

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

TO: Chief Procurement Officer

FROM: HEALTH, Communicable Disease, Tuberculosis Control Branch
(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:

Description of goods, services, or construction: Tuberculosis Drugs
--

Name of Vendor: Address: See attached	Cost: \$364,000
--	-----------------

Term of Contract: From: Date of Approval To: 12/31/05	Prior Exemption Ref. No. (if applicable) P.E. No. 04-10-J
---	--

<p>Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:</p> <p>On November 4, 1992, the Veterans Health Care Act was signed into law as P.L. 102-585. A new section in the Act creates a program wherein drug manufacturers must provide statutory discounts for covered outpatient drugs to agencies receiving grant funds related to treatment of tuberculosis through a state or local government. The State of Hawaii's Tuberculosis Program is a participant. Tuberculosis drugs under this Act are discounted with prices that cannot be matched by non-participating drug manufacturers. The results are cost effective to program operations.</p>
--

<p>Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:</p> <p>Vendor to be selected from drug manufacturers providing statutory discounts.</p>

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

Program to follow State's procurement code delineated under Section 3-120-4. Procurements exempt from Chapter 103D HRS. Exclusion from Veterans Health Care Act would compel program to meet small purchase requirements for amounts less than threshold levels and be subject to competitive bidding for amounts equal to or greater than threshold.

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

Ann H. Kinningham, Chief	DOH, Administrative Services Office
Roy Sugimoto, Acting Fiscal Officer	DOH, Administrative Services Office
Michael Zucker, PHAO	DOH, CDD, Tuberculosis Control Branch

Direct questions to:	Michael Zucker, PHAO	<i>MZ</i>	Phone Number:	(808) 832-3542
----------------------	----------------------	-----------	---------------	----------------

This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: Yes No

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.

James J. Furlino, MD
 Department Head or Designee

DEC 27 2004
 Date

Title (If other than Department Head)

Chief Procurement Officer's Comments:

This exemption is for the solicitation process only, Chapter 103D-310, HRS, shall apply.

Please ensure adherence to applicable administrative requirements

APPROVED DISAPPROVED

Adam P. Fajelo 1/5/05
 Chief Procurement Officer Date

cc: Administrator,
 State Procurement Office

STATE OF HAWAII
NOTICE OF EXEMPTION FROM CHAPTER 103D, HRS

The Chief Procurement Officer is in the process of reviewing the request from the Department of HEALTH
 _____ for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

Tuberculosis Drugs

Vendor: See attached.

Address:

Term of Contract:	From: Date of Approval	To: 12/31/2005	Cost: \$364,00
--------------------------	------------------------	----------------	-----------------------

Direct any inquiries to:	
Department: HEALTH, Tuberculosis Control Branch	Phone Number: 832-3542
Contact Name/Title: Michael Zucker, PHAO	
Address: 1700 Lanakila Avenue, Ground Floor Honolulu, Hawaii 96817	Fax Number: 832-5846



Date Posted: 12/29/04

A copy of this notice of exemption from Chapter 103D, HRS, shall be posted by the Chief Procurement Officer and the purchasing agency in an area accessible to the public, at least seven (7) calendar days prior to any approval action.

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days from the date posted to:

Chief Procurement Officer
 Office/Agency _____
 Address _____

**LANAKILA HEALTH CENTER
TUBERCULOSIS PROGRAM
1700 Lanakila Avenue
Honolulu, Hawaii 96817**

ATTACHMENT 1: VENDORS FOR V.H.C.A. OF 1992

WYETH LABORATORIES
31 MOREHALL ROAD
FRAZER, PA 19335

Pyrazinamide Tablets 500mg 500'
Trecator-SC 250mg 100'

AVENTIS PHARMACEUTICALS
HOECHST MARION ROUSSEL
300 SUMERSET CORP. BOULEVARD
BRIDGEWATER, NJ 08807
ATTN: CUSTOMER SERVICE

Rifamate Caps 60'
Rifadin Caps 300mg 60'
Rifadin Caps 150 mg 30'

JACOBUS PHARMACEUTICAL CO., INC.
37 CLEVELAND LANE
P.O. BOX 5290
PRINCETON, NJ 08540

Paser Granules (p-Aminosalicylate)
4gm/pkt 30 pkt/ctn

VERSAPHARM INCORPORATED
200 NORTH COBB PARKWAY, SUITE 210
P.O. BOX 7509
MARIETTA, GA 30065-1509

Ethambutol Tablets 400mg
Ethambutol Tablets 100mg
Isoniazid Tablets 300mg
Isoniazid Tablets 100mg
Isoniazid Syrup 50mg/5ml
Pyridoxine Tablets 50mg, 25mg, 100mg
Pyrazinamide Tablets 500mg
Rifampin Tablets, 300mg, 150mg

AMERISOURCE BERGEN DRUG COMPANY
HONOLULU DIVISION
238 SAND ISLAND ACCESS ROAD
HONOLULU, HI 96819

Various above listed

ATTACHMENT 2: TB Director Certification Document

Hawaii Dept of Health, Tuberculosis Control Program	
1700 Lanakila Avenue, Ground Floor	
Honolulu	
HI	jxwing@tb.health.state.hi.us
96817	

Certify ONLY ONE of the Following:

This state purchases and provides all TB drugs to area and local entities. No subgrantees are eligible to participate.

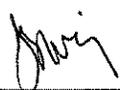
I certify that the entities on Attachment 3 as revised and entities submitted on Attachments 4 are recipients of grant funds related to the treatment of TB through a state or local government.

This state elects to not participate in the drug discount program authorized under Section 340B of the PHS Act.

The estimated amount expended for covered outpatient drugs for the preceding year (October 1, 2003 - September 30, 2004) is: \$ 300,654 _____

I certify that reasonable safeguards are in place to assure compliance with the provisions of Section 340B of the PHS Act that prohibit Drug Diversion and Double Discounts/Rebates.

Signature
Jessie S. Wing, M.D.



Date

October 21, 2004