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

EX11-006

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

7. Prior Exemption Ref. No. None
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
   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.
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

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.

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<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Involvement in Process</th>
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<tbody>
<tr>
<td>A.A. Stranksy</td>
<td>Corporate Contracts Manager</td>
<td>□ Approval  X Administration</td>
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<tr>
<td>Edward N. Chu</td>
<td>VP &amp; Chief Financial Officer</td>
<td>X Approval     □ Administration</td>
</tr>
<tr>
<td>Alice M. Hall</td>
<td>Interim President &amp; CEO</td>
<td>X Approval     □ Administration</td>
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Direct inquiries to:
Department: Corporate Contracts
Contact Name: A.A. Stranksy
Phone Number: 808-733-9074
Fax Number:

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

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

Department Head: Edward
Date: 12/17/10
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 Kailua Ave.
Honolulu, Hawaii 96816

Chief Procurement Officer's comments: [Signature]

Approved 12/23/10