

EAST HAWAII REGION
NOTICE OF AND REQUEST FOR EXEMPTION
FROM COMPETITON

1. TO: Regional Chief Procurement Officer

2. FROM: Jon Martell, Chief Medical Officer

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:

An Anesthesia Services Management Company that will provide anesthesia services at Hilo Medical Center. These services will include delivery of anesthesia service for inpatient and outpatient procedures, twenty-four hours daily, every day of the year. This includes but is not limited to provision of anesthesia in the Operating Suite and Cesarean Section suites as well as care for the Emergency Department, Intensive Care Unit, and Interventional Cardiology.

4. Name of Vendor: Island Professional Anesthesia LLC

Address: 605A Makalika Street, Hilo, Hawaii 96720

5. Price: NTE

\$4,800,000.00

(Including Option Periods)

6. Term of Contract: From: 04/03/2020 To: 04/03/2022

Option Years: Two, One Year Option
Periods Available

7. Prior Exemption Ref. No.

N/A

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

Hilo Medical Center executed a fully competitive Request for Proposal process in 2018 for anesthesia services resulting in the award of a contract in August 2018. The current contractor has just tendered a letter exercising their right to termination of contract without cause as of April 3, 2020. The previous RFP for anesthesia services took eight months to complete and the fastest the Hilo Medical Center could complete a fair, open and competitive RFP for services is six months. Following an RFP process would leave HMC without an anesthesia management group for up to four months.

Hilo Medical Center conducts 4,500 surgeries requiring anesthesia each year and provision of these services requires 7 full time equivalent anesthesia providers. Hilo Medical Center does not have the resources or expertise to provide for recruitment, retention, scheduling and quality assurance for a group of anesthesiologists this large. For this reason, HMC needs to contract with an established anesthesia management company immediately to assume provision of care by April 3, 2020.

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

After receipt of the termination notice from the current vendor, Hilo Medical Center requested and received proposals for anesthesia services from two vendors available to provide the services on short notice, LifeLinc and Island Professional Anesthesia within the very short deadline needed to ensure continuity of anesthesia services. Both proposals were thoroughly reviewed by administrators at Hilo Medical Center including the CEO, the Chief Medical Officer, The Director of the Operating Room and contracts. Island Professional Anesthesia was selected as the company most qualified to meet our immediate need for services. The contract with Island Professional Anesthesia will be for a two year period with an option to renew for two additional years.

The two year contract period is the industry standard for initial award of an anesthesia contract as that length of time is needed to recruit appropriate personnel, implement quality improvement programs, and offset initial startup costs.

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

Hilo Medical Center has an Executive Management Team engaged in developing the content of the exempted contract. This team includes, the CEO, CFO, CMO, Director of Nursing Services, Medical Director of Acute Care and the Operating Room supervisor. The entire process will be overseen by our Contract team and our Compliance Officer.

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	
Daniel Brinkman	CEO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Joni Waltjen	CFO	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Jon Martell	CMO	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Kathleen Katt	Medical Director Acute Care	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Sam Nelson	Contracts Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Carol Dunigan	Compliance Officer	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration

12. Direct inquiries to:
 Department: Medical Staff Office
 Contact Name: Jon Martell MD
 Phone Number: 808-932-3118
 Fax Number: jmartell@hhsc.org

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.***

Jon V. Martell, MD

Feb 27, 2020

Department Head

Date

Reserved for RCPO/Designee Use Only

15. Date Notice Posted 2/27/2020

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 Waiuanue Ave.
Hilo, Hawaii 96720

Regional Procurement Officer's comments:

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

Regional Chief Procurement Officer Date