

**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 Depuy Synthes instrumentation sets.

**4. Name and Address of Vendor:** Depuy Synthes  
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 Depuy Synthes 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 Depuy Synthes 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, Depuy Synthes trauma implants are specific and proprietary to the use of their instrumentation sets. Therefore, procurement by competitive means for the physician required Depuy Synthes 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 Depuy Synthes will be conducted under a consolidated system wide agreement. Periodically, within the term of this exemption and or upon 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:**

Name	Position	Involvement in Process	
Regional Hospitals	Regional Materials Managers and other staff	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Review
Joe Evanoff	Director Contracts/Materials Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Andrew Alvarez	Sr. Contracts Manager	<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: Andrew Alvarez  
Phone Number: 808 442-5212

**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.

*Joseph Evanoff*

10/13/14

Department Head (Print: Joseph Evanoff )

Date

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