

**EAST HAWAII REGION**  
**NOTICE OF AND REQUEST FOR EXEMPTION**  
**FROM COMPETITON**

# 18-006

1. TO: Regional Chief Procurement Officer  
 2. FROM: Sam Nelson Senior Contract Manager

Department/Division/Agency

Pursuant to East Hawaii Region Policy PUR 017, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction: Rural Health Clinic Assessment and Expansion Plans	
4. Name of Vendor: Stroudwater Associates Address: 50 Sewall Street, Suite 102 Portland, ME 04102	5. Price \$150,000
6. Term of Contract: From: 3/21/18 To: 12/30/18	7. Prior Exemption Ref. No. N/A
8. Explanation describing how procurement by competitive means is either not practicable or advantageous to the State:  Stroudwater Associates is a national healthcare consulting firm with a focus and expertise on rural hospitals. Stroudwater has extensive knowledge and experience in conducting Rural Health Clinic (RHC) conversion analysis. Stroudwater has worked with healthcare entities in Hawaii establish primary and specialty practices and understands both the RHC application and designation process. Stroudwater has completed studies on both HHSC and Puna Community Medical Center an organization affiliated with HHSC and a candidate for RHC conversion. It is estimated that for another firm to complete this project the cost would be more than double the cost of the current proposed contract as a new firm would have to repeat a significant amount of work completed during Stroudwaters prior engagements with PCMC and HHSC  Implementation of a RHC designation to some portion of the services being provided by HHSC would be expected to increase revenue for services so designated. Delay in receiving RHC designation will delay increase in revenue.  Since competing this contract may result in a decrease in revenue while the competition is proceeding, and any offerors would need to duplicate work already completed by Stroudwater, it is not practical to compete this contract.	

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 reasons outlined above, direct negotiation with Stroudwater Associates is requested.

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

All requests for procurements are reviewed by the Compliance Officer, the CFO & CEO prior to any work beginning on the Agreements. Once the procurement is complete, both the CFO & CEO again review the final paperwork prior to sign off by HMC.

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	
Dan Brinkman	East Hawaii Region CEO	Approval	Administration
Joni Waltjen	East Hawaii Interim Region CFO	Approval	Administration
Sam Nelson	Senior Contract Manager	Approval	Administration
		Approval	Administration
		Approval	Administration
		Approval	Administration

12. Direct inquiries to:  
 Department: Contracts Management  
 Contact Name: Sam Nelson  
 Phone Number: 808 932-3113  
 Fax Number: (808) 933-2793

13. This exemption should be considered for list of exemptions in to Chapter 3-120, HAR: YES NO

Agency shall ensure adherence to applicable administrative and statutory requirements

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

\_\_\_\_\_  
Department Head – Sam Nelson

March 13, 2018  
Date

Reserved for RCPO/Designee Use Only

15. Date Notice Posted \_\_\_\_\_

The Head of the Purchasing Agency is in the process of reviewing this request for exemption from East Hawaii Region Procurement Policies. Submit written objections to this notice to issue an exemption from East Hawaii Region Procurement Policies, within seven (7) calendar days or as otherwise allowed from the above posted date to:

Regional Chief Procurement Officer  
East Hawaii Region  
1190 Waiuanuenue Ave.  
Hilo, Hawaii 96720

Regional Procurement Officer's comments:

16. **APPROVED** **DISAPPROVED**

Regional Chief Procurement Officer

Date \_\_\_\_\_