

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

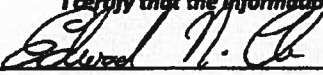
EX Number: 13-021

1. TO: Chief Procurement Officer			
2. FROM:	Dawn Hirakawa		
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: #08-0395 with Pharmerica to continue to provide Medicare Part B Services.			
4. Name and Address of Vendor: Pharmacy Corporation of America dba Pharmerica 3375 Koapaka Street, H425 Honolulu, Hawaii 96819	5. Price: \$15,000		
6. Term of Contract: From: 1/22/2013 To: 1/21/14	7. Prior Exemption Ref. No. N/A		
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State: Currently, Round 2 of the required Competitive Bidding Program for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) is underway. Section 302 of the Medicare Modernization Act of 2003 mandates that all Medicare contract suppliers shall submit bids to furnish Medicare Part B items in order to reduce costs to beneficiaries. Those suppliers not certified by the CMS - DMEPOS program are prohibited from contracting with anyone. Present HHSC vendor, Pharmerica, is a CMS-DMEPOS Medicare Part B certified supplier. As such, CMS-DMEPOS advises that agencies stay with their current supplier until Round 2 bid results are made public in July 2013 when the names of all successful Medicare Part B certified suppliers for Hawaii are announced. At that time, HHSC can elect to issue an RFP for Medicare Part B Services. As the Round 2 bidding process could take up to a year to produce supplier bid results, this is a partial exemption to extend the contract for longer than 180 days. \$15,000 covers one year of contract costs.			
9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: HHSC adheres to all federal mandates. Therefore, in order to keep current with the law and still be able to provide Medicare Part B services to our facilities, HHSC has opted to stay with present vendor.			
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:			
Name	Position	Involvement in Process	
Joe Evanoff	Director Contracts/Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Dawn Hirakawa	Contract Manager I	<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: Dawn Hirakawa
Phone Number: 733-4170

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.


Department Head (Print: Edward N. Chu, HHSC CFO)

 1/2/13
Date

Reserved for CPO/Delegee Use Only

14 .Date Notice Posted: 1/3/13

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

JAN - 9 2013
Date