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RUSH
PSD 2009-1285

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

- 1. TO: Chief Procurement Officer
- 2. FROM: Department of Public Safety/Health Care 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:

3. Description of goods, services or construction:

This exemption request is necessary for the continued purchase of Precision Xtra Blood Sugar Test Strips from the Abbott Laboratories Inc. These test strips are necessary for the daily blood sugar monitoring of all Department diabetic patients, as the Abbott glucometers is presently the Departmental standard. Other brands of test strips are not interchangeable with different branded glucometers.

4. Name of Vendor: Abbott Laboratories Inc., Diagnostics Division
Address: D-943, AP-6C, One Abbott Park Road., Abbott Park, IL, 60064-6095.

5. Price:
\$1,300 / mo

6. Term of Contract: From: ~~5/15/08~~ ^{KT} upon CFO approval To: 6/28/10

7. Prior Exemption Ref. No.
0

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: In June 2005, the Health Care Division standardized the glucometers used statewide and selected the Abbott Laboratories Precision Xtra Meters as the standard. This equipment was chosen due to its ease of use and minimal blood requirements. After making the selection, Abbott Laboratories offered to provide the meters to the State free of charge and provide a governmental discounted pricing for the test strips. The Health Care Division had entered into an agreement with the Abbott Laboratories with regards to selecting their glucometer as the Departmental standard. This agreement will expire at the end of June 2010, at which time, the HCD will reevaluate its glucometer standarization needs. Purchasing test strips directly from the manufacturer provides the State with wholesale pricing.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable: The HCD will solicit glucometer manufacturers' equipment for comparison in the future selection process (award 6/2010). At that time if necessary, an RFB would be issued.

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STATE OF HAWAII

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

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
 Presently, the purchasing of the test strips are controlled and approved by the Division's centralized purchasing staff. Facilities place their orders based on patient usage, orders are approved, P.O.s generated and paid.

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	
Maria Patanapaiboon	Account Clerk	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Tracey Labanon	Secretary IV	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Deb Stampfle	Clinic Branch Administrator	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Dr. Marc Rosen	Medical Director	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Wes Mun	Health Care Administrator	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to: Department: Public Safety, Health Care Div
 Contact Name: Wes Mun *Marc Yamamoto*
 Phone Number: 587-1250 *587-1245*
 Fax Number: 587-3378 *587-1244* *wesmun 6/16/09*

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.*

Clayton A. Frank

6/16/09

Department Head

Date

Reserved for SPO Use Only

15. Date Notice Posted 6/23/09

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:

Procurement exemption is denied. PSD shall re-submit as a procurement violation (SPO-16) explaining why the department did not comply with the procurement code when selecting Abbott Laboratories to provide the glucose meters.

16.

APPROVED

DISAPPROVED

NO ACTION REQUIRED

Alan S. Fajal 8/31/09
Chief Procurement Officer Date



AMENDMENT TO ABBOTT DIAGNOSTICS: Point Of Care Site Specific Agreement

ABBOTT LABORATORIES INC., ABBOTT DIAGNOSTICS DIVISION, D-943, AP6C, ONE ABBOTT PARK ROAD., ABBOTT PARK, IL 60064-6095

CUSTOMER/ADDRESS Hawaii Department of Safety, Health Care Deborah Stampfle, Clinical Services Admin 919 Ala Moana Boulevard, Room 407 Honolulu, HI 96814	CUSTOMER NUMBER 551 140 37	SALES REP/TERRITORY Joni Dairiki / PWEAF Tom Tveit / PGAEF
AGREEMENT TERM 5 years		

IN RESPONSE TO YOUR REQUEST TO AMEND THE EQUIPMENT USED AND/OR THE NUMBER OF REAGENTS PURCHASED FROM ABBOTT DIAGNOSTICS AS OUTLINED IN YOUR AGREEMENT(S), THIS LETTER SHALL SERVE TO AMEND THE FOLLOW:

GOVERNMENT ACCOUNT

1. **EQUIPMENT**- UPON CUSTOMER'S ACCEPTANCE OF THIS AMENDMENT, THE CUSTOMER SHALL RECEIVE FOR USE THE FOLLOWING ADDITIONAL ITEMS OF ABBOTT-OWNED EQUIPMENT:

40 Precision Xtra meters

2. **PURCHASING OF REAGENTS**- AS CONSIDERATION FOR THE USE OF EQUIPMENT HEREUNDER AND EXISTING EQUIPMENT, THE CUSTOMER SHALL PURCHASE FROM ABBOTT THE FOLLOWING REAGENT PRODUCTS, AT THE FOLLOWING PRICES, IN THE QUANTITIES NOTED, DURING EACH QUARTER FOLLOWING THE DATE OF AMENDMENT. REAGENT PRODUCTS LISTED ON THIS AMENDMENT BECOME PART OF THE ATTACHMENT A FROM THE ORIGINAL AGREEMENT.

3. **SHIPPING AND HANDLING CHARGES**- SHIPPING AND HANDLING CHARGES FOR REAGENT TEST KITS (AND EQUIPMENT SHIPPED, AS APPLICABLE) SHALL BE BORNE ENTIRELY BY CUSTOMER. PAYMENT FOR SUCH CHARGES SHALL BE DUE THIRTY (30) DAYS FROM THE DATE OF ABBOTT'S INVOICE.

PRODUCTS

PRODUCT ADDITIONS	QUARTERLY TEST VOLUME ANTICIPATED	PRICE PER TEST	PRODUCT DELETIONS	QUARTERLY TEST VOLUME ANTICIPATED
40 Precision Xtra Meters list # 99693-02	N/A	No Charge	NA	NA
Precision Xtra Strips List # 99694-25(100 ct/bx)	250	\$0.45	NA	NA
Precision Xtra Strips List # 99695-25(50 ct/bx)	2,500	\$0.45	NA	NA
MediSense Control List # 70550-01 High/Low	N/A	\$4.83/box \$28.98 case	NA	NA
Precision Xtra Ketone Test Strip 8 strips/box List # 99696-21	N/A	\$24.00/box 8 strp/box	NA	NA
MediSense Ketone Control List # 80139-01	N/A	\$4.83/box \$28.98/case	NA	NA
Unistik 2 Extra 3.0mm Depth Lancets List # 98747-01 (50 boxes per case)	N/A	\$18.00 / box \$900.00/ case	NA	NA

VOLUME AND/ OR PRICE CHANGE

FROM:			TO:	
PRODUCT CHANGES	ANNUAL TEST VOLUME COMMITMENT	PRICE PER TEST	ANNUAL TEST VOLUME COMMITMENT	PRICE PER TEST

UPON THE REQUEST OF ABBOTT, CUSTOMER WILL EXECUTE A FINANCING STATEMENT AS PROVIDED UNDER THE UNIFORM COMMERCIAL CODE TO PERMIT ABBOTT TO PERFECT A SECURITY INTEREST IN THE EQUIPMENT. ALL OTHER TERMS AND CONDITIONS WILL REMAIN AS ORIGINALLY STATED IN THE ABBOTT DIAGNOSTICS AGREEMENT REFERENCED ABOVE.

AGREED TO AND ACCEPTED THIS DATE:

CUSTOMER:

BY:

DATE:

6/28/05

ABBOTT LABORATORIES INC., DIAGNOSTICS DIVISION:

BY:

TITLE: Contract Administrator