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

EX Number: 14-016

1. TO: Chief Procurement Officer

2. FROM: HHSC Regional Operating Room Surgical Departments

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: Implantable orthopedic trauma related consignment, owned and or reusable products and hardware, e.g.; plates, screws, washers, drill bits, taps and reusable instrumentation compatible with existing Deup Sythes instrumentation sets.

4. Name and Address of Vendor: Deup Sythes
325 Paramount Drive,
Raynham, MA 02767

5. Price: Estimate only - up to $4,000,000 for the term of agreement.

6. Term of Contract: From: Date of Execution To: June 30, 2019

7. Prior Exemption Ref. No. None

8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:
When patients require an orthopedic trauma surgical procedure or require special equipment to meet their unique physical trauma related needs, the physician requires orthopedic implantable trauma product/device and supply to be immediately available (on inventory) based upon the patient or trauma related procedure within HHSC regional hospitals. HHSC pursues to consolidate all separate regional purchase volumes for Deup Sythes medical equipment/device and services to achieve greater product discounts under a single consolidated system contract based upon; product volumes, established vendor relationship and regional historical spend volumes. Consolidating Deup Sythes trauma products into single system wide contracts will provide significant cost savings advantage to the HHSC, rather than individual regional hospital contracts. As customary with all orthopedic implants, Deup Sythes trauma implants are specific and proprietary to the use of their instrumentation sets. Therefore, procurement by competitive means for the physician required Deup Sythes orthopedic trauma products/services would not be practical or advantageous based upon physician preference for the orthopedic trauma implantable products and hardware within each regional hospital.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: Direct negotiations with Deup Sythes will be conducted under a consolidated system wide agreement. Periodically, within the term of this exemption and or related renewal of the exemption, HHSC will review regional orthopedic trauma related products and re-evaluate orthopedic trauma products and different options to determine if other orthopedic vendor trauma products/implants would be more advantageous for the regional hospitals.

10. A description of the agency’s internal controls and approval requirements for the exempted procurement: The Exemption Request is reviewed by HHSC corporate director of contracts management and then forwarded to the HHSC CPO in accordance with HHSC policies and procedures. The President and CEO of HHSC (or his delegated CPO) approves the exemption in accordance with internal procurement policies and procedures.

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Involvement in Process</th>
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<tbody>
<tr>
<td>Regional Hospitals</td>
<td>Regional Materials Managers and other staff</td>
<td>Approval, Review</td>
</tr>
<tr>
<td>Joe Evanoff</td>
<td>Director Contracts/Materials Management</td>
<td>Approval, Administration</td>
</tr>
<tr>
<td>Andrew Alvarez</td>
<td>Sr. Contracts Manager</td>
<td>Approval, Administration</td>
</tr>
<tr>
<td>Edward N. Chu</td>
<td>HHSC CFC</td>
<td>Approval, Administration</td>
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12. Direct inquiries to:
Contact Name: Andrew Alvarez
Phone Number: 808 442-5212

13. I certify that the information provided above is, to the best of my knowledge, true and correct.

Department Head (Print: Joseph Evanoff) Date: 10/13/14

HHSC PUR Policy 0017 Rev. 1-30-12 PUR 007
14. Date Notice Posted: 10/14/14

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 10/21/14

Date