STATE OF HAWAII

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

'10 MAY 17 A9:18

STATE PROCUREMENT OFFICE
STATE OF HAWAII

To: Chief Procurement Officer

From: Department of Health/Adult Mental Health Division/Hawaii State Hospital
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):

   Provide outpaient dialysis treatment for patient who has end stage renal disease and is now dialysis dependent.

2. Provider Name and Address: Bio-medical Applications of California
   dba FMC Ko'olau Dialysis
   47-388 Hui Iwa Street
   Kaneohe, Hawaii 96744

3. Total Contract Funds:

   Contract Funds per Year (if applicable): $104,000

4. Reference number of Previous Request for this Service (if applicable):

5. Term of Contract: Start: upon approval

   End: 2 years

6. Describe how procurement by competitive means is either not practicable or not advantageous to the State:

   The original plan was to enroll the patient for Medicare coverage, leaving Hawaii State Hospital (HSH) liable only for the deductible co-payment of much less than $25,000 per year. However, it was recently determined that the patient is not eligible for Medicare coverage due to long term inpatient treatment per court order, which falls outside Federal guidelines. Therefore, HSH's actual obligation will exceed the $25,000 small purchase limit. The HSH Business Office then negotiated a favorable compensation rate based on the Medicare fee schedule for the prescribed treatment.

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 provider was selected based on the physical proximity to HSH and the recomendation by the HSH Medical Services Department. The dialysis center was also closely assiciated with the patient's long-standing Medical Nephrology consultant who manages the patient's dialysis care. The provider was also willing to accept and treat our mentally ill patient at the Medicare rate. The HSH Medical Services Department had identified and recommended this qualified provider to give dialysis treatment for the patient.

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

The HSH Medical Services Department determines the treatment options for the patient and has identified and recommended this qualified provider to provide dialysis treatment.

9. List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract:
William Elliott, HSH Associate Administrator
John Buzanoski, HSH Medical Services Chief
Anthony Fraiola, Business Manager

10. Direct questions to (name & position): Anthony Fraiola, Business Manager

Phone number: 236-8257

e-mail address: anthony.fraiola@doh.hawaii.gov

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

Department Head Signature — *Date* 5/12/10

for Chiyome Leinaala Fukino, 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: 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 — *Date*

Please ensure adherence to applicable administrative requirements.