

STATE OF HAWAII
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103F, HRS

To: Chief Procurement Officer

From: Department of Human Services/Med-QUEST Division
Department/Division/Branch or Office

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

1. Title and description of health and human service(s): To continue services for the second year of a two-year pilot perinatal clinic and provide case management services for women with a history of substance abuse.	
2. Provider Name and Address:	University Clinical, Education and Research Associates (UCERA) 677 Ala Moana Boulevard, Suite 620 Honolulu, Hawaii 96813
3. Total Contract Funds: Contract Funds per Year (if applicable):	\$200,000
4. Reference number of Previous Request for this Service (if applicable):	
5. Term of Contract:	Start: 42/23/08 12/30/08 End: 6/30/09

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6. Describe how procurement by competitive means is either not practicable or not advantageous to the State:
Funds of \$200,000 were appropriated in Act 147, SLH 2007 to amend Act 248, SLH 2006 to establish a pilot perinatal clinic and provide case management services. The expending agency identified in Act 147 is the Department of Human Services (DHS), not the University of Hawaii, John A. Burns School of Medicine (JABSOM) University Clinical Educational and Research Associates (UCERA) program who was the expending agency in Act 248, SLH 2006.

The DHS requested allotment of the funds in April 3, 2008 as it was believed to be a grant-in-aid appropriation made by the Legislature. The Governor allotted the funds on June 11, 2008. Once this approval was received by the DHS, communication with UCERA indicated that the funds could be provided to this entity via a contract or memorandum of agreement. To avoid lapsing of the funds at fiscal year end, the DHS encumbered the funds via a purchase order on June 26, 2008.

In pursuing a contract or memorandum with UCERA, legal review indicated that Act 248, SLH 2006 was not in compliance with grant-in-aid requirements pursuant to Chapter 42F. While it appears clear that the Legislative intent of Act 147, SLH 2007 was to provide for the second year funding for the pilot perinatal clinic established in Act 248, SLH 2006, the UCERA PATH clinic was not named as the recipient of the \$200,000 pursuant to the requirements in Chapter 42F. Due to the time required to properly research and explore any available options, it is untimely at this point to begin the Request for Information and Request for Proposal processes for a project that is scheduled to end on June 30, 2009. Moreover, this project was established to meet a need in the community that was not being addressed or provided for by other organizations. This funding is needed to complete the second year of this pilot project and to provide for continuity of the services. Also, the year end purchase order encumbrance cannot be changed to another entity. Should any change of vendor be needed, the funds will lapse back into the general fund and will be lost for the purpose of the appropriation. Therefore, in exhausting all possible legal options, the only resolution is to request a procurement exemption from the State Procurement Office to allow the DHS to properly contract with UCERA to release the funds that were intended to complete the second and final year of the pilot perinatal clinic project.

7. Describe the reason for the selection of the provider including a description of how the procedure ensured the maximum fair and open competition practicable:

As legislated in Act 248, SLH 2006, the JABSOM UCERA program established a pilot perinatal clinic named the Perinatal Addiction Treatment of Hawaii (PATH) Clinic to carry out the purposes of the Act. JABSOM was the expending agency under Act 248 and \$400,000 was appropriated out of the general fund for this program at UCERA. This clinic provides comprehensive perinatal, delivery and postpartum care and social services on Oahu to women who have a history of methamphetamine and other substance abuse. Comprehensive services of this nature are not available at any other facility, thus necessitating this pilot clinic. This clinic also pursues funding through the state Medicaid program, and shall cease operations on June 30, 2009, according to Act 248, SLH 2006.

8. Describe the state agency's internal controls and approval requirements for the exempted procurement:

The Department of Human Services/Med-QUEST Division Administration and Finance Office will follow all normal procurement processes. The Department will monitor the contract to ensure that all requirements are met.

9. List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Kenneth Fink, M.D, MGA, MPH, MQD Administrator
Ann Kinningham, Finance Officer
Cori Woo, Deputy Attorney General

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10. Direct questions to (name & position):	Ann Kinningham, Finance Officer
Phone number:	692-7956
e-mail address:	akinningham@medicaid.dhs.state.hi.us

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



Department Head Signature 12/23/08

Date

Lillian B. Koller

Typed Name

NOTICE

The chief procurement officer is considering this request for exemption and, if there is good cause, the state intends to exempt the purchase as described in the request. Any inquiries regarding the purchase shall be directed to the contact person noted in item 10 of the request. Any concerns regarding the exemption shall be in writing and received by the chief procurement officer within seven days of the date the notice was first posted. Concerns shall be mailed to: Aaron Fujioka, Chief Procurement Officer, State Procurement Office, 1151 Punchbowl St., #230A, Honolulu, HI 96813.

FOR CHIEF PROCUREMENT OFFICER USE ONLY

Chief Procurement Officer's Comments:

APPROVED DISAPPROVED NO ACTION



Chief Procurement Officer Signature 11/12/09

Date

Please ensure adherence to applicable administrative requirements.