wialoa Fields	HMC, Lead Nuclear Tech.	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Julie-Beth Ako	HMC, Dir. Clinical Support Svcs.	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to: Department: Purchasing, Contract Management  
 Contact Name: Gary L. Callahan, Sr. Contract Manager  
 Phone Number: 808-933-2775 Fax Number: 808-933-9327

13. 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

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

  
 Department Head – Ronald J. Schurra

April 30, 2008  
 Date

Reserved for CPO/Delegee Use Only

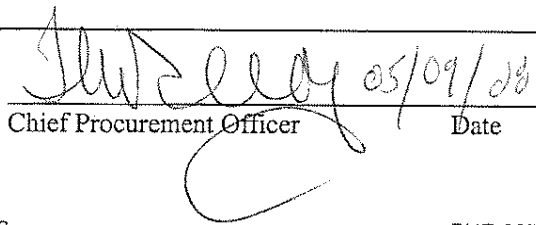
15. Date Notice Posted 5-1-08

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:

16.  APPROVED  DISAPPROVED

  
 Chief Procurement Officer Date