

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

PROCUREMENT OFFICE
STATE OF HAWAII

1. TO: Chief Procurement Officer
2. FROM: DOH/CHD/CDMCB/Tobacco Prevention and Education Program

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:

3. Description of goods, services or construction:
The Hawaii Tobacco Quitline (HTQ) is funded in part out of the Hawaii Tobacco Prevention & Control Trust Fund which is managed by the Hawaii Community Foundation (HCF). The Trust Fund was created by Act 304(99) which distributes the money coming to Hawaii from the Tobacco Master Settlement Agreement (MSA) which settled claims between states and tobacco manufacturers. Act 304 established the Hawaii Tobacco Prevention and Control Trust Fund which presently receives 12.5% of the annual distribution of funds to the state. The responsibilities of the HCF contract with the HTQ vendor, Free & Clear, Inc. are to provide and manage quitline telephone and referral services and to provide the media component to support and to promote the quitline. The Department of Health proposes to enhance the media portion of the Free & Clear contract through the development and production of broadcast and print media specifically designed to reach at-risk, diverse and disparate populations. This contract would build upon the existing broadcast media to extend both the reach and the frequency of the existing media to specifically target populations at greatest risk for illness caused by tobacco use. The contractor would be responsible for the creative development, production, testing, and placement of new and refreshed TV and radio spots that promote the use of the Hawaii Tobacco Quitline.

4. Name of Vendor: Free & Clear Address: 999 3rd Avenue, Suite 2100 Seattle, WA 98104	5. Price: \$400,000
6. Term of Contract: From: 04/01/06 To: 06/30/08	7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:
The HCF is putting forth a substantial amount of money towards the basic operation of the HTQ. Funds were provided by the Centers for Disease Control and Prevention (CDC) to every state and US territory as part of the Secretary of Health's initiative to ensure access to all who can be assisted by quitting tobacco use. These funds come to Hawaii as an addition to CDC's award to DOH for the National Tobacco Control Program. These additional funds to support smoking cessation will be used as an enhancement to the existing HTQ. It would be a lot more expensive and difficult operationally for the state if the state were to release a separate Request for Proposal for the enhancement portion of services and it was to go to a different contractor. Given that the media responsibilities are already a component of the Hawaii Community Foundation contract with Free & Clear, it would not be practical or efficient if the enhancement services were completed through another vendor.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:
The Hawaii Community Foundation released a Request for Proposal (RFP) to find a qualified organization to perform the services requested. HCF in April 2005 awarded a contract to the Free & Clear organization to operate the Hawaii Tobacco Quitline. Selection of Free & Clear came as part of a competitive process among 3 other bidders. DOH was a part of the development of the RFP for the quitline and the selection process. Free & Clear was the organization selected for this project. In addition, Free & Clear is working with 13 other states throughout the country to perform the services requested and is the only organization in Hawaii currently performing the services requested for this grant.

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

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 The procurement of this expenditure will still follow the general guidelines for contracting with vendors under 103D. The DOH intends to contract with the specified vendor. A "Scope of Services", "Compensation and Payment", and "Special Conditions" will be created in addition to the general conditions provided for all 103D contracts.

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	
n/a	Attorney General	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Chiyome Fukino	Director, DOH	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Barbara Yamashita	Chief, CHD	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Danette Wong Tomiyasu	Chief, CDMCB	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Julian Lipsher	Coordinator, TPEP	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Aaron Chow	Account Clerk, TPEP	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration

13. Direct inquiries to: Department: DOH/CHD/CDMCB/TPEP
 Contact Name: Julian Lipsher
 Phone Number: 586-4662
 Fax Number: 586-8252

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

MAR 21 2006

Date

Reserved for SPO Use Only

15. Date Notice Posted 3/23/06

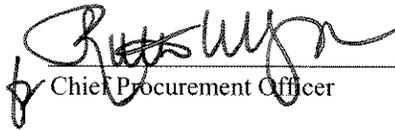
The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to:

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

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

Chief Procurement Officer's comments:

16. APPROVED DISAPPROVED


Chief Procurement Officer

4/3/06
Date