

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

1. TO: Chief Procurement Officer

2. FROM: Alice Hall, Legal Dept.

**EX: 13-020**

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: Advice and counsel by expert in governmental health care organizations on various structures and legislation that would enable HHSC to transform into a modified structure.	
4. Name of Vendor: Alston & Bird  Address: The Atlantic Bldt., 920 F. St., NW Washington D.C., 2004-1404	5. Price:  \$90,000 NTE Hourly rate
6. Term of Contract: From: execution or December 26, 2013, whichever is later. To: one year from execution	7. Prior Exemption Ref. No. n/a
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State: Mr. Gage, a principal in the contractor law firm, sat on the task force that studied the state hospital system in the 1990s, and has been a consultant on the legal structure of HHSC and authored or coauthored our legislation since the mid '90s. He was a speaker at the all boards meeting in November, 2012, where our current issues were discussed and task forces were initiated to review our structure and other issues. He has authored many articles on public hospital governance and legal structure, including a new special report on transformational governance for public and nonprofit hospitals, which is directly on point for our current issues. He has been directly responsible for the creation of over a dozen new alternative governmental and quasi-governmental entities in major public hospital systems across the country and advised many public and nonprofit systems on ways to strengthen and improve their existing organizations. He is uniquely qualified to assist us in reviewing the legislation and advising the task forces and executive management in this area. . The firm is experienced in all aspects of business combinations, and can assist if a decision is made to transform or partner with another entity.  For reasons explained above, it would not be practice or advantageous to HHSC for reasons explained above to issue a formal RFP or other competitive procurement method.	
9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Search of the internet for other attorneys with his background. While some have governmental structure backgrounds, none of them have the familiarity with HHSC and Hawaii that Mr. Gage has.	
10. A description of the agency's internal controls and approval requirements for the exempted procurement: Review by the Director of Contract and Material Management, followed by review by the CFO, who has been delegated CPO authority by the CPO, Bruce Anderson.	
11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:	
Name	Position
Alice Hall	VP/General Counsel
Joe Evanoff	Director Contract/Material Mgmt
Ed Chu	VP/CFO/CPO delegee
	Involvement in Process
	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
12. Direct inquiries to:	Department: Legal Contact Name: Alice Hall Phone Number: 808-733-4034 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.

Allison Hall  
Department Head

12-17-12  
Date

15. Date Notice Posted 12-17-12

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:

16.  APPROVED  DISAPPROVED

Edward N. Ch... 1/3/13  
Chief Procurement Officer Date