

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

15 JUL 14 A7:50

To: Chief Procurement Officer

ADMINISTRATION
 STATE PROCUREMENT OFFICE
 STATE OF HAWAII

From: Director of Health
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:

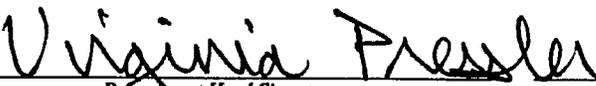
1.	Title and description of health and human service(s): Comprehensive medical and health care services on the island of Molokai which includes inpatient, outpatient, emergency room, and ancillary services.	
2.	Provider Name and Address:	Molokai General Hospital P.O. Box 408 Kaunakakai, HI 96748
3.	Total Contract Funds: Contract Funds per Year (if applicable):	\$7,618,332 \$1,904,583
4.	Reference number of Previous Request for this Service (if applicable):	PEH No. 12-03
5.	Term of Contract:	Start: 7/01/16 End: 6/30/20
6.	Describe how procurement by competitive means is either not practicable or not advantageous to the State: The 2006 legislature appropriated \$500,000 under Act 160/2006 SLH, and \$1,500,000 under Act 213/2007 SLH, into the base budget for the DOH to provide comprehensive medical and health care services for the Molokai community. (General fund restrictions have reduced the base budget from \$2,000,000 to \$1,904,583, annually). The legislative intent was to use the funds for operating costs related to hospital-based services on the island of Molokai due to uncompensated care. In-patient, out-patient, emergency, and ancillary services are specialized hospital-based services which are not duplicative of services being provided by other community health care organizations on the island. Although these services can be provided on Maui, it would not be practicable to transport patients from Molokai to Maui Memorial Hospital.	
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: See attached.	

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8.	Describe the state agency's internal controls and approval requirements for the exempted procurement: To the extent possible, the DOH will apply the laws and administrative rules associated with competitive procurement under Chapter 103F, HRS for this contract.
9.	List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract: Gordon Takaki, Public Health Administrative Officer V
10.	Direct questions to (name & position): Gordon Takaki, Public Health Admin. Officer V Phone number: 733-8365 e-mail address: gordon.takaki@doh.hawaii.gov

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

 JUL 10 2015
Department Head Signature *Date*

Virginia Pressler, M.D.
Typed Name

NOTICE

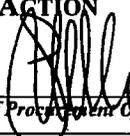
The chief procurement officer is considering this request for exemption and, if there is good cause, the state intends to exempt the purchase as described in the request. Any inquiries regarding the purchase shall be directed to the contact person noted in item 10 of the request. Any concerns regarding 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: Chief Procurement Officer, State Procurement Office, 1151 Punchbowl St., #230A, Honolulu, HI 96813.

Chief Procurement Officer's Comments:

This approval is for the procurement process only. The service provider is required to be compliant with applicable laws, and verified on the Hawaii Compliance Express, if applicable. This award is required to be posted on the Awards Reporting System.

If there are any questions, please contact Corinne Higa at 587-4706 or corinne.y.higa@hawaii.gov.

APPROVED DISAPPROVED NO ACTION

 7/31/15
Chief Procurement Officer Signature *Date*

Please ensure adherence to applicable administrative requirements.

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:

The island of Molokai has some of the poorest health and socio-economic indicators in the state according to the 2012 State of Hawaii Primary Care Needs Assessment Data Book published by the Department of Health, Family Health Services Division. Many residents are uninsured or underinsured and cannot pay for the hospital care they receive. The island of Molokai also has a high Native Hawaiian population for whom the mortality rate associated with certain diseases far exceeds that of other United States populations. Molokai is somewhat isolated in the sense that there are only two medical facilities (a hospital and a community health center) located on the island.

The DOH issued two RFPs previously for hospital-based services on the island of Molokai; however, the only applicant in both instances was Molokai General Hospital. Accordingly, it would not be practicable or advantageous for the State to procure these services on a competitive basis.