



**State of Hawai'i
Department of Health
Alcohol and Drug Abuse Division**

RELEASE DATE: October 21, 2022

**REQUEST FOR PROPOSALS
No. RFP-440-23-ADM**

RFP Title: COMPREHENSIVE ON-SITE FISCAL, PERFORMANCE AND COMPLIANCE AUDIT OF A PURCHASE OF SERVICE CONTRACT FUNDED BY STATE OF HAWAII GENERAL FUNDS AND BY GRANT(S) RECEIVED BY THE DEPARTMENT OF HEALTH FROM THE SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION (SAMHSA) BLOCK GRANT PROGRAM AND OTHER FEDERAL SOURCES.

STATE OF HAWAII
DEPARTMENT OF HEALTH
ALCOHOL AND DRUG ABUSE DIVISION

WILL BE RECEIVED UP TO 4:00 P.M. (HST) ON

NOVEMBER 22, 2022

IN THE DIRECTOR'S OFFICE OF THE DEPARTMENT OF HEALTH, BEHAVIORAL HEALTH ADMINISTRATION, 1250 PUNCHBOWL STREET, ROOM 325 HONOLULU, HAWAII 96813

DIRECT QUESTIONS RELATED TO THIS SOLICITATION TO JOHN VALERA, TELEPHONE (808) 692-7529, FACSIMILE (808) 692-7521, OR E-MAIL AT john.valera@doh.hawaii.gov

John Valera
Procurement Officer

ALCOHOL AND DRUG ABUSE DIVISION
Name of Company

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SECTION ONE
INTRODUCTION, TERMS AND ACRONYMS, KEY DATES

1.1 INTRODUCTION

The Hawaii Department of Health (DOH), Alcohol and Drug Abuse Division (ADAD) is seeking the services of Certified Public Accountants and/or Certified Accounting firms to provide comprehensive on-site fiscal, performance, and compliance audits of a purchase of service contract funded by State of Hawaii general funds and by grant(s) received by the DOH from the Substance Abuse and Mental Health Services Administration (SAMHSA) Block Grant program and other federal sources. A single contract will be awarded under this request for proposals.

1.2 TERMS AND ACRONYMS USED THROUGHOUT THE SOLICITATION

BAFO	=	Best and Final Offer
CPA	=	Certified Public Accountant
CPO	=	Chief Procurement Officer
DAGS	=	Department of Accounting and General Services
Department, DOH, ADAD or program	=	Department of Health, Alcohol and Drug Abuse Division
GC	=	General Conditions, issued by the Department of the Attorney General
GET	=	General Excise Tax
GP	=	General Provisions
HHS	=	U.S. Department of Health and Human Services
HRS	=	Hawaii Revised Statutes
HAR	=	Hawaii Administrative Rules
Procurement Officer	=	The contracting officer for the Alcohol and Drug Abuse Division
Proposer or Offeror	=	Any individual, partnership, firm, corporation, joint venture, or other entity submitting directly or through a duly authorized representative or agent, a bid for the good, service, or construction contemplated
SAMHSA	=	Substance Abuse and Mental Health Services Administration
State	=	State of Hawaii, including its departments, agencies, and political subdivisions
TBD	=	To Be Determined

1.3 RFP SCHEDULE AND SIGNIFICANT DATES

The schedule represents the State’s best estimate of the schedule that will be followed. All times indicated are Hawaii Standard Time (HST). If a component of this schedule, such as "Proposal Due date/time" is delayed, the rest of the schedule will likely be shifted by the same number of days. Any change to the RFP Schedule and Significant Dates shall be reflected in and issued in an addendum. The approximate schedule is as follows:

Release of Request for Proposals	October 21, 2022
Due date to Submit Questions NOTE: There is no pre-proposal meeting	October 28, 2022 4:00 PM HST
State’s Response to Questions*	November 3, 2022 4:00 PM HST
Proposals Due date/time	November 22, 2022 AT 4:00 PM HST
Proposal Evaluations	November 28, 2022
Discussion with Priority Listed Offerors (if necessary)	TBD
Best and Final Offer (if necessary)	TBD
Notice of Award	November 30, 2022
Contract Start Date	December 15, 2022

*Award may be made sooner if no BAFO is necessary

1.4 QUESTIONS AND ANSWERS PRIOR TO OPENING OF PROPOSALS

All questions shall be submitted by the due date specified in SECTION 1.3 *RFP Schedule and Significant Dates*, as amended.

The State will respond to questions through Addenda/Amendments by the date specified in Section 1.3 *RFP Schedule and Significant Dates*, as amended.

SECTION TWO

SCOPE OF WORK

2.1 PROJECT OVERVIEW

The Hawaii Department of Health (DOH), Alcohol and Drug Abuse Division (ADAD) is seeking the services of Certified Public Accountants and/or Certified Accounting firms to provide comprehensive on-site fiscal, performance, and compliance audits of a single purchase of service contract funded by State of Hawaii general funds and by grant(s) received by the DOH from the Substance Abuse and Mental Health Services Administration (SAMHSA) Block Grant program and other federal sources. **DOH will designate to the Awardee the provider and the contracts to be**

audited for the Years October 1, 2019 to March 31, 2022 to ensure adherence to all contractual program, fiscal, performance, and compliance requirements. The compliance audit includes ensuring adherence to state and federal regulations and statutes. Interested certified public accountants and/or certified accounting firms must have a permit to practice in the State of Hawaii.

2.2 SERVICE SPECIFICATIONS

2.2.1 SPECIFIC QUALIFICATIONS OR REQUIREMENTS

The CONTRACTOR shall:

- a. Have an office located in Hawaii at the time of award.
- b. Have previous experience conducting audits in accordance with the U.S. Government Accountability Office's *Government Auditing Standards*, in accordance with generally accepted auditing standards as prescribed by the American Institute of Certified Public Accountants (AICPA), and shall include comparing, analyzing and tracking actual costs to actual expenditures reported; to provide the DOH with the determination of allowability of all expenditures, on the accuracy of the accounting and reporting of contract and grant expenditures, performance and reporting in accordance with contract and grant requirements, the laws, rules, regulations, policies and procedures of SAMHSA, the federal government, the DOH, and the State of Hawaii.
- c. Have previous experience conducting audits detecting/identifying any waste, fraud, or abuse.
- d. Have demonstrated involvement and experience with performing on-site compliance audits which ensured adherence to contract and grant program fiscal, performance, and compliance requirements.
- e. Have demonstrated knowledge and familiarity working with DOH and/or other state agencies, including an understanding of DOH policies, rules and regulations related to procurement (e.g. purchase orders).
- f. Have their own transportation or able to secure transportation to perform compliance audits on Oahu.
- g. Reflect a professional attitude and appearance in all settings, events, and activities related to this scope.

2.2.2 DESCRIPTION OF TASKS AND RESPONSIBILITIES

In addition to the audit requirements in Title 2 Code of Federal Regulations (CFR) Section 200.500 and 45 CFR Subpart F, the CONTRACTOR shall be

responsible for the following tasks and responsibilities to determine whether grant and contract requirements were met including:

- a. Review personnel policies and procedures and practices, including, but not limited to, hiring and training
 - i. hiring policies, position descriptions and minimum qualifications for all positions;
 - ii. actual experience and qualifications of staff that were hired (including supervisory staff). Did all employees have the appropriate experience and necessary qualifications for the positions that they held?
 - iii. disciplinary procedures, and actions taken;
 - iv. staff turnover;
 - v. workplace concerns of staff by conducting interviews to develop an understanding the work environment and interactions between staff and supervisors and their effect on performance and productivity;
 - vi. training plans, policies, and implementation for continuous improvement of all staff positions;
 - vii. the provider's overall staffing, including whether staffing levels for all shifts were optimized to provide optimum client and provider services with low or no wait times and minimizing the need for call-backs; did staffing levels fulfill the performance as specified in the contract and grant requirements.

- b. Review operating policies, procedures and practices
 - i. Analyze the personnel costs including fringe benefits for the various shifts by month and compare the costs to the expenditure and performance reports submitted by the provider during the contract and grant period.
 - ii. For staff that allocate a percentage of their time to the contract and grant, confirm that proper time management methodology/policy was used to ensure accurate, allowable allocation to the grant and contract.
 - iii. Determine if any, time periods that the provider did not have adequate staff to support the contract and grant. Determine whether the provider had a written action plan to promptly hire additional staff when needed.
 - iv. Determine adequacy of systems in place to provide quantitative data to evaluate volume of calls, dropped calls, voicemails, calls returned and other information to management for the evaluation of operations.
 - v. Analyze administrative and other costs of the provider compared to the total reported expenditures for the contract and period.

- vi. Analyze fiscal records to identify any improper billing and determine that all expenditures meet the necessary, reasonable, allowable, and allocable requirements of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards 45 CFR Part 75 and 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.
- c. Audit of performance and reporting
 - i. Determine whether plans and processes were in place to meet deliverables.
 - ii. Describe providers efforts to collaborate with community service agencies.
- d. Describe providers' systems and process for gathering necessary data for required reports.
- e. Submit to ADAD a final comprehensive and detailed report and an executive summary summarizing the key findings of the report. The written reports shall be provided in hard copy and electronic copy (PDF).

2.2.3 PERIOD OF PERFORMANCE

The period of performance for the on-site compliance audits is December 15, 2022 to January 31, 2023.

2.2.4 KNOWLEDGE AND CAPABILITY

- a. Specific Qualifications or Requirements
Bidder shall provide a detailed description of previous projects similar in size and scope of the proposed service to conduct performance fiscal, performance, and compliance audits of Hawaii state and federally funded contracts.

2.2.5 COMPENSATION AND PAYMENT

- a. Submitting a Proposal
Submit a proposal following the requirements of the Scope of Work to provide the requested services for the period from December 15, 2022 to February 1, 2023 and include a lump sum budget.
- b. Form of Payment
Awarded Vendor shall be equipped to accept State purchase order and/or credit card as forms of payment. Payment will be rendered via one method or the other.
- c. Procedure for Invoicing
Awarded Vendor shall submit invoices based upon submission and delivery of the audit report and executive summary. No advance payment shall be made.

d. Hawaii Compliance Express

Vendor must demonstrate proof of compliance for all awards of \$2,500 or greater. This includes a Certificate of Good Standing from Department of Commerce and Consumer Affairs, Tax Clearance from the Department of Taxation (DOTAX). Offeror is advised that in order to be awarded a contract under this solicitation, Offeror will be required, to be compliant with all laws governing entities doing business in the State including the following chapters and pursuant to HRS §103D-310(c):

- i. Chapter 237, General Excise Tax Law;
- ii. Chapter 383, Hawaii Employment Security Law;
- iii. Chapter 386, Worker's Compensation Law;
- iv. Chapter 392, Temporary Disability Insurance;
- v. Chapter 393, Prepaid Health Care Act; and
- vi. §103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

The State will verify compliance on Hawaii Compliance Express (HCE).

Hawaii Compliance Express. All providers shall comply with all laws governing entities doing business in the State. Providers are strongly encouraged to register with HCE (see <https://vendors.ehawaii.gov>) for online compliance verification from the Hawaii State Department of Taxation (DOTAX), Internal Revenue Service (IRS), Department of Labor and Industrial Relations (DLIR), and Department of Commerce and Consumer Affairs (DCCA). There is a nominal annual registration fee (currently \$12) for the service.

.9The HCE's online "Certificate of Vendor Compliance" provides the registered provider's current compliance status as of the issuance date and is accepted for both contracting and final payment purposes.

- Tax Clearance. Pursuant to Hawaii Revised Statutes (HRS) §103-53, as a prerequisite to entering into contracts of \$25,000 or more, providers are required to have a tax clearance from DOTAX and the IRS.
- Labor Law Compliance. Pursuant to HRS §103-55, providers shall be in compliance with all applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety.
- DCCA Business Registration. Prior to contracting, owners of all forms of business doing business in the state except sole proprietorships, charitable organizations, unincorporated

associations and foreign insurance companies shall be registered and in good standing with the DCCA, Business Registration Division. Foreign insurance companies must register with DCCA, Insurance Division.

Vendors/contractors/service providers should register with HCE prior to submitting an offer at <https://vendors.ehawaii.gov>.

Timely Registration on HCE. Vendors/contractors/service providers are strongly advised to register on HCE as soon as possible. If a vendor/contractor/service provider is not compliant on HCE at the time of award, an Offeror will not receive the award.

SECTION THREE

PROPOSAL FORMAT AND CONTENT

3.1 OFFEROR'S AUTHORITY TO SUBMIT AN OFFER

The State will not participate in determinations regarding an Offeror's authority to sell a product or service. If there is a question or doubt regarding an Offeror's right or ability to obtain and sell a product or service, the Offeror shall resolve that question prior to submitting an offer.

3.2 REQUIRED REVIEW

- 3.2.1 Before submitting a proposal, each Offeror must thoroughly and carefully examine this RFP, any attachment, addendum, and other relevant document, to ensure Offeror understands the requirements of the RFP. Offeror must also become familiar with State, local, and Federal laws, statutes, ordinances, rules, and regulations that may in any manner affect cost, progress, or performance of the work required.
- 3.2.2 Should Offeror find defects and questionable or objectionable items in the RFP, Offeror shall notify the Department in writing prior to the deadline for written questions as stated in the RFP Schedule and Significant Dates, as amended. This will allow the issuance of any necessary corrections and/or amendments to the RFP by addendum and mitigate reliance of a defective solicitation and exposure of proposal(s) upon which award could not be made.

3.3 PROPOSAL PREPARATION COSTS

Any and all costs incurred by the Offeror in preparing or submitting a proposal shall be the Offeror's sole responsibility whether or not any award results from this RFP. The State shall not reimburse such costs.

3.4 TAX LIABILITY

3.4.1 Work to be performed under this solicitation is a business activity taxable under HRS Chapter 237, and if applicable, taxable under HRS Chapter 238. Contractor is advised that they are liable for the Hawaii General Excise TAX (GET) at the current 4.5% for sales made on Oahu, and at the 4% rate for the islands of Hawaii, Maui, Molokai, and Kauai. If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Offeror shall state its tax-exempt status and cite the HRS chapter or section allowing the exemption.

3.4.2 Federal I.D. Number and Hawaii General Excise Tax License I.D. Offeror shall submit its current Federal I.D. No. and Hawaii General Excise Tax License I.D. number in the space provided on *Attachment 1*, thereby attesting that the Offeror is doing business in the State and that Offeror will pay such taxes on all sales made to the State.

3.5 PROPERTY OF STATE

All proposals become the property of the State of Hawaii.

3.6 CONFIDENTIAL INFORMATION

3.6.1 If an Offeror believes that any portion of a proposal, offer, specification, protest, or correspondence contains information that should be withheld from disclosure as confidential, then the Offeror shall inform the Procurement Officer named on the cover of this RFP in writing and provided with justification to support the Offeror's confidentiality claim. Price is not considered confidential and will not be withheld.

3.6.2 An Offeror shall request in writing nondisclosure of information such as designated trade secrets or other proprietary data Offeror considers to be confidential. Such requests for nondisclosure shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.

3.7 EXCEPTIONS

Should Offeror take any exception to the terms, conditions, specifications, or other requirements listed in the RFP, Offeror shall list such exceptions in this section of the Offeror's proposal. Offeror shall reference the RFP section where exception is taken, a description of the exception taken, and the proposed alternative, if any. The State reserves the right to accept or not accept any exceptions.

No exceptions to statutory requirements of the AG General Conditions, AG-008 103D shall be considered. (<https://spo.hawaii.gov/wp-content/uploads/2017/12/AG-008-103D-1.pdf>)

3.8 PROPOSAL OBJECTIVES

- 3.8.1 One of the objectives of this RFP is to make proposal preparation easy and efficient, while giving Offerors ample opportunity to highlight their proposals. The evaluation process must also be manageable and effective.
- 3.8.2 Proposals shall be prepared in a straightforward and concise manner, in a format that is reasonably consistent and appropriate for the purpose. Emphasis will be on completeness and clarity and content.
- 3.8.3 When an Offeror submits a proposal, it shall be considered a complete plan for accomplishing the tasks described in this RFP and any supplemental tasks the Offeror has identified as necessary to successfully complete the obligations outlined in this RFP.
- 3.8.4 The proposal shall describe in detail the Offeror's ability and availability of services to meet the goals and objectives of this RFP as stated in Section 2, *Scope of Work*.
- 3.8.5 Offeror shall submit a proposal that includes an overall strategy, timeline and plan for the work proposed as well as expected results and possible shortfalls.

3.9 PROPOSAL FORMS

- 3.9.1 To be considered responsive, the Offeror's proposal shall respond to and include all items specified in this RFP and any subsequent addendum. Any proposal offering any other set of terms and conditions that conflict with the terms and conditions providing in the RFP or in any subsequent addendum may be rejected without further consideration.
- 3.9.2 Complete *Attachment 1* using Offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable, in

the appropriate space on *Attachment 1*. Failure to do so may delay proper execution of the Contract.

- 3.9.3 The Offeror's authorized signature on *Attachment 1* shall be an original signature in ink, which shall be required before an award, if any, can be made. The submission of the proposal shall indicate Offeror's intent to be bound.
- 3.9.4 Pricing shall be submitted on *Attachment 2*. The price shall be the all-inclusive cost, including the GET, to the State. No other costs will be honored. Any unit prices shall be inclusive.
- 3.9.5 Offerors shall also complete statements of qualifications (*Attachments 3 to 9*). See SECTION 3.10.4.c.
- 3.9.6 Offerors shall also demonstrate compliance with state and federal tax and labor laws. See SECTION 2.2.5.d.

3.10 PROPOSAL CONTENTS

Proposals must:

- 3.10.1 Include a signed *Proposal Application Identification Form*, SPOH-200, from <https://spo.hawaii.gov/spoh-200> labelled "*Attachment 1*" with the complete name and address of Offeror's firm and the name, mailing address, telephone number, and fax number of the person the State should contact regarding the Offeror's proposal.
- 3.10.2 If subcontractor(s) will be used, append a statement to the transmittal letter from each subcontractor, signed by an individual authorized to legally bind the subcontractor and stating:
 - a. The general scope of work to be performed by the subcontractor;
 - b. The subcontractor's willingness to perform for the indicated.
- 3.10.3 Provide all of the information requested in this RFP in the order specified.
- 3.10.4 Be organized into sections, following the exact format using all titles, subtitles, and numbering, with tabs separating each section described below. Each section must be addressed individually, and pages must be numbered.
 - a. Proposal Application Identification Form
See SECTION SEVEN, *Attachment 1*, Proposal Application Identification Form.

b. Cost Proposal

See SECTION SEVEN, *Attachment 2*, Cost Proposal.

Offerors shall furnish their proposed rates and price list for labor, equipment, and other items anticipated to be used for activities identified in this RFP, including any costs for subcontractors. If your firm is awarded a contract, your proposed schedule rates may be used in the award fee rates.

The rate schedule should clearly identify the rates for: 1) each labor category identified by the Offeror; 2) general and administrative expenses (G&A); 3) overhead; and 4) profit. Offerors should state if and how these rates differ when applied to subcontractors. Offerors should also describe what expenses are included in G&A and overhead accounts. For example, indicate whether G&A or overhead includes computer usage, timekeeping, invoice preparation, staff supervision, contract management meetings with the department, etc.

c. *Required Statements*

See SECTION SEVEN, *Attachments 3 to 9*. Attach additional sheets if more space is required.

- *Attachment 3*, Previous Work Experience (past 5 years)
- *Attachment 4*, Firm Experience and Qualifications
- *Attachment 5*, Staff Experience and Qualifications
- *Attachment 6*, Partner/Principal History
- *Attachment 7*, Managers/Seniors History
- *Attachment 8*, Auditing Services Plan
- *Attachment 9*, References completed by at least three (3) clients (one form per client)
- A brief statement listing any judgments or pending lawsuits or actions against; adverse contract actions, including termination(s), suspension, imposition of penalties, or other actions relating to failure to perform or deficiencies in fulfilling contractual obligations against your firm. If none, so state.
- Any sample reports from previous projects if they are related to the objectives of this solicitation (optional)

d. Special forms

- Tax clearance from the State Department of Taxation
- Certificate of compliance from the State Department of Labor and Industrial Relations

- Certificate of Good Standing from the State Department of Commerce and Consumer Affairs
- Proof of liability insurance
- NOTE: Users of Hawai'i Compliance Express (HCE) may submit their HCE Certificate of Vendor Compliance indicating compliance with the requirement for: DOTAX Tax Clearance; IRS; DLIR Certificate of Compliance; and the DCCA Certificate of Good Standing.

- e. Exceptions.
See SECTION 3.7, Exceptions.

3.11 APPLICATION DEADLINE

Proposals shall be submitted via electronic copy as a PDF document on a USB flash drive via mail or hand-delivery.

Proposal applications submitted on a USB flash drive shall be received no later than 4:00 p.m. Hawaii Standard Time (HST), on November 22, 2022. Proposal applications received after the deadline shall be considered late and rejected. **Hand delivered proposals shall be received no later than 4:00 p.m., HST on November 22, 2022 at the Director's Office, Department of Health, Behavioral Health Administration, 1250 Punchbowl Street, Room 325, Honolulu, Hawaii 96813.** There are no exceptions to this requirement.

Proposals delivered via mail or hand-delivered after the submittal deadline shall be considered late and rejected. There are no exceptions to this requirement.

3.12 RECEIPT AND REGISTER OF PROPOSALS

Proposals will be received and receipt verified by two staff on or after the date and time specified in Section One, or as amended.

The register of proposals and proposals of the Offeror(s) shall be open to public inspection upon posting of award pursuant to section 103D-701, HRS.

3.13 BEST AND FINAL OFFER (BAFO)

If the State determines a BAFO is necessary, it shall request one from the Offeror. The Offeror shall submit its BAFO and any BAFO received after the deadline or not received shall not be considered.

3.14 MODIFICATION PRIOR TO SUBMITTAL DEADLINE OR WITHDRAWAL OF OFFERS

- 3.14.1 The Offeror may modify or withdraw a proposal before the proposal due date and time.

- 3.14.2 Any change, addition, deletion of attachment(s) or data entry of an Offer may be made prior to the deadline for submittal of offers.

3.15 MISTAKES IN PROPOSALS

- 3.15.1 Mistakes shall not be corrected after award of contract.
- 3.15.2 When the Procurement Officer knows or has reason to conclude before award that a mistake has been made, the Procurement Officer should request the offeror to confirm the proposal. If the Offeror alleges mistake, the proposal may be corrected or withdrawn pursuant to this section.
- 3.15.3 Once discussions are commenced or after best and final offers are requested, any priority-listed Offeror may freely correct any mistake by modifying or withdrawing the proposal until the time and date set for receipt of best and final offers.
- 3.15.4 If discussions are not held, or if the best and final offers upon which award will be made have been received, mistakes shall be corrected to the intended correct offer whenever the mistake and the intended correct offer are clearly evident on the face of the proposal, in which event the proposal may not be withdrawn.
- 3.15.5 If discussions are not held, or if the best and final offers upon which award will be made have been received, an Offeror alleging a material mistake of fact which makes a proposal non-responsive may be permitted to withdraw the proposal if: the mistake is clearly evident on the face of the proposal but the intended correct offer is not; or the Offeror submits evidence which clearly and convincingly demonstrates that a mistake was made.

Technical irregularities are matters of form rather than substance evident from the proposal document, or insignificant mistakes that can be waived or corrected without prejudice to other Offerors; that is, when there is no effect on price, quality, or quantity. If discussions are not held or if best and final offers upon which award will be made have been received, the Procurement Officer may waive such irregularities or allow an Offeror to correct them if either is in the best interest of the State. Examples include the failure of an Offeror to: return the number of signed proposals required by the request for proposals; sign the proposal, but only if the unsigned proposal is accompanied by other material indicating the Offeror's intent to be bound; or to acknowledge receipt of an amendment to the request for proposal, but only if it is clear from the proposal that the Offeror received the amendment and intended to be bound by its terms; or the amendment involved had no effect on price, quality or quantity.

3.16 REJECTION OF PROPOSALS

At the discretion of the department, the following conditions may be justification for rejecting a proposal:

- Submitting incomplete documents or failure to submit an original signature.
- Failure to provide the special forms indicated in SECTION 3.10.4.d.
- Unfavorable references. Note: The department reserves the right to seek additional references in addition to those submitted in the proposal.

SECTION FOUR

EVALUATION CRITERIA

Evaluation criteria and the associated points are listed below. The award will be made to the responsible Offeror whose proposal is determined to be the most advantageous to the State based on the evaluation criteria listed in this section.

The total number of points used to score this contract is 100.

1) Cost of services (20)

In converting cost to points, the lowest cost proposal will automatically receive the maximum number of points allocated to cost, 20 points. The point allocated for cost on the other proposals will be determined through the method set out as follows:

$(\text{Lowest Cost} \times 20 \text{ points (maximum)}) \div \text{offeror's Cost Proposal} = \text{Points}$

2) Previous experience, capability and proficiency in auditing federally funded health and human service program contracts (20)

a. Number of years in the business and number of years performing services specified in this RFP

b. Reference and client listings

3) Sample projects and/or examples of previous work on similar audit projects (10)

4) Previous knowledge and experience working with DOH and/or other state agencies, including an understanding of DOH policies, rules and regulations related to procurement (e.g. purchase orders) (20)

5) Auditing Plan (30)

- a. Methodology for each of the sections: Personnel, Operations, Performance and Reporting, and Audit Report with Executive Summary.
- b. Timeline

SECTION FIVE

CONTRACTOR SELECTION AND CONTRACT AWARD

5.1 EVALUATION OF PROPOSALS

The Procurement Officer, or an evaluation committee of at least three (3) qualified State employees selected by the Procurement Officer, shall evaluate proposals. The evaluation will be based solely on the evaluation criteria set out in SECTION FOUR of this RFP.

Prior to holding any discussion, a priority list shall be generated consisting of offers determined to be acceptable or potentially acceptable. However, proposals may be accepted without such discussions.

If numerous acceptable and potentially acceptable proposals are submitted, the evaluation committee may limit the priority list to the three highest ranked, responsible Offerors.

5.2 DISCUSSION WITH PRIORITY LISTED OFFERORS

The State may invite priority listed Offerors to discuss with their proposals to ensure thorough, mutual understanding. The State in its sole discretion shall schedule the time and location for these discussions, generally within the timeframe indicated in SECTION 1.3, *RFP Schedule and Significant Dates*. The State may also conduct discussions with priority listed Offerors to clarify issues regarding the proposals before requesting Best and Final Offers, if necessary.

5.3 AWARD OF CONTRACT

Method of Award. Award will be made to the responsible Offeror whose proposal is determined to be the most advantageous to the State based on the evaluation criteria set forth in the RFP.

5.4 RESPONSIBILITY OF OFFERORS

Offeror is advised that in order to be awarded a contract under this solicitation, Offeror will be required, to be compliant with all laws governing entities doing business in the State including the following chapters and pursuant to HRS §103D-310(c):

- a. Chapter 237, General Excise Tax Law;
- b. Chapter 383, Hawaii Employment Security Law;
- c. Chapter 386, Worker's Compensation Law;
- d. Chapter 392, Temporary Disability Insurance;
- e. Chapter 393, Prepaid Health Care Act; and
- f. §103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

The State will verify compliance on Hawaii Compliance Express (HCE).

Hawaii Compliance Express. All providers shall comply with all laws governing entities doing business in the State. Providers are strongly encouraged to register with HCE (see <https://vendors.ehawaii.gov>) for online compliance verification from the Hawaii State Department of Taxation (DOTAX), Internal Revenue Service (IRS), Department of Labor and Industrial Relations (DLIR), and Department of Commerce and Consumer Affairs (DCCA). There is a nominal annual registration fee (currently \$12) for the service. The HCE's online "Certificate of Vendor Compliance" provides the registered provider's current compliance status as of the issuance date and is accepted for both contracting and final payment purposes.

- Tax Clearance. Pursuant to HRS §103-53, as a prerequisite to entering into contracts of \$25,000 or more, providers are required to have a tax clearance from DOTAX and the IRS.
- Labor Law Compliance. Pursuant to HRS §103-55, providers shall be in compliance with all applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety.
- DCCA Business Registration. Prior to contracting, owners of all forms of business doing business in the state except sole proprietorships, charitable organizations, unincorporated associations and foreign insurance companies shall be registered and in good standing with the DCCA, Business Registration Division. Foreign insurance companies must register with DCCA, Insurance Division.

Vendors/contractors/service providers should register with HCE prior to submitting an offer at <https://vendors.ehawaii.gov>.

Timely Registration on HCE. Vendors/contractors/service providers are strongly advised to register on HCE as soon as possible. If a vendor/contractor/service provider is not compliant on HCE at the time of award, an Offeror will not receive the award.

5.5 PROPOSAL AS PART OF THE CONTRACT

This RFP and all or part of the successful proposal may be incorporated into the contract.

5.6 PUBLIC EXAMINATION OF PROPOSALS

Except for confidential portions, the proposals shall be made available for public inspection upon posting of award pursuant to HRS §103D-701.

If a person is denied access to a State procurement record, the person may appeal the denial to the Office of Information practices in accordance with HRS §92F-42(12).

5.7 DEBRIEFING

Pursuant to HAR §3-122-60, a non-selected Offeror may request a debriefing to understand the basis for award.

A written request for debriefing shall be made within three (3) working days after the posting of the award of the contract. The Procurement Officer or designee shall hold the debriefing within seven (7) working days to the extent practicable from the receipt date of written request.

Any protest by the requestor following a debriefing, shall be filed within five (5) working days, as specified in HAR §103D-303(h).

5.7 PROTEST PROCEDURES

Pursuant to HRS §103D-701 and HAR §3-126-3, an actual or prospective Offeror who is aggrieved in connection with the solicitation or award of a contract may submit a protest. Any protest shall be submitted in writing to the Procurement Officer at:

John Valera, Acting Administrator
601 Kamokila Boulevard, Room 360
Kapolei, Hawai'i 96707

A protest shall be submitted in writing within five (5) working days after the aggrieved person knows or should have known of the facts giving rise thereto; provided that a protest based upon the content of the solicitation shall be submitted in writing prior to the date set for receipt of offers. Further provided that a protest of an award or proposed award shall be submitted within five (5) working days after the posting of award or if requested, within five (5) working days after the PO's debriefing was completed.

The notice of award, if any, resulting from this solicitation shall be posted on the Hawaii Awards & Notices Data System (HANDS), which is available on the SPO website: <https://hands.ehawaii.gov/hands/>.

5.8 APPROVALS

Any agreement arising out of this offer may be subject to the approval of the Department of the Attorney General, and to all further approvals, including the approval of the Governor, as required by statute, regulation, rule, order, or other directive.

5.9 CONTRACT EXECUTION

Successful Offeror receiving award shall enter into a formal written contract. No performance or payment bond is required for this contract.

No work is to be undertaken by the Contractor prior to the effective date of contract. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the official starting date.

If an option to extend is mutually agreed upon, the Contractor shall be required to execute a supplement to the contract for the additional extension period.

5.11 INSURANCE

5.11.1 Prior to the contract start date, the Contractor shall procure at its sole expense and maintain insurance coverage acceptable to the State in full force and effect throughout the term of the Contract. The Offeror shall provide proof of insurance for the following minimum insurance coverage(s) and limit(s) in order to be awarded a contract. The type of insurance coverage is listed as follows:

1. Commercial General Liability Insurance

Commercial general liability insurance coverage against claims for bodily injury and property damage arising out of all operations, activities or contractual liability by the Contractor, its employees and subcontractors during the term of the Contract. This insurance shall include the following coverage and limits specified or required by any applicable law: bodily injury and property damage coverage with a minimum of \$1,000,000 per occurrence; personal and advertising injury of \$1,000,000 per occurrence; broadcasters' liability insurance of \$1,000,000 per occurrence; and with an aggregated limit of \$2,000,000. The commercial general liability policy shall be written on an occurrence basis and the policy shall provide legal defense costs and expenses in addition to the limits of liability stated above.

The Contractor shall be responsible for payment of any deductible applicable to this policy.

2. Automobile Liability Insurance

Automobile liability insurance covering owned, non-owned, leased, and hired vehicles with a minimum of \$1,000,000 for bodily injury for each person, \$1,000,000 for bodily injury for each accident, and \$1,000,000 for property damage for each accident.

3. Appropriate levels of per occurrence insurance coverage for workers' compensation and any other insurance coverage required by Federal or State law.

- 5.11.2 The Contractor shall deposit with the SPO, on or before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the SPO that the provisions of the Contract have been complied with, and to keep such insurance in effect and provide the certificate(s) of insurance to the SPO during the entire term of the Contract. Upon request by the SPO, the Contractor shall furnish a copy of the policy or policies.
- 5.11.3 The Contractor will immediately provide written notice to the SPO and contracting department or agency should any of the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed up expiration.
- 5.11.4 The certificates of insurance shall contain the following clauses:
1. **“The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii.”**
 2. **“It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy.”**
- 5.11.5 Failure of the Contractor to provide and keep in force such insurance shall constitute a material default under the Contract, entitling the State to exercise any or all of the remedies provided in the Contract (including without limitation terminating the Contract). The procuring of any required policy or policies of insurance shall not be construed to limit the Contractor's liability hereunder, or to fulfill the indemnification provisions of the Contract. Notwithstanding said policy or policies of insurance, the Contractor shall be responsible for the full and total amount of any damage, injury, or loss caused by the Contractor's negligence or neglect in the provision of services under the Contract.

5.12 PAYMENT

Payment shall be made upon receipt of reports that are reviewed to the satisfaction of the Department and that meet the expectations of the RFP and on the timeline agreed to by both the Contractor and the State.

SECTION SIX

SPECIAL PROVISIONS

6.1 OFFER GUARANTY

A proposal security deposit is NOT required for this RFP.

6.2 INTELLECTUAL PROPERTY RIGHTS

The State reserves the right to unlimited, irrevocable, worldwide, perpetual, royalty-free, non-exclusive licenses to use, modify, reproduce, perform, release, display, create derivative works from, and disclose the work product, and to transfer the intellectual property to third parties for State purposes.

6.3 TERMINATIONS FOR CONVENIENCE OR UNAVAILABILITY OF FUNDS

The State may terminate the agreement at any time in accordance with General Conditions number 14.

This solicitation shall be subject to the availability of deposit beverage container deposit special funds.

SECTION SEVEN

ATTACHMENTS AND EXHIBITS

ATTACHMENTS

- Attachment 1: SAMPLE PROPOSAL APPLICATION IDENTIFICATION FORM
- Attachment 2: COST PROPOSAL
- Attachment 3: PREVIOUS WORK EXPERIENCE
- Attachment 4: FIRM EXPERIENCE AND QUALIFICATIONS
- Attachment 5: STAFF EXPERIENCE AND QUALIFICATIONS
- Attachment 6: PARTNER/PRINCIPAL HISTORY
- Attachment 7: MANAGERS/SENIORS HISTORY
- Attachment 8: AUDITING SERVICES PLAN
- Attachment 9: REFERENCES

ATTACHMENT 1
SAMPLE PROPOSAL APPLICATION IDENTIFICATION FORM
 (<https://spo.hawaii.gov/spoh-200/>)

STATE OF HAWAII STATE PROCUREMENT OFFICE PROPOSAL APPLICATION IDENTIFICATION FORM	
STATE AGENCY ISSUING RFP: _____	
RFP NUMBER: _____	
RFP TITLE: _____	
Check one:	
<input type="checkbox"/> Initial Proposal Application	
<input type="checkbox"/> Final Revised Proposal (Completed Items _____ - _____ only)	
1. APPLICANT INFORMATION	
Legal Name: _____	Contact person for matters involving this application:
Doing Business As: _____	Name: _____
Street Address: _____	Title: _____
Mailing Address: _____	Phone Number: _____
	Facsimile Number: _____
	e-mail: _____
2. BUSINESS INFORMATION	
Type of Business Entity (check one):	
<input type="checkbox"/> Non-Profit Corporation	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> For-Profit Corporation	<input type="checkbox"/> Partnership
If applicable, state of incorporation and date incorporated:	
State: _____	Date: _____
3. PROPOSAL INFORMATION	
Geographic area(s): _____	
Target group(s): _____	
4. FUNDING REQUEST	
FY _____	FY _____
FY _____	FY _____
FY _____	FY _____
Grand Total _____	

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

_____	_____
<i>Authorized Representative Signature</i>	<i>Date Signed</i>

<i>Name and Title</i>	



**ATTACHMENT 2
COST PROPOSAL
RFP-440-23-ADM**

Total contract cost for accomplishing the development and delivery of services as described in Section 2.2.2, Description of Tasks and Responsibilities.

TOTAL Cost: _____

Proposed No. of Days/Dates On-site _____

Reports Submission Dates _____

Note: Pricing shall include labor, materials, supplies, all applicable taxes, and any other costs incurred to provide the specified services.

Offeror _____
Name of Company

**ATTACHMENT 3
PREVIOUS WORK EXPERIENCE
RFP-440-23-ADM**

List previous government or similar work experience from the last five (5) years. Describe briefly any work done (especially the experience of the Hawaii office), which is similar or related to the audit of federal and State of Hawaii contracts and grants and reporting results of the audit. Attach additional sheets if more space is required.

Indicate the following for each entry:

- Agency/Client Name
- Type of Accounting Service (e.g., government/fiscal audits, single audit, program audit, performance audit, forensic audit)
- Month and Year
- Number of Actual Hours
- If Agency/Client is a State agency, indicate whether or not the firm is independent with respect to these State agencies

ATTACHMENT 6
PARTNER/PRINCIPAL HISTORY
RFP-440-23-ADM

List the personal history of partners/principals who will be responsible for planning, directing, conducting, or reporting on this project. See SECTION 2.2, *Scope of Work*. Use one form per individual. Please photocopy additional exhibits as necessary.

1. Name

2. Position with Firm

3. Years of experience (total, as Principal in this Firm, w/other Firms, other than Principal)

4. Resident of Hawaii since (year)

5. Meets CPE Requirements in accordance with Governmental Auditing Standards (yes/no)

6. Education (college, degree, year and specialization)

7. Membership in professional organizations

8. License (type, year, State)

9. Responsibilities on previous government or similar type of projects

ATTACHMENT 7
MANAGERS/SENIORS HISTORY
RFP-440-23-ADM

List the personal history of key managers/seniors who will be responsible for planning, directing, conducting, or reporting on this project. See SECTION 2.2, *Scope of Work*. Use one form per individual. Please add additional pages as required.

1. Name

2. Position on State projects

3. Major Responsibilities with the Firm

4. CPE Requirements in accordance w/Government Auditing Standards (yes/no)

5. Years of Experience

6. Resident of Hawaii Since (year)

7. Education (college, degree, year and specialization)

8. Membership in professional organizations

9. License (type, year, State)

**ATTACHMENT 8
AUDITING SERVICES PLAN
RFP-440-23-ADM**

Based on your firm's experience with providing accounting services to government and/or business entities, please provide the following information, and attach additional sheets if more space is required:

A. METHODOLOGY

Describe the approach(es) you will take to conduct each section of the audit as described in Section 2:

B. TIMELINE

Provide a timeline for the project.

**ATTACHMENT 9
REFERENCES
RFP-440-23-ADM**

Provide comments from clients with projects similar or related to accounting services provided to State agencies. Use one form per client. No more than three (3) Reference forms may be submitted. Attach additional sheets if more space is required.

Reference for (name of CPA Firm):		
1.	Name of Client:	
2.	Name of Person Completing this Form:	
3.	Contact Phone Number:	
4.	Fiscal Year(s) service provided:	
5.	What accounting service (not audit) did you engage the CPA for?	
6.	Size of accounting service engagement (approx. hours):	
7.	Years known CPA:	
8.	Did CPA start accounting service on time?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If no, why?	
9.	CPA completed accounting service on time?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If no, why?	
10.	No. of CPA's staff sufficient?	<input type="checkbox"/> Yes <input type="checkbox"/> No
11.	CPA knowledgeable about:	Rate the following from 5 to 1 (5 being best).
	a. Accounting principles.	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
	b. Auditing procedures.	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
	c. Compliance requirements.	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
	d. Internal accounting controls.	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1 <input type="checkbox"/> N/A
12.	Was CPA staff:	
	a. Courteous?	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
	b. Efficient use of time?	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
	c. Adequately supervised?	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
13.	Was the accounting service fee amended?	
	If yes, was it due to:	
	a. Scope of work not clear?	
	b. Change in scope of work?	
	c. Other: Explain.	
14.	How would you rate this CPA?	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
15.	Would you recommend this CPA to other State agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No