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-100(b)(4), HRS, and Chapter 3-120, HAP, 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
   Prior Exemption Ref. No. 07-021

7. 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.

8. 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 nuclei 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:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Involvement in Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald J. Schurra</td>
<td>East HI Region, CEO</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Money Atwal</td>
<td>East HI Region, CFO/CIO</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Reyn Cabarloc</td>
<td>HMC, Dir. of Radiology</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Wialoa Fields</td>
<td>HMC, Lead Nuclear Tech.</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Julie-Beth Ako</td>
<td>HMC, Dir. Clinical Support Svs.</td>
<td>☐ Approval ☒ Administration</td>
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Department: Purchasing, Contract Management
Contact Name: Gary L. Callahan, Sr. Contract Manager
Phone Number: 808-933-2775 Fax Number: 808-933-9327

12. 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

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

April 30, 2008

14. 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:

15. Date Notice Posted: 5-1-08

16. ☑ APPROVED ☐ DISAPPROVED

Chief Procurement Officer  05/09/08

HHSC Policy No. PUR 0017

November 1, 2006  PUR 007