

06 DEC -4 A9:00



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

1. TO: Chief Procurement Officer

2. FROM: DHS

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:

Choice counseling services for the positive enrollment of approximately 180,000 QUEST recipients during the months of January / February 2007 into QUEST medical plans.

4. Name of Vendor: TC Kokua

Address: 1325 South Kihei Rd., Suite #225B, Kihei, HI 95753

5. Price:

\$46,000

6.

Term of Contract:

From: Dec.11, 2006

To: Feb.28, 2007

7. Prior Exemption Ref. No.

0

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State:

See attached sheet.

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

The Department has obtained quotes from 2 organizations that have expressed interest in assisting the Department to positively enroll 180,000 QUEST recipients into the QUEST medical plans of their choice. TC Kokua was the lowest bid. The contractor's services will only be required for 12 weeks and the time and effort to procure services through a competitive bidding process is not feasible. We will have a detailed scope of services that it is clear regarding the expectations MQD has of the contractor and expectations that the contractor has of MQD. As stated above, we have obtained quotes from 3 organizations to assure that we are getting a quote that is within fair market value and not too low so that they would not be able to perform the scope of services. As noted above, the cost of this contract is \$46,000.

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

This decision was discussed with the Department Director, the Acting Director of the MedQUEST Division (MQD) and the Budget Supervisor of the Management Service Office. All agreed that this exemption was needed to procure this contract in the allowable time frame. A minimum of three bids were sought. TC Kokua was the lowest bid and is capable of performing the duties of the contract. The MQD supervisor who will oversee the contractors daily performance reviewed their submittal and had an extensive phone interview to verify that they had the required system and staff capabilities. References were checked.

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:

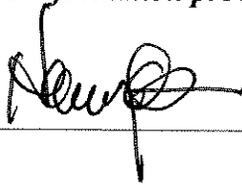
Name	Position	Involvement in Process	
Lillian B. Koller, Esq.	Director	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Leslie Tawata	Acting Assistant Admin. MQD	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Lori Lei Aponte	Admin. Customer Service Br. MQD	<input type="checkbox"/> Approval	<input checked="" 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: DHS
 Contact Name: Leslie Tawata
 Phone Number: 692-~~8052~~ **8096**
 Fax Number: 692-8173

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.*



12/1/06

Department Head

Date

Reserved for SPO Use Only

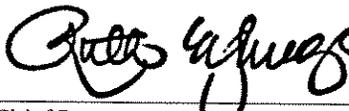
15. Date Notice Posted 12/06/06

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

Chief Procurement Officer's comments:

16. **APPROVED** **DISAPPROVED** **NO ACTION REQUIRED**


 Chief Procurement Officer Date DEC 19 2006

8. The Department will be conducting a positive enrollment during the upcoming annual plan change period for the QUEST program. Positive enrollment has not been conducted on the scale that we will be undertaking this year. To avoid a chaotic situation of having people auto enrolled, it is important to inform and encourage our clients to choose their health care plan during the QUEST Open enrollment period. Due to several unavoidable problems including a delay in awarding the contracts, meeting the December 11th start date would not be possible if it had to go through a competitive procurement process. The provider is required to have a specialized knowledge and start system testing and training prior to the start of the contract. We cannot further delay the annual plan change or we will be out of compliance with the Federal rule that states that "we must allow recipients to change plans once a year." Any further delays will jeopardize the Department's ability to secure Federal matching funds in the QUEST program. That may amount to over a \$100,000,000 in lost funding.