



APR 27 P2:11

STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS

PROCUREMENT OF FILE
STATE OF HAWAII

- 1. TO: Chief Procurement Officer
- 2. FROM: HEALTH - Disease Outbreak Control Division

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:

<p>3. Description of goods, services or construction: The Disease Outbreak Control Division seeks to purchase vaccines, including, but not limited to, pediatric diphtheria toxoid and tetanus toxoid vaccine [DT] and influenza vaccine, immune globulin products, including, hepatitis B immune globulin [HBIG] and immune globulin [IG], and medications, including, epinephrine and diphehydramine.</p>	
<p>4. Name of Vendor: Various vendors as available Address:</p>	<p>5. Price: \$\$175,000 (Est.) \$ 104,000 per 6/1/11</p>
<p>6. Term of Contract: From: <u>on approval 5/27/11</u> To: <u>12 months 10/31/11 to 6/1/11</u></p>	<p>7. Prior Exemption Ref. No.</p>
<p>8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: See attached.</p>	
<p>9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: The Disease Outbreak Control Division will select vendors that offer the most advantageous, cost-effective products for the State.</p>	
<p>10. A description of the agency's internal controls and approval requirements for the exempted procurement: The Disease Outbreak Control Division follows recommendations from the Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices (ACIP) and established disease investigation protocols utilizing guidelines from the CDC, American Academy of Pediatrics, and others for the appropriate distribution of these products. All staff members work under the supervision of a licensed physician. Vaccines and HBIG are distributed to Department of Health-approved, licensed providers who are required to store and administer the products following ACIP recommendations. The DOCD PHAO will monitor and follow the approved method of purchasing with Purchase Orders or PCards.</p>	

ENL11

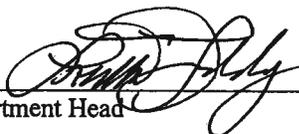
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

12. 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
No Contract		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to: Department: Health
 Contact Name: Kari Rachlin, Acting PHAO *Tammie Wong, Acting Fiscal Specialist*
 Phone Number: 586-6848 *KT 6599 5/24/11*
 Fax Number: 587-6885

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

4/25/11
 Date

Reserved for SPO Use Only

15. Date Notice Posted 4/28/2011

The Chief Procurement Officer 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 calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

Chief Procurement Officer's comments:

Approval is granted provided the department uses the form SPO-10 to document the quotation, for the period May 27, 2011 to October 31, 2011 or until a new MMCAP Pharmaceutical Price List Contract is established, whichever is sooner. Department is reminded that HRS section 103D-310(c) and HAR section 3-122-112, shall apply for all Hawaii vendors and award is required to be posted on the Awards Reporting System.

16. APPROVED DISAPPROVED NO ACTION REQUIRED


 Chief Procurement Officer 6/7/2011
 Date

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

Prior to submittal of this Request for Exemption from Chapter 103D, HRS, vaccines were purchased from the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP) on an as needed basis from a variety of pharmaceutical companies. The MMCAP pharmacy contract began in December 1, 2003 as a cooperative agreement under HRS Section 103D-801-810. The lead agency for this agreement was the Tuberculosis Program. As lead agency they were responsible to coordinate this contract and to ensure that it met statutory requirements including the provisions as set forth in said statute; however, they failed to advertise the legal notice for the pharmacy solicitation in 2003 and allowed other government agencies to purchase supplies from the MMCAP contract. In 2008, the Department submitted form, SPO-16, to report the procurement violation finding and to request for after-the-fact payment approval. On April 22, 2008, the Chief Procurement Officer (CPO) approved the request (PV Log No. 08-038-C) for continued use of the MMCAP contract until its termination date of 2009. Since then, subsequent payments for pharmaceutical services had been processed applying the approval until recently of which payments had been rejected by the State's Department of Accounting and General Services. On January 1, 2010 MMCAP signed a new contract; however, a participating addendum with AmeriSourceBergen for pharmaceutical services is presently being negotiated with the State Procurement Office.

Therefore, it has been determined by the Disease Outbreak Control Division that the most efficient and practical method of procurement to purchase vaccines that are needed now and in the near future while the MMCAP is being finalized is through an exemption from Chapter 103D, HRS. The Division is also exploring other appropriate procurement methods and will use the 12-months to execute a contract.