

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

EX 18-0004

1. TO: Dan Brinkman, Regional Chief Procurement Officer
2. FROM: Gary L. Callahan, Senior Contracts Manager

Department/

Pursuant to East Hawaii Region Policy PUR 017, the Department requests a procurement exemption to purchase the following: Specific equipment, products or supplies are determined at the time of need.

3. *Description of goods, services or construction:*

"Specialty" Medical Supplies, Services, and Equipment as requested by a member of the medical staff within the respective HHSC facility of the East Hawaii Region. Medical Service areas listed include, but are not limited to the following:

- | | |
|---------------------------------|-----------------------------------|
| 1. Vascular/Angiography | 15. Pediatrics and newborn |
| 2. Cysto/Urology | 16. Psychiatry |
| 3. Endoscopy/Gastroenterology | 17. Internal Medicine Disciplines |
| 4. Ear, Nose & Throat Specialty | 18. All areas of Radiology |
| 5. Ophthalmology | 19. Telemetry |
| 6. General Surgery | 20. Oncology |
| 7. OR/Surgical Instruments | 21. Neurosurgery |
| 8. OBGYN | 22. Med/Surg Services |
| 9. Orthopedics | 23. Critical Care |
| 10. Neurology | 24. Dialysis |
| 11. Vascular | 25. Cardiology |
| 12. Thoracic | |
| 13. Plastic | |
| 14. Pulmonary | |

4. Name of Vendor: Multiple Potential Vendors based upon Physician approved request (see criteria below)

5. Price:
\$4,998,500.00

Address: Will vary

6. Term of Contract: From: July 1, 2017 To: June 30, 2019

7. Prior Exemption Ref. No.
HHSC EHR EX 15-0005

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

When patients are scheduled for a surgical procedure or require special equipment to meet their unique physical needs, the physician may request a particular specialty equipment/device, medical supply or service based upon the type of care prescribed for a particular patient.

The physician request for specialty equipment, medical supplies, or services is based upon unique characteristics of patient needs, special technology, physician training, physician knowledge, existing facility equipment compatibilities, infection control, previously implanted devices into a patient, urgency and availability of services, and other judgments made by the medical staff. These criteria will be utilized in reviewing the request to purchase to determine if it fits within this Exemption.

Hawaii has for some time been experiencing a crisis in physician services, especially within the OR/Surgery area. It is not practical to limit our physicians to use products that do not provide the optimum outcomes, based on the judgment of the physician. Physicians have sent patients off island or postponed needed procedures because of the time it take to process a request for exemption for a particular item. The normal process is not effective in meeting the needs of the people of this region as those processes critically limit HMC and the physicians' ability to care for all types of patients.

9. *Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:*

Physician Specialty Request in order of sequence:

- a. Department receives request from physician with justification and creates written request (PR) for specialty items, which are not practical to obtain via competition, documenting the reason for the lack of competition utilizing the criteria detailed above.
- b. Department Supervisor reviews and approves physician specialty request to ensure PR is in compliance with this Exemption and to determine if the product(s) or services should be purchased without competition.
- c. Department Supervisor obtains Regional Executive Management Team (EMT) or designee approval on PR.
- d. Department provides the approved PR to Regional Materials Management for appropriate payment method (PO or contract).
- e. Regional Materials Management will send approval PR to Executive Director of Contract Management for contract management work assignment, where applicable.

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

As indicated in Section 9 above, the department involved and physician involved will indicate the need and reason for use of a particular product or service by completing a PR form and obtaining appropriate EMT approval.

Regional Material Manager will document purchase with the PR and will check to see if the requested product is available under acceptable terms and make best value purchase either by Purchase Order or Contract – whichever is deemed necessary for the price of request and terms and conditions of the contract.

Internal auditing functions will include a review of implementation of this process to determine if it has been implemented correctly and meets the purpose of the exemption.

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 Chairman of the Board	Regional Board Chairman	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Regional CEO	Regional CEO/or Designee	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Regional CFO	Regional CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Regional Materials Manager	Regional Material Management	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Senior Contracts Manager	Senior Contracts Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

12. Direct inquiries to:
 Department: East Hawaii Regional Contracts Management
 Contact Name: Gary L. Callahan, Senior Contracts Manager
 Phone Number: (808) 932-3112
 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: Gary L. Callahan

November 30, 2017
Date

Reserved for RCPO/Designee Use Only
<p>15. Date Notice Posted: <u>November 30, 2017</u></p> <p>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</p> <p style="text-align: center;">East Hawaii Region 1190 Waiuanue Ave. Hilo, Hawaii 96720</p> <p>Regional Procurement Officer's comments:</p>

16. APPROVED DISAPPROVED

Regional Chief Procurement Officer Date