



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

12 OCT 29 P2:23

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

TO: Chief Procurement Officer  
FROM: Health, CDD, Tuberculosis Control Branch  
*Name of Requesting Department*  
SUBJECT: Request for Exemption

Pursuant to HRS §103D-102(b)(4) and HAR Chapter 3-120, the Department requests a procurement exemption for the following:

1. Describe the goods, services or construction. Tuberculosis Drugs. Medications are distributed based on the program's physicians' written order, based on their examination and review of patient diagnostic tests and/or x-ray.	
2. Vendor/Contractor Name : See Attached Listing	3. Amount of Request: \$ 440,000
4. Term of Contract: From: 1/1/2013 To: 12/31/2013	5. Prior Exemption Reference No.: 12-075-D
6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means: The Tuberculosis Control Branch is a participant in the 340B Drug Pricing Program which resulted from enactment of Public Law 102-585, the Veterans Health Care Act of 1992. The 340B Drug Discount Program is managed by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs (OPA). A 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 TB through a state or local government. Participation in the Program results in significant savings estimated to be 20% to 50% on the cost of pharmaceuticals for safety-net providers. The results are cost effective to the TB program's operations. This federal program has already conducted the bid process to identify which pharmaceutical manufacturers have been authorized to participate in this program. The HRSA program has its own criteria of what types of entities are able to participate in this program and it is not open to the general or retail market.	
7. In selecting the vendor/contractor, explain in detail, the process the department will utilize to maximize fair and open competition:	

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Vendor(s) to be selected from drug manufacturers providing statutory discounts. Any other medications required for patient treatment and not on attached listing will be purchased via state procurement policies and procedures. The program will follow the State's procurement code delineated under Section 3-120-4. Procurement 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.

8. Identify the primary individual(s) who is knowledgeable about this request, who will conduct and manage this process and has completed mandatory training. (Type over "example" and delete cells not used)

Name of Department Personnel	Division/Agency	Phone Number	e-mail address
Trudy Murakami, PHAO IV	CDD, TB Branch	832-5737	trudy.murakami@doh.hawaii.gov
Lynn Donovan, Pharmacist	CDD, TB Branch	832-5731	lynn.donovan@doh.hawaii.gov

9. The department shall ensure adherence to applicable administrative and statutory requirements, and all requirements, approvals, and internal controls for this request are the responsibility of the department.

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


  
 Department Head Signature \_\_\_\_\_ Date 10/26/12

**For Chief Procurement Officer Use Only**

Date Notice Posted 10/30/2012

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from date notice posted to:

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

10. Chief Procurement Officer (CPO) Comments:

Approval is granted based on the department's determination that it is not advantageous to conduct a competitive procurement for tuberculosis drugs because the Federal Act requires manufacturers to extend its discounts to qualified programs, which is available through the Health Resources and Services Administration (HRSA) list of vendors. This approval is for the period 01/01/13 to 12/31/13 for tuberculosis drugs and for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. each vendor on the list is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting System.

If there are any questions, please contact Bonnie Kahakui at 587-4702, or [bonnie.a.kahakui@hawaii.gov](mailto:bonnie.a.kahakui@hawaii.gov).

Approved       Disapproved       No Action Required

  
Chief Procurement Officer Signature      Date