

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

EX-13-015

EX Number: 13-01!

1. TO: Chief Procurement Officer

2. FROM: Lance Segawa

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: Consulting services performed will be to revise a previously developed comprehensive independent review and evaluation of HHSC on behalf of the Hawaii Legislature in 2010. The updated study/services performed will include additional due diligence in a revised comprehensive review/evaluation to bring all operational, FISCAL and Improvement assessment to current date.

4. Name and Address of Vendor: Stroudwater Associates
50 Sewall Street, Suite 102
Portland, ME 04102
207.221.8258

5. Price: \$200,000

6. Term of Contract: From: December 10, 2012 To: May 31, 2013

7. Prior Exemption Ref. No.
NA

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

Stroudwater Associates has the requisite experience, qualifications, and knowledge necessary to update a report they wrote in December 2009 with delivery to the Hawaii State Legislature in 2010, extensively evaluating HHSC. Due to the dynamic nature of the healthcare industry, it is timely to update the 2009 report, specifically focusing on system initiatives to increase financial and operational results, and the governance structure, roles and responsibilities of the corporate and regional boards, and management teams. No other firm has the background or understanding of HHSC to write a report by March 31, 2013.

Stroudwater was originally competed using the Professional Services method in accordance with 103D, therefor issuing another solicitation to update an existing comprehensive study and operationalize components of the previous study findings would not be practicable nor advantageous to HHSC for cost and timing implications and potential of further decentralizing HHSC system in the short time frame required to conclude the revise report.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Due to the reasons outlined in #8 above, direct negotiation with Stroudwater Associates to immediately secure their time is needed.

10. A description of the agency's internal controls and approval requirements for the exempted procurement: The exemption request is reviewed by the corporate director of contracts management then forwarded to HHSC senior 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 covering more than once facility and 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	Director Contracts/Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Lance Segawa	Executive Director of Operations	<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: Lance Segawa
Phone Number: 808.733.4095

13. 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.

Lance K. Segawa
Department Head (Print: Lance Segawa)

12/6/12
Date

Reserved for CPO/Delegated Use Only

14 .Date Notice Posted: 12-6-12

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

Edward M. Ch...
HHSC Chief Procurement Officer - Signature

12/18/12
Date