

EX 09-001

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

- 1. TO: Chief Procurement Officer
- 2. FROM: Patrick Saka, Maui Memorial Medical Center Chief Operating Officer

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:

Maui Memorial Medical Center ("MMMC") would like to procure Commercial Real Estate Brokerage services to assist in securing subleases for approximately 15,000 square feet of office space in the building at 57 Maui Lani Parkway, Wailuku, Maui, Hawaii.

4. Name of Vendor: Kean Properties LLC

Address: P. O. Box 1306, Kihei, HI 96753

5. Price:

\$ to be negotiated

6. Term of Contract: From: 9/15/08 To: 9/15/11

7. Prior Exemption Ref. No.

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

Kean Properties ("Kean") was involved in assisting MMMC in securing a 15-year lease for the 21,000 square foot of office space at 57 Maui Lani Parkway ("MOB") in July 2008. MMMC is looking to engage Kean to contract with subtenants for portions of the office space. Kean is very well versed in the local commercial real estate market, especially within the healthcare provider field, and has had prior discussions with tenants who were interested in the office space leased by MMMC and expressed interest in becoming subtenants in the office space in the MOB, should space become available. MMMC is obligated to begin paying lease rent (approx \$53,000 per month) for the office space in October 2008 and it is in HHSC/MMMC/State's best interest to find subtenants who can begin paying for office space they will occupy in order to lessen the financial burden of the entire building's lease rent on MMMC. Kean will provide assistance to MMMC in finding and securing interested parties to fill the available office space.

MMMC also has a non-binding first-right-of-refusal to lease additional office space in two (2) to-be-built buildings with the landlord, HRT Realty, LLC on an adjacent property. MMMC would like to retain Kean to assist in subleasing all or a portion of those buildings to interested parties. Projected date of occupancy for those buildings is summer of 2011.

a. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

MMMC will conduct a fair market value assessment of services and pricing negotiated with Kean in order to assure that MMMC is receiving commercial real estate brokerage services at an appropriate cost.

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 and the HHSC Policies and procedures will be followed with periodic reviews of contract action.

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	
		X Approval	<input type="checkbox"/> Administration
Wesley Lo	MMMC Chief Executive Officer	<input type="checkbox"/> Approval	X Administration
Russ Johnson	MMMC Chief Financial Officer	<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: MMMC Administration  
 Contact Name: Patrick Saka  
 Phone Number: (808) 442-5104  
 Fax Number: (808) 442-5112

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

[Signature] Date 9/16/08  
 Department Head

15. Date Notice Posted 9-19-08

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

[Signature] 09/26/08  
 Chief Procurement Officer Date