

11/23/2008 13:22 IFAX jevanoff@hhsc.org

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

EX09-012

1. TO: Chief Procurement Officer
2. FROM: Kelley Roberson, COO/CFO

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:

<p>3. Description of goods, services or construction: All sutures and Endo-mechanical supplies as requested by members of the medical staff within the respective HHSC facilities.</p>	
<p>4. Name of Vendor: Covidien Address: 15 Hampshire Street Mansfield, MA 02048</p>	<p>5. Price: \$6M</p>
<p>6. Term of Contract: From: 1/1/09 To: 12/31/13</p>	<p>7. Prior Exemption Ref. No. NA</p>
<p>8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State: Endo mechanical equipment and sutures are used in a variety of surgical procedures within HHSC facilities. Endo mechanical products in particular, vary in their design and use between the two leading manufacturers [Covidien & Ethicon]. Over the past several years' the majority of physicians within the HHSC facilities had been using Covidien endo mechanical supply and sutures and have become accustomed to the physical characteristics of the Covidien endo mechanical/suture products. Currently, HHSC surgeons are comfortable in their knowledge and use of the Covidien products due to the product unique characteristics, special technology, physician training and knowledge of the product application and capabilities, and deemed neither practicable nor advantageous to solicit and transition to another manufacturer at this time.</p> <p>There is only one other manufacturer capable of providing industry leading technology for the endo mechanical and suture supply as of the date of this exemption, however based upon discussions with HHSC regional OR staff, physicians and other regional personnel that were key in the decision making process, it was determined competitive solicitation would not be in the best interest of the state.</p>	
<p>9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: As stated above, there is only one other manufacturer capable of providing industry leading technology for the endo mechanical and suture supply, however discussion with all facilities and physicians involved have been conducted and their input was key in the decision to continuing with Covidien for endo mechanical and suture supplies. The pricing received from Covidien will be reviewed by an external third party research company to ensure they are fair and in alignment with current market pricing.</p>	

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 HHSC Regional CEO's, Regional CFO's and Corporate Pres and CEO, and Corporate COO/CFO will all be involved in awarding the contract. This exemption shall be from 103D-302 & 303. 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 to ensure intended purpose of this exemption is current.

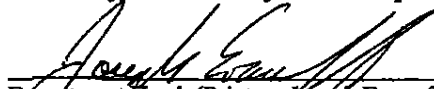
11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
Thomas Driskill, Jr.	Pres/CEO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Kelley Roberson	COO/CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Regional EMT	Regional CEO's (4)	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Regional EMT	Regional CFO's (4)	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Kay Richford	Sr. Contracts Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration

12. Direct inquiries to:
 Department: Sr. Contracts Manager
 Contact Name: Kay Richford
 Phone Number: 322-6937
 Fax Number: 322-6940

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.

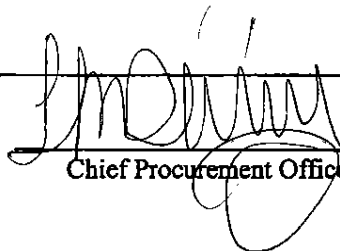

 Department Head (Print: Joseph Evanoff) Date 11/25/08

14. Date Notice Posted Nov. 25, 08

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:

15. APPROVED DISAPPROVED
 NO ACTION REQUIRED


 Chief Procurement Officer Date 12/02/08