1. TO: Chief Procurement Officer

2. FROM: Dawn Hirakawa, Contracts Manager

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: Repair and servicing of rigid endoscopes and ancillary equipment at Kona Community Hospital and Hilo Medical Center.

4. Name and Address of Vendor: Sterilmed, Inc.
   11400 73rd Avenue, Suite 100, Maple Grove, MN 55639

5. Price: $26,000

6. Term of Contract: October 2011 to October 2012

7. Prior Exemption Ref. No. None

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
   Competing the requirements for needed services would greatly delay repair and servicing of rigid endoscopes and ancillary equipment. Equipment serviced by this vendor is needed for ongoing patient procedures that are performed on a regular basis at Kona Community Hospital and Hilo Medical Center.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
   HHSC is interested in selecting the best qualified Vendor. Therefore, there will be an RFP issued in the near future for the servicing of rigid endoscopes and ancillary equipment.

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. HHSC regions shall follow HHSC procurement policies when the procurement methods are conducted at a system level.

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>Dawn Hirakawa</td>
<td>Contracts Manager</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Joe Evanoff</td>
<td>Director of Contracts &amp; Materials</td>
<td>☑ Approval ☐ Administration</td>
</tr>
<tr>
<td>Edward Chu</td>
<td>Corporate CFO</td>
<td>☑ Approval ☐ Administration</td>
</tr>
</tbody>
</table>

12. Direct inquiries to: Dawn Hirakawa
    808-733-4170

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: ) Date
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 |
|     |            |               |                      |
|     | HHSC Chief Procurement Officer - Signature        | Date          |