

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

EX Number: EX13-010

1. TO: Chief Procurement Officer

2. FROM: Carrie Nakano

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: Assist HHSC in evaluating the financial impact of a potential affiliation between Maui Memorial Medical Center, and possibly other HHSC Regions and Banner Health.

| | |
|--|---------------------------|
| 4. Name and Address of Vendor: Plante & Moran PO Box 307, Southfield, MI 48037 | 5. Price: \$30,000 |
|--|---------------------------|

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|---|---|
| 6. Term of Contract: From: Date of Execution To: One Year Term | 7. Prior Exemption Ref. No. N/A |
|---|---|

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
HHSC is in need of an assessment and evaluation of financial and organizational impacts of a potential affiliation between Maui Memorial Medical Center, possibly other HHSC Regions and Banner Health, a Phoenix AZ healthcare system. The urgency and critical nature of the financial and operational assessment necessitates HHSC using current audit firm, Plante and Moran, as the incumbent firm with current operational and financial understanding of HHSC. Procurement by competitive means will not allow HHSC sufficient time to develop and prepare responses or assess impacts to the entire system prior to the next legislative session. It is anticipated that a decision to go forward with the affiliation by both parties will be reached prior to the start of the next legislative session. Therefore based upon the critical nature of this urgent action combined with the need to provide timely information to the HHSC Corporate Board to help them evaluate this transaction, it is not practical nor advantageous to the HHSC or the State to procure services by competitive means considering the substantial impact it would impose on HHSC and the State.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: HHSC will conduct direct negotiations Plante and Moran as noted in section 8 above. No formal competition will be used for this effort.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
The exemption request is reviewed by HHSC requesting management and then forwarded to the corporate director of contracts management for additional review in accordance with HHSC policies and procedures. The President and CEO of HHSC (or his delegated CPO) approves the exemption requests in accordance with internal procurement policies and procedures. HHSC policies and procedures will be followed and periodic reviews of the contract action will be performed.

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

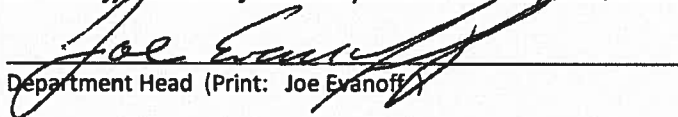
| Name | Position | Involvement in Process | |
|---------------|---|--|--|
| Joe Evanoff | Contracts/Materials Management Director | <input type="checkbox"/> Approval | <input checked="" type="checkbox"/> Administration |
| Carrie Nakano | HHSC Controller | <input type="checkbox"/> Approval | <input checked="" type="checkbox"/> Administration |
| Edward N. Chu | HHSC CFO | <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> Administration |

12. Direct inquiries to:

Contact Name: Joe Evanoff
Phone Number: 808-733-4168

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: Joe Evanoff)

10/24/12
Date

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 10/25/12

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

OCT 31 2012
Date