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

EX Number: EX-14-005

1. TO: Chief Procurement Officer

2. FROM: HHSC/Contract Management

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:
Vendor currently provides imaging equipment maintenance services for three HHSC regions (Kauai, Oahu, & Maui). Service to include, two scheduled preventative maintenance inspections each year, per unit, in accordance with the particular unit’s maintenance schedule. Monthly service fee per unit includes personnel, equipment, and most parts to perform maintenance, required hardware and software upgrades, and repair services in accordance with manufacturers specifications for various (usually end of life) imaging equipment throughout HHSC facilities. All parts required for maintaining the equipment are included except evacuated glassware (x-ray tubes, images intensifier, CRTs, camera tubes, CCD, imaging plates and other evacuated devices). Compensation for travel time, and travel expense reimbursement for HPX personnel are included in the monthly fee.

4. Name and Address of Vendor: Hawaii Pacific X-Ray
3375 Koapaka Street, Suite F243
Honolulu, Hawaii 96819

5. Price: $1,600,000 (includes labor, travel, most parts, and shipping)

6. Term of Contract: From: Date of Execution To: Three Year Term

7. Prior Exemption Ref. Numbers

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
Vendor has an excellent record of imaging equipment maintenance service provision (on equipment that is often at end of life) for a diminishing set of equipment units throughout three HHSC regions. Of particular advantage to the state is the vendor's state presence, knowledge of the covered equipment and extensive parts inventory resources. A competitive process (which historically has failed to net more than one responsive bid) for the required and on-going support is neither practical nor advantageous to the State for the mission critical imaging equipment.

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 reasoning outlined in #8 above, direct negotiations with Hawaii Pacific XRay regarding pricing for an additional three years of support for each unit requiring maintenance as part of a negotiated package will be completed.

10. A description of the agency’s internal controls and approval requirements for the exempted procurement:
This exemption shall be from HRS, Section 103D-303, and all other guidelines, rules and policies under chapter 103D shall be upheld. HHSC policies and procedures will be followed and periodic reviews of 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:

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<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Involvement in Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joseph Evanoff</td>
<td>Director Contracts Management &amp;</td>
<td>☑ Approval ☐ Administration</td>
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<td></td>
<td>Material Management</td>
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<tr>
<td>Edward Chu</td>
<td>Corporate CFO</td>
<td>☑ Approval ☐ Administration</td>
</tr>
</tbody>
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HHSC PUR Policy 0017       Rev. 1-30-12       PUR 007
12. Direct inquiries to:

Contact Name: Andrew Alvarez
Phone Number: 808-442-5212

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

Reserved for CPO/Delegree Use Only

14. Date Notice Posted: 9/26/13

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 REQUIR

HHSC Chief Procurement Officer - Signature Date