

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

EX - 087

**1. TO:** Chief Procurement Officer

**2. FROM:** Mark Hirokawa

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:**

**Workers compensation Claims audit to be conducted for final premium quotation for Loss Portfolio Transfer coverage for the Maui Region's workers' compensation claims open at the time of the transition of the Maui Region operations to a private entity as of July 1, 2017.**

**4. Name and Address of Vendor:**  
Safety National Casualty Corporation  
1832 Schuetz Rd.  
St. Louis, MO 63146

**5. Price:**  
\$25,000

**6. Term of Contract:** From: To: One time purchase

**7. Prior Exemption Ref. No.** None

**8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:**

The claims audit is required as a prerequisite to obtaining a final premium quotation for Loss Portfolio Transfer coverage for the Maui Region's workers' compensation claims open at the time of the transition of the Maui Region operations to a private entity as of July 1, 2017. According to Monarch Insurance Services, Inc., HHSC's insurance broker and HHSC review of potential vendors, only one insurance company, Safety National Casualty Corporation, has indicated its interest in providing a quotation for coverage. It is neither feasible to locate additional sources of competition, nor in the best interest of HHSC to search additional sources that will produce different results.

**9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:** Please see response to previous section (#8).

**10. A description of the agency's internal controls and approval requirements for the exempted procurement:**

The Exemption Request is reviewed by HHSC CPO in accordance with HHSC policies and procedures. The President and CEO of HHSC (or her delegated CPO) approves the exemption in accordance with internal procurement policies and procedures.

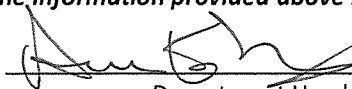
**11. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:**

Name	Position	Involvement in Process	
Charla Ota	Assistant General Counsel	<input type="checkbox"/> Approval	X Administration
Mark Hirokawa	Human Resources Manager	<input type="checkbox"/> Approval	X Administration
Edward N. Chu	HHSC CFO	X Approval	<input type="checkbox"/> Administration

**12. Direct inquiries to:**

Contact Name: Charla Ota, Esq., Mark Hirokawa  
Phone Number: (808) 733-733-4022, (808) 733-4095

**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 (Anne Lopez)      Date 5/26/17

**14 .Date Notice Posted:** 5/26/17

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*

\_\_\_\_\_  
Date