

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

EX11-006 (A)

1. TO: Chief Procurement Officer

2. FROM: A.A. STRANSKY

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:

Vendor provides Traveler Nurses and Non-Physician Allied Health Care Providers to HHSC facilities on limited-term assignments.

4. Name of Vendor: **Na Kahu Malama Nurses, Inc.**

Address: **1357 Kapiolani Blvd, Suite 850
 Honolulu, HI 96814**

5. Price:

**\$90,000.00
Sup 01 = \$300,000.00
 NTE = \$390,000.00**

6. Term of Contract: From: December 23, 2010 To: December 22, 2012

7. Prior Exemption Ref. No.
 None

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

This Exemption Extension is intended to cover the first of two option years available under the contract terms.

In 2007 the Vendor was awarded an HHSC contract via competitive solicitation RFP 07-040. Vendor was deemed to be responsive to the RFP and Vendor's proposed pricing was established as fair and reasonable. Contract was executed on October 13, 2008 with a two-year base period and three 1-year options. In July, 2010, in anticipation of the October expiration of the two-year base period, the HHSC clinical staff expressed their desire to exercise the first of the contract's three option years. At that time the Vendor was notified that in October Vendor would receive a Supplemental Agreement for the one year extension. However, in October the responsible HHSC Contract Manager inadvertently overlooked the task of creating the Supplemental Agreement. The contract lapsed solely due to an administrative error on the part of the Contract Manager, and not due to any lack of Vendor performance or non-competitive pricing by the Vendor. Because the expired agreement was awarded under a competitive solicitation, and because the Vendor pricing continues to be fair and reasonable, and further, because both parties fully intended to execute a Supplemental Agreement for the extension of time, it is neither practical nor advantageous to the State to expend the time and resources to re-compete this requirement. The replacement contract will have a term of three years, in one year increments, to align with the period of performance that would have been in place under the former contract, which had three remaining option years at the time of contract lapse.

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

See explanation above

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

HHSC corporate procurement policies and procedures are maintained and updated periodically to address procurement delegation, methods of procurement, authorities to administer contracts and other procurement related matters.

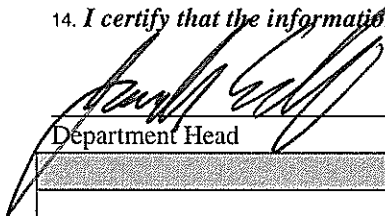
11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
A.A. Stransky	Corporate Contracts Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Edward N. Chu	VP & Chief Financial Officer	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Bruce S. Anderson	President & CEO	<input checked="" 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: Corporate Contracts
 Contact Name: A.A. Stransky
 Phone Number: 808-733-9074
 Fax Number:

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.

 11-25-11
 Department Head
 Date 11-29-11


Reserved for CPO/Delegee Use Only

15. Date Notice Posted 11-22-11

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:

 11/25/11