



State of Hawaii Department of Taxation

RELEASE DATE: July 2, 2026

REQUEST FOR PROPOSALS No. RFP-27-TAX-01 SEALED OFFERS FOR Out-of-State Lien Enforcement Services for the State of Hawaii Department of Taxation

The Department of Taxation, Administrative Services Office, would like to solicit offers for Out-of-State Lien Enforcement Services through the Hawaii State eProcurement System (HlePRO). Offers shall be received via HlePRO.

HlePRO offers will be received up to 4:00 P.M. Hawaii Standard Time on August 14, 2026 and must be submitted in strict accordance with the instructions herein.

Questions shall be submitted via HlePRO by the Question-and-Answer Deadline.

Min Meng
Administrative Services Officer
State of Hawaii
Department of Taxation
Administrative Services Office

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SECTION ONE

INTRODUCTION, TERMS AND ACRONYMS, KEY DATES

1.1 INTRODUCTION

The State of Hawaii Department of Taxation (DOTAX) is requesting proposals from interested law firms to provide Out-of-State Lien Enforcement Services for DOTAX.

Any award will result in a contract for these services for use by DOTAX.

This request for proposals (RFP) is issued under the provisions of the Hawaii Revised Statutes (HRS), Chapter 103D, its administrative rules, and is for services pursuant to HRS section 231-13.

1.2 CANCELLATION

The RFP may be cancelled and any or all proposals rejected in whole or in part, without liability to the State, when it is determined to be in the best interest of the State.

1.3 TERMS AND ACRONYMS USED THROUGHOUT THE SOLICITATION

BAFO	=	Best and Final Offer
CPO	=	Chief Procurement Officer
Director	=	Director, Department of Taxation
DOTAX	=	Department of Taxation
GC	=	General Conditions issued by Department of the Attorney General
GET	=	General Excise Tax
HAR	=	Hawaii Administrative Rules
HRS	=	Hawaii Revised Statutes
Offeror	=	Any individual, partnership, firm, corporation, joint venture, or other legal entity, submitting directly or through a duly authorized representative or agent, an offer for the work or services contemplated in response to this RFP. Following an award made pursuant to the terms of this RFP and the execution of a contract with DOTAX pursuant to the terms

hereof, any Offeror shall be deemed to be a Contractor and any and all references herein to Offeror shall be deemed to be references to Contractor for the purposes of the Contract executed hereunder, including, without limitation, any and all rights and obligations set forth herein.

- Procurement Officer = The contracting officer for the State of Hawaii, Department of Taxation
- RFP = Request for proposals
- State = State of Hawaii, including its departments, agencies, and political subdivisions
- STC = State Tax Collector

1.4 RFP SCHEDULE AND SIGNIFICANT DATES

The below RFP Schedule and Significant Dates (the “schedule”) represents the State’s best estimate of the schedule that will be followed for this procurement. All times indicated are Hawaii Standard Time (HST). If a component of this schedule, such as "Proposals Due Date/Time" is delayed, the rest of the schedule will likely be shifted by the same number of days. Any change to the schedule shall be made through a properly executed addendum. The approximate schedule is as follows:

Release of Request for Proposals	July 02, 2026
Due Date to Submit Questions	July 17, 2026
State’s Response to Questions	July 31, 2026
Proposals Due Date/Time	August 14, 2026 at 4 p.m. (HST)
Notice of Award Due Date/Time	August 28, 2026 at 4 p.m. (HST)
Contract Start Date	October 01, 2026

1.5 QUESTIONS AND ANSWERS PRIOR TO OPENING OF PROPOSALS

All questions shall be submitted via HlePRO by the due date specified in Section 1.4, RFP Schedule and Significant Dates, and as may be amended by a properly executed addendum.

The State will respond to questions via HlePRO by the date specified in Section 1.4, RFP Schedule and Significant Dates, and as may be amended by a properly executed addendum.

1.6 STATE POINT OF CONTACT

For questions relating to the proposal submittal or general contract-related questions:

MIN MENG
Administrative Services Officer
State of Hawaii
Department of Taxation
Administrative Services Office
830 Punchbowl Street, Room 217
Honolulu, HI 96813
Phone: (808) 587-1500
Fax: (808) 587-1506

For questions relating to out-of-state lien enforcement service-related questions:

DONGYAN WEN
State Tax Collector
State of Hawaii
Department of Taxation
830 Punchbowl Street, Room 203
Honolulu, HI 96813
Phone: (808) 543-6820 ext. 4000
Fax: (808) 587-1720

SECTION TWO

BACKGROUND AND SCOPE OF WORK

2.1 PROJECT OVERVIEW AND HISTORY

The purpose of this RFP is to solicit proposals from interested law firms to enforce collection of past due State taxes, penalties, interest, fees, and other obligations from out-of-state delinquent taxpayers. The goal of procuring the services of a law firm to conduct out-of-state lien enforcement services is to assist DOTAX in reducing the inventory of past due accounts and delinquent State of Hawaii taxes and collect revenue for the General Fund of the State of Hawaii. The successful Offeror (hereafter "Contractor") will collect the amounts owed to the State on a contingency fee basis under section 231-13, Hawai'i Revised Statutes (HRS), and also be required to keep and maintain records of all assigned accounts and to provide status reports of these accounts. The State shall not be responsible for any attorney fees, costs, or other expenses payable to the Contractor other than a contingency fee. Delinquent accounts referred will include, but are not limited to, non-Hawaii-domiciled taxpayers with tax liabilities owing to the State.

2.1.1 COMPENSATION

The Contractor shall propose a fee schedule based on paragraph 2.2.1 below and shall specify the fee payment from amounts collected. Pursuant to section 443B-19(4), HRS, the Contractor shall not retain statutory interest that accrues on delinquent tax accounts after the accounts are referred to the Contractor for collection.

2.2. SCOPE OF WORK

All services provided by the Contractor shall be in accordance with this RFP, including its attachments and any addenda.

2.2.1 Matters Referred for Collection

As of April 30, 2026, DOTAX currently has approximately \$373 million in potentially collectible delinquent taxes that comprise of unpaid accounts owed by out-of-state taxpayers. DOTAX will refer at its discretion for collection past due, unpaid accounts of delinquent taxpayers of the State of Hawaii, including but not limited to accounts with various outstanding balances and existing cases that DOTAX staff is unable to pursue. DOTAX will provide a notification letter to the taxpayers whose accounts will be referred to the Contractor.

The Contractor shall identify accounts that are not collectible based on criteria provided in sections 231-32 or 40-82, HRS, and transmit the information to the State Tax Collector in written and electronic format. If a taxpayer's payment

consists of funds that have been offset by DOTAX or the Federal Government, the Contractor will not be credited for collection of these "offset" amounts and will not receive a contingency fee based on said "offset" amounts.

In cases where taxpayer information is found to be incorrect, the Contractor must notify the State Tax Collector of the inaccurate information by written and electronic format as soon as possible and provide the State Tax Collector with the correct information, if known.

2.2.2 Data Transmittal

The Contractor must establish fully tested, automated data exchange infrastructure to support the following daily and weekly file transmissions, each requiring end-to-end validation before go-live. DOTAX will establish the secured connection for electronic communication and data/information exchange. Contractor may propose an alternative secured connection which DOTAX will review and, if acceptable, approve for electronic communication and data/information exchange.

1. Daily Referral and Collection Update File

A structured flat file transmitted each business day containing all active referred collections, balance updates, taxpayer address changes, and case status changes. The Contractor must ingest, parse, and reconcile this file against their internal systems.

2. Weekly Incoming Payment File (Tuesdays)

The Contractor must transmit a payment file each Tuesday (or next business day if a holiday), accompanied by a simultaneous ACH deposit to the DOTAX bank account. File totals must match deposit amounts to the penny for reconciliation.

3. Monthly Fee Summary File

A detailed fee file generated at revenue period close will be transmitted via SFTP, itemizing all fees collected by DOTAX on referred debt. The Contractor must confirm receipt and reconcile against their own records monthly.

4. Daily Fee File

Generated on days DOTAX receives payments on referred debt; the Contractor must receive and acknowledge this file but understand it is not the file of record for reconciliation.

2.2.3 Control over Accounts

DOTAX shall retain control over the accounts referred to Contractor. DOTAX may

recall, at its discretion, any account referred to the Contractor at any time without charge or penalty.

2.2.4 Power to Negotiate

Unless authorized in writing by DOTAX, Contractor shall not have the power to negotiate with taxpayers to settle accounts for less than amounts referred by DOTAX.

2.2.5 Installment Agreements

Unless authorized in writing by DOTAX, Contractor shall not have the power to negotiate Installment Agreements with taxpayers to settle accounts referred by DOTAX.

2.2.6 Account Records

Contractor shall adjust the records of the referred accounts upon any modification of information transferred by DOTAX.

2.2.7 Collections Techniques

Contractor will use accepted skip tracing and collection techniques to locate delinquent taxpayers. Techniques shall include the capability to pursue delinquent taxpayers residing within the boundaries of the United States, including military bases and Indian Reservations, or in foreign countries.

The Contractor shall comply with the Fair Debt Practices Collection Act and other applicable laws, including State and Federal laws governing confidentiality and privacy of taxpayer information, and chapters 487J and 487N, HRS. The Contractor shall be knowledgeable in other jurisdictions' fair debt law, disclosure law and other applicable laws. The Contractor shall not use any means in violation of any laws, including section 480D-3, HRS. The Contractor shall work with the State Tax Collector to provide communications and public relations support to address any questions or concerns related to the services and activities identified in this RFP.

2.2.8 Payment Process on Accounts Referred to Contractor.

The Contractor shall have the capability to collect payments on all accounts referred by DOTAX. Payments received by the Contractor, less authorized contingency fees, shall be transmitted to the DOTAX-designated bank account via ACH deposit within the timeframe specified by DOTAX.

The Contractor shall record detailed payment information for each transaction, including but not limited to the account identifier, payment amount, date of payment, and any applicable fees. This information shall be transmitted to DOTAX in a format and frequency approved by DOTAX to ensure accurate posting and reconciliation.

Payment for all accounts referred to Contractor may also be processed through Hawaii Tax Online.

2.2.9 Inspection of Records

Contractor shall maintain and make available for inspection, audit, and reproduction to authorized personnel of DOTAX any books, documents, electronic information, recordings, correspondences, or other relevant information pertaining to collections performed.

2.2.10 Return of Uncollectible Accounts

Contractor shall promptly return to DOTAX any and all assigned accounts that remain uncollected at the end of the Contract period. Contractor shall document all efforts taken to collect on the assigned accounts and the reasons that the assigned accounts remain uncollected.

2.2.11 Turnover and Return of Taxpayer Information

Contractor shall provide any and all available information on the delinquent taxpayer that pertains to the outstanding debt within one week when requested by DOTAX or within 30 days after the termination or expiration of the Contract period. This information includes, but is not limited to, the amount of the delinquency, the taxpayer's address, recording, correspondences, any relevant information pertaining to the collections performed, etc.

The Contractor and its subcontractors, employees and agents shall return all hardcopy tax documents and information, if any, to DOTAX at termination or conclusion of the Contract.

Upon termination or expiration of the Contract pursuant to this RFP, all taxpayer information acquired pursuant to the work under this RFP stored electronically or otherwise shall be retained for a period of three (3) years in a secure manner. At the completion of those three (3) years, the electronic information, shall be permanently deleted from all of the Contractor's servers and other electronic storage media, including portable computers and devices, in a manner DOTAX has approved in writing with written certification of compliance with this provision being provided to DOTAX within three years (3) and thirty (30) days of the

termination or expiration of the Contract. The failure to provide the certification within the 30-days constitutes breach of the Contract for which the State would be entitled to all available remedies.

2.2.12 Payments Received by DOTAX

In the event a taxpayer makes a payment directly to DOTAX to pay an obligation that had been declared delinquent and turned over to Contractor, DOTAX will accept the payment and Contractor shall be entitled to a fee for that payment if DOTAX determines, in its sole discretion, that the payment resulted from the Contractor's collection efforts.

The Contractor shall not be entitled to a fee for any case that has not been referred for collection, any case which has been referred to the Contractor for collection and returned to DOTAX for any reason, any payment made directly to DOTAX that was not due to the Contractor's collection efforts, any case where a recovery is made through the set-off of any unpaid debt by a federal or state refund intercept, or any case that has been referred to the Attorney General for collection. The State Tax Collector will inform the Contractor and the Contractor shall reduce the account balance by the amount collected.

2.2.13 Federal Tax Refund Intercept Program

In the event an account balance that has been turned over to Contractor is reduced by a federal tax refund intercept, the State Tax Collector will inform the Contractor and Contractor shall reduce the account balance and the intercepted amount shall not be included in calculating the Contractor's compensation.

2.2.14 Payments Received Due to Bankruptcy

In the event that Contractor learns that a taxpayer whose account has been referred to Contractor has filed for bankruptcy, Contractor shall immediately cease collection efforts and the account shall be returned to the State Tax Collector.

In the event an account balance that has been turned over to Contractor is reduced by a payment received through a bankruptcy proceeding, Contractor shall reduce the account balance and the amount of the payment received as a result of a bankruptcy proceeding shall not be included in calculating the Contractor's compensation.

2.2.15 Claims and Complaints

The Contractor shall track and immediately inform the State Tax Collector in writing, of any complaints, lawsuits, claims, demands, counterclaims, and third-party complaints by a taxpayer against the Contractor, DOTAX and/or State of

Hawaii. DOTAX and the State of Hawaii are not responsible for the defense or indemnity of the Contractor regarding any complaints or claims against the Contractor, DOTAX and/or State of Hawaii.

2.2.16 Personnel and Labor

The Contractor shall furnish all equipment, personnel, labor, and materials necessary to provide DOTAX with collection services for its delinquent tax accounts in accordance with the terms and conditions of the Contract, the RFP and any addenda.

The Contractor shall strive to limit, as much as reasonably possible, the demands placed upon DOTAX staff in support of the Contractor's work.

The Contractor shall ensure that the Contractor's employees or agents are experienced and fully qualified to engage in the activities and to perform the services required under the Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied. Criminal background check of each employee and agent will be required at Contractor's expense.

2.2.17 Procedures, Formats, Designs

Upon the execution of a contract, the Contractor shall provide specific procedures, report formats, notice and or collection demand designs, and samples of correspondence, or any other items upon request by DOTAX for review.

2.2.18 Contractor Responsiveness

The Contractor shall respond to inquiries from DOTAX on the referred accounts within five (5) business days.

2.2.19 Subcontractors

Contractor shall provide a list of any subcontractors who will be used to perform a portion of the services required herein, together with a description of the subcontractor's duties and an acknowledgement by the subcontractor of its duties under the Contract. Subcontractors shall be subject to the same security, confidentiality, due diligence and related performance requirements as the Contractor. Use of any subcontractors shall be subject to DOTAX's written consent.

The Contractor shall be the sole point of contact with regard to all contractual matters, including payment for any and all charges resulting from the Contract, and

shall be responsible for all services.

2.2.20 Training and Technical Assistance

If requested, the Contractor shall provide information on training and technical assistance on the best practices and utilization of third-party tax collection.

2.2.21 On-Going Monitoring of Staff and Performance Evaluation

The Contractor shall ensure an ongoing monitoring system to ensure high quality outcomes. All phone calls must be recorded, and Contractor shall inform the taxpayer or any third party that their phone calls are being recorded. DOTAX shall have unrestricted access to all phone calls and recordings, at the Contractor's expense. The Contractor must be able to identify the specific employee, by name, responsible for each phone call. If requested, the Contractor shall provide phone calls and recordings and relevant copies of employee performance evaluations.

2.2.22 Support to DOTAX

DOTAX is seeking a Contractor who shall support its mission to administer the tax laws of the State of Hawaii in a fair, uniform, and consistent, manner.

The Contractor shall conduct business in a way that is sensitive to the community and culture of Hawaii. The Contractor shall be professional and respectful to both taxpayers and DOTAX's employees.

2.2.23 Returns and Return Information

The Contractor and its subcontractors, employees, and agents shall be responsible for the security and confidentiality of any and all state and federal tax documents and tax return information as defined in Internal Revenue Code ("IRC") section 6103. The Contractor and its subcontractors, employees, and agents fully understand it is unlawful to make known information provided by DOTAX, including, but not limited to, information imparted by any state or federal tax return or estimate so made or to permit tax information, including, but not limited to, information imparted by any tax return or record to be seen or examined by any unauthorized person or to make copies of tax information under either the IRC of 1986, as amended (26 U.S.C.), or under sections 235-116, 237-34, HRS, and other provisions of Hawaii law. Any breach of this provision shall be cause for termination of this Agreement and shall subject the Contractor, its employees, agents, and subcontractors to punishment or prosecution as provided by federal and state law.

Before beginning work, the Contractor, its agents, employees and any subcontractors or their employees and agents shall be required to sign a confidentiality agreement, as provided by DOTAX and provide information and

evidence of security training compliance and background checks of employees and agents that will access tax information

2.2.24 Electronic Transmission

Any and all confidential taxpayer information transmitted between DOTAX, and the Contractor will be exchanged on a secure connection pursuant to paragraph 2.2.2.

No confidential taxpayer information from DOTAX will be electronically transmitted via e-mail or facsimile (fax) between DOTAX and the Contractor and any outside specialists or other entities engaged by either party.

2.2.25 Output and Performance/Outcome Measurements

The Contractor shall provide monthly reports that document interactions with taxpayers that include, but are not limited to, time, location, people in attendance, summary of exchange, etc.

The Contractor shall provide meeting minutes of meetings with DOTAX.

All reports shall be provided in electronic format and available through a secure online web portal provided by the Contractor.

2.2.26 Experience

The Contractor shall have a minimum of seven (7) years of licensed, debt collection experience. Contractor shall be compliant with all state and federal laws of the jurisdictions within which the Contractor is conducting its business.

2.2.27 Project Manager

The Contractor shall maintain open lines of communication for the purpose of managing the collection program, resolving problems, and promoting understanding. The Contractor shall designate a project manager and alternate manager to meet, as requested, with DOTAX personnel to discuss Contractor services.

2.2.28 Reporting Requirements for Program and Fiscal Data

The Contractor shall provide reports as deemed necessary by DOTAX. DOTAX shall have unlimited rights to the use of all the Contractor's reports, statistical data, and notes. Reports shall be provided in electronic format and through a secure, online web portal provided by the Contractor.

2.2.29 Monthly Reports

The Contractor shall maintain the following reports and upon DOTAX request provide access to the Contractor's client portal to access/generate these reports on demand with specific time periods. If requested, the Contractor shall provide these reports in Excel or CVS format.

1. Terminated or Returned Accounts Report

All accounts that have been closed or returned, including uncollected accounts.

2. Collections on Accounts Report

All accounts for which money has been received by the Contractor for the month. The Contractor shall organize the report by debtor name and last four digits of the taxpayer's tax identification number, location, debt amount, tax/period/age of the debt, the amount collected (month-to-date, fiscal year to date, cumulatively), and the date of assignment from DOTAX.

3. Monthly Summary Reports

A monthly accounting of the status of all accounts in the Contractor's possession and tax period/age of the accounts as of the reporting month, including identification of all accounts on some form of installment payment.

2.2.30 Contractor's Automated System

The Contractor shall have an automated system to facilitate the exchange of account referrals, updates, retractions, payment information, and status reports.

The Contractor must have the technological capabilities to maintain adequate communication with DOTAX and the public. The Contractor shall provide secured access for online inquiry from DOTAX to the Contractor's automated system. The Contractor must be capable of providing monthly status updates, performance metrics, and discussions with DOTAX providing progress and feedback on individual accounts.

The Contractor shall provide disaster preparedness and adequate computer back-

up systems and procedures to accommodate equipment failure. The back-up systems must capture and preserve all data necessary to ensure the accurate accounting of money collected and to create all mandated reports.

The Contractor shall provide to DOTAX the location of the office or offices where the database containing DOTAX data will be located and the names and location of the programmers and network administration staff that will have access to the data. All Contractor employees must agree to a background check if requested by DOTAX.

2.2.31 Data Security

The Contractor shall implement and maintain administrative, technical, and physical safeguards to ensure the confidentiality, integrity, and availability of all DOTAX data provided to, collected by, or otherwise accessed by the Contractor. These safeguards shall, at a minimum, meet all applicable State of Hawai'i information security standards and industry-accepted best practices.

The Contractor shall:

1. Maintain secure systems and access controls to prevent unauthorized use, disclosure, modification, or destruction of DOTAX data.
2. Ensure all data transmissions between the Contractor and DOTAX use encrypted channels and protocols approved by DOTAX.
3. Restrict access to DOTAX data to authorized personnel only, based on the principle of least privilege, and maintain auditable access logs.
4. Implement data loss prevention measures, including secure storage, backup, and recovery processes, consistent with State requirements.
5. Maintain procedures for monitoring, detecting, and responding to security incidents and potential breaches. The Contractor shall notify DOTAX immediately of any actual or suspected security incident involving DOTAX data and shall fully cooperate with DOTAX in investigation and remediation activities.
6. Ensure that all subcontractors or third parties engaged by the Contractor who may access DOTAX data comply with the same security requirements set forth in this section.
7. Prevent the use, reproduction, modification, distribution, or disclosure of DOTAX data for any purpose other than fulfilling the Contractor's obligations under this contract.

All security controls, processes, and system configurations related to DOTAX data are subject to review and approval by DOTAX. DOTAX may request documentation, audit results, or demonstrations of compliance at any time.

2.2.32 Testing Requirements

Prior to the initiation of any live debt referrals, the Contractor shall successfully complete a comprehensive testing program in collaboration with DOTAX technical staff. The testing program shall verify the Contractor’s ability to correctly send, receive, and process all required data exchanges.

At a minimum, the testing shall include all file exchanges described in Section 2.2.30 and must demonstrate accurate formatting, data integrity, secure transmission, and end-to-end system compatibility. Additional testing scenarios may be required at DOTAX’s discretion to ensure full operational readiness.

2.2.33 Testing Requirements – Timeline

The Contractor shall complete all implementation activities and successfully finish the full testing program within three (3) calendar months from the date of contract execution. This timeline includes system configuration, data exchange setup, internal testing, user acceptance testing, and any remediation required to achieve full compliance.

2.2.34 Operational Support

The Contractor shall assign dedicated technical staff capable of diagnosing and resolving file transmission errors, payment allocation discrepancies, and fee calculation anomalies in coordination with DOTAX developers.

The Contractor shall participate in periodic reconciliation reviews, including verification of fee postings across all active collections, using State-provided audit and reconciliation tools.

The Contractor shall perform specialized processing for bankruptcy cases, new debt added to existing collections, lien creation work items, and accounts containing deceased taxpayer indicators, each of which follows distinct workflows within the DOTAX system.

2.3 DOTAX RESPONSIBILITIES

- (1) State Tax Collector will refer at its discretion for collection past due, unpaid accounts of delinquent taxpayers of the State of Hawaii, including but not limited to accounts with various outstanding balances and existing collection cases and matters.

The amounts for collection include taxes, penalties, interest, fees, and other

obligations owed by the delinquent taxpayers.

- (2) State Tax Collector will identify an employee or employees to whom the Contractor shall provide any accountings or reports pursuant to Section 2 of this RFP.
- (3) State Tax Collector shall inform the Contractor whenever it receives a payment for the taxpayer on any referred account.

2.4 TERM OF CONTRACT

The contract shall be for a period of twelve (12) months beginning on the date on the Notice to Proceed issued by DOTAX.

Unless terminated, the Contractor and DOTAX may extend the Contract for not more than two (2) additional twelve (12) month periods without the necessity of rebidding at current contract rates upon mutual agreement in writing at least sixty (60) days prior to the expiration of the Contract. The Contract price or commission paid to the Contractor for the extended period shall remain the same or as described in the Contractor's proposal to this RFP.

When interests of the State so require, DOTAX may terminate the Contract for convenience by providing six (6) weeks prior written notice to the Contractor.

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.

Furthermore, all Offerors must provide three (3) years audited financial statements to DOTAX with their proposal. Each Offeror must also be in compliance with their tax obligations to the State of Hawaii by providing a tax clearance certificate current within six (6) months of the submission of its proposal.

3.2 REQUIRED REVIEW

3.2.1 Before submitting a proposal, each Offeror must thoroughly and carefully examine this RFP, any attachments, addenda, and other relevant documents, 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, including professional or vocational licensing requirements in any state where collection activity is conducted.

3.2.2 Should Offeror find defects and questionable or objectionable items in the RFP, Offeror shall notify DOTAX in writing prior to the deadline for written questions as stated in the RFP Schedule and Significant Dates, as amended. E-mail shall be considered "in writing." 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 subject to the provisions in Chapter 237 HRS, and if applicable, Chapter 238. Contractor is advised that Contractor is liable for the Hawaii GET at the current rate of 4%, plus any applicable county surcharge, unless exempt by law. If 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 Offeror shall submit its current Federal I.D. No. and Hawaii General Excise Tax License I.D. number in the space provided on Offer Form, page OF-1, thereby attesting that the Offeror is doing business in the State and that Offeror will pay such taxes on all business transaction in 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 provide with sufficient 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 the Exceptions 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 shall be considered or incorporated into the Offeror's proposal or Contract.

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 2.2 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 provided in the RFP or in any subsequent addendum may be rejected without further consideration.

3.9.2 Offer Form, Page OF-1 Offer Form OF-1 is required to be completed using Offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, State of Hawaii, if applicable, in the appropriate space on Offer Form, OF-1 (SECTION SEVEN, Attachment 1). Failure to

do so may delay proper execution of the Contract.

The Offeror's authorized signature on the Offer Form, OF-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.

- 3.9.3 Offer Form, Page OF-1. Pricing shall be submitted on Offer Form OF-1 (SECTION SEVEN, Attachment 1). 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.

3.10 PROPOSAL CONTENTS

Proposals must:

3.10.1 Include a transmittal letter to confirm that the Offeror shall comply with the requirements, provisions, terms, and conditions specified in this RFP.

3.10.2 Include a signed Offer Form OF-1 with the complete name and address of Offeror's firm and the name, mailing address, telephone number, and fax number of the person authorized to sign on behalf of the Offeror.

3.10.3 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.

3.10.4 Provide all of the information requested in this RFP in the order specified.

3.10.5 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. Transmittal Letter
See SECTION SEVEN, Attachment 1, Offer Form OF-1.

- b. Experience and Capabilities.

- 1) The number of years Offeror has been in business and the number of years Offeror has performed services specified by this RFP.

- 2) A summary of the law firm.
- 3) The name, business address, and telephone number of the individual that will act as the contact person, and (1) the number of attorneys employed by the law firm; and (2) the number of staff and other non-attorney employees employed by the law firm.
- 4) The years of experience the Offeror has in collections of unpaid debts.
- 5) The Offeror's experience with municipal, local, or state government debt collection issues. Offeror must include the number of municipal, local, or state government clients, the information on the dollars collected and the success rate.
- 6) A copy of applicable licenses and certifications.
- 7) A list of key personnel and associated resumes for those who will be dedicated to this project.
- 8) A list of at least three (3) references from the Offeror's client listing that may be contacted by the State as to the Offeror's past and current job performance. Offeror shall provide names, titles, organizations, telephone numbers, email and postal addresses. If Offeror has any experience in the collection of municipal, local, or state government accounts, please include a list of all of those municipal, local, or state government accounts and include a contact person for each
- 9) A summary listing of 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.
- 10) The number of all contracts for municipal, local, or state government accounts terminated or not renewed during the last three (3) years, and the reasons for termination.
- 11) The number of all contracts for municipal, local, or state government accounts that have been renewed within the last three (3) years.
- 12) Copies of any training manuals or audio and or visual instruction materials used in training.

- 13) Description and summary of Offeror's compliance with federal and state laws with respect to confidential taxpayer information and returns, including compliance to Internal Revenue Service's Publication 1075.
 - 14) A description and summary of Offeror's technology capabilities including descriptions of the following:
 - Summary of the computer system that will maintain the information of accounts;
 - Back-up systems and disaster recovery procedures.
 - 15) Offeror shall indicate its work plan and methods, including descriptions of the following:
 - Summary of proposed collection activities (use examples of collection letters, telephone contacts, skip trace techniques, day and evening collection staff, etc. and explain how efforts differ between newly delinquent and aged debt);
 - Provide sample letters to be sent to delinquent accounts;
 - Details of the Offeror's methodology for handling taxpayers' questions, problems, and disputes;
 - Details of the Offeror's methodology for handling non-English speaking debtors, the hearing impaired, or blind taxpayers.
- c. Proposal including an overall strategy, timeline, and plan.
 - d. Pricing proposal. Offeror shall collect the amounts owed to the State on a contingency fee basis. Offeror shall indicate the proposed contingency fee that it will be entitled to for amounts collected under the Contract.
 - e. Exceptions.

3.11 RECEIPT AND REGISTER OF PROPOSALS

Offers shall be received via HlePRO. Only offers received by the deadline will be considered.

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.

3.12 BEST AND FINAL OFFER (BAFO)

If DOTAX determines a BAFO is necessary, it shall request one from the priority listed Offeror(s). Any BAFO received after the deadline shall not be considered.

3.13 MODIFICATION PRIOR TO SUBMITTAL DEADLINE OR WITHDRAWAL OF OFFERS

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

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

3.14 MISTAKES IN PROPOSALS

3.14.1 Mistakes shall not be corrected after award of contract.

3.14.2 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.

3.14.3 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.

3.14.4 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.

3.14.5 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 that 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.

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.

Experience and Capability of the Offeror	25 Points
Offeror demonstrates a thorough understanding of the purpose and scope of the requested services	3
Offeror demonstrates skills, abilities and knowledge related to the delivery of the requested services	3
Offeror has a minimum of 7 years experience working with delinquent account collections and performing out-of-state lien enforcement services	3
Sufficiency of Offeror's quality assurance and evaluation plans for the proposed services including methodology	3
Offeror demonstrates capability to coordinate services with DOTAX	4
Adequacy of facilities relative to the proposed services	3
Size, experience, qualifications of Offeror's staff	3
Offeror's Financial Stability	3
Tax Collection Procedures	25 Points

Completeness and reasonableness of the applicant's plan, including the collection, reporting, and accounting services	9
Access to national databases to trace taxpayers and taxpayers' assets as necessary.	8
Adequacy of Project Performance and Outcomes Reporting	8
Technology Capabilities	25 Points
Computer system to facilitate the secure exchange of account information, payment information, and status reports	8
Software aligns with the functional and technical requirements of this RFP, particularly in terms of compatibility and seamless integration with existing DOTAX collection management and data processing systems	8
Ability to safeguard DOTAX tax return information, files and records and taxpayer personnel information consistent with all relevant federal and state laws	5
Adequate information management back-up system and procedures and data recovery.	4
COST	25 Points

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 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 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.

Award Amount will be estimated at \$100,001. Due to the nature of the proposal and possible tiered fee schedule on possible future collections, the award amount cannot be determined at a fixed amount. For simplicity purposes, estimated award amount of \$100,001 with an approximate HlePRO fee of \$750.01 is practical. When submitting an offer, please be sure to enter \$100,001 as the Total Line Item Price.

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 but not limited to, the following chapters pursuant

to section 103D-310(c), HRS:

1. Chapter 237, General Excise Tax Law;
2. Chapter 383, Hawaii Employment Security Law;
3. Chapter 386, Worker's Compensation Law;
4. Chapter 392, Temporary Disability Insurance;
5. Chapter 393, Prepaid Health Care Act; and
6. Section 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. The HCE is an electronic system that allows vendors/contractors/service providers doing business with the State to quickly and easily demonstrate compliance with applicable laws. It is an online system that replaces the necessity of obtaining paper compliance certificates from DOTAX, the Internal Revenue Service; Department of Labor and Industrial Relations, and Department of Commerce and Consumer Affairs.

Vendors/contractors/service providers should register with HCE prior to submitting an offer at <https://vendors.ehawaii.gov>. The annual registration fee is \$12.00 and the 'Certificate of Vendor Compliance' is accepted for the execution of contract and final payment.

Timely Registration on HCE. Vendors/contractors/service providers are 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 section 103D-701, HRS.

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 section 92F-42(12), HRS.

5.7 DEBRIEFING

Pursuant to section 3-122-60, HAR, 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 section 103D-303(h), HAR.

5.8 PROTEST PROCEDURES

Pursuant to section 103D-701, HRS, and section 3-126-3, HAR, 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:

Name and address of Procurement Officer: Min Meng, Administrative Services Officer; Department of Taxation, State of Hawaii, 830 Punchbowl Street, Room 217; Honolulu, HI 96813.

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 Procurement Officer's debriefing was completed.

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

5.9 APPROVALS

Any agreement arising out of this offer may be subject to the approval of DOTAX, 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.

5.10 CONTRACT EXECUTION

Successful Offeror receiving award shall enter into a formal written contract in the form as in Exhibit B. 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. **Professional Liability (E&O insurance)**

Contractor shall provide evidence of continuation or renewal of Professional Liability Insurance for a period of two (2) years following termination of the Agreement with a minimum coverage of \$1,000,000 per claim.

4. **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 DOTAX, on or before the effective date of the Contract, insurance policies demonstrating that DOTAX is an additional insured on policies necessary to satisfy DOTAX that the provisions of the Contract have been complied with, and to keep such insurance in effect during the entire term of the Contract. Upon request by DOTAX, the Contractor shall furnish a copy of the policy or policies.

5.11.3 The Contractor will immediately provide written notice to DOTAX 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 insurance policies 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 CONTRACT INVALIDATION

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

SECTION SIX

SPECIAL PROVISIONS

6.1 OFFER GUARANTY

A proposal security deposit is NOT required for this RFP.

6.2 CERTIFICATION OF OFFEROR CONCERNING WAGES, HOURS AND WORKING CONDITIONS OF EMPLOYEES SUPPLYING SERVICES (include as applicable)

All Offerors for service contracts shall comply with section 103-55, Hawaii Revised Statutes, which provides as follows:

Wages, hours, and working conditions of employees of CONTRACTOR supplying services: Before any prospective Offeror is entitled to submit any offer for the performance of any contract to supply services in excess of \$25,000 to any governmental agency, Offeror shall certify that the services to be performed will be performed under the following conditions:

Wages: The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work.

Compliance with labor laws: All applicable laws of the Federal and State governments relating to workers compensation, unemployment compensation, payment of wages, and safety will be fully complied with.

No contract to perform services for any governmental contracting agency in excess of \$25,000 shall be granted unless all the conditions of this section are met. Failure to comply with the conditions of this section during the period of the Contract to perform services shall result in cancellation of the Contract.

It shall be the duty of the governmental contracting agency awarding the Contract to perform services in excess of \$25,000 to enforce this section.

This section shall apply to all contracts to perform services in excess of \$25,000, including contracts to supply ambulance service and janitorial service.

This section shall not apply to:

- (1) Managerial, supervisory, or clerical personnel.
- (2) Contracts for supplies, materials, or printing.
- (3) Contracts for utility services.

- (4) Contracts to perform personal services under paragraphs (2), (3), (12), and (15) of section 76-16, paragraphs (7), (8), and (9) of section 46-33, and paragraphs (7), (8), and (12) of section 76-77, Hawaii Revised Statutes, (HRS).
- (5) Contracts for professional services.
- (6) Contracts to operate refreshment concessions in public parks, or to provide food services to educational institutions.
- (7) Contracts with nonprofit institutions.

SECTION SEVEN

ATTACHMENTS AND EXHIBITS

- Attachment 1: OFFER FORM, OF-1
- Exhibit A: GENERAL PROVISIONS FOR GOODS AND SERVICES
- Exhibit B: OVERVIEW OF THE RFP PROCESS

**OFFER FORM
OF-1**

SEALED OFFERS
FOR
Out-of-State Lien Enforcement Services for Delinquent Hawaii
State Taxes
STATE OF HAWAII
DEPARTMENT OF TAXATION
RFP-27-TAX-01

Procurement Officer
State of Hawaii
Department of Taxation
Administrative Services Office
830 Punchbowl Street, Room 217
Honolulu, Hawaii 96813

Dear Procurement Officer:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Conditions, by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Offeror is:

- Sole Proprietor Partnership *Corporation Joint Venture
 Other _____

*State of incorporation: _____

Hawaii General Excise Tax License I.D. No. _____

Federal I.D. No. _____

Payment address (other than street address below): _____

City, State, Zip Code: _____

Business address (street address): _____

City, State, Zip Code: _____

Respectfully submitted:

Date: _____

(x) _____

Authorized (Original) Signature

Telephone No.: _____

Name and Title (Please Type or Print)

Fax No.: _____

E-mail Address: _____

** _____

Exact Legal Name of Company (Offeror)

**If Offeror is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the awarded contract will be executed:

**ATTACHMENT 1
OFFER FORM**

GENERAL PROVISIONS
FOR
GOODS AND SERVICES

HAWAII REVISED STATUTES (HRS)
CHAPTER 103D

Attached are the General Provisions, dated April 2013 which are made a part of all offers in response to the solicitation for goods and services. These provisions are in addition to the special provisions provided in the individual solicitations.

Offerors are cautioned to read and understand all the terms and conditions contained in the General Provisions as these provisions will also be made part of the contract for goods and services.

**GENERAL PROVISIONS
FOR
GOODS AND SERVICES**

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1. DEFINITIONS OF TERMS

Terms as used in these General Provisions, unless the context requires otherwise, shall have the following meaning:

a. BID

Bid means any offer submitted in competitive sealed bidding or in the second phase of multi-step bidding.

b. BID PROPOSAL GUARANTY OR SECURITY

The security when required, furnished by an offeror with his offer to ensure that the offeror will enter into the contract with the STATE and execute the required contract and payment bonds covering the work contemplated, if his offer is accepted.

c. CONTRACT

Contract means the combination of the solicitation, including the instructions to offerors, the specifications or scope of work, the special provisions, and the general terms and conditions; the offer and any best and final offers; and any amendments to the solicitation or to the contract; and any terms implied by law.

d. CONTRACT BOND

The approved form of security furnished by the CONTRACTOR and his surety or sureties or by the CONTRACTOR alone, to ensure completion and satisfactory performance of the contract in accordance with the terms of the contract and to guarantee full payment of all claims for labor, materials and supplies furnished, used or incorporated in the work.

e. CONTRACTOR

An individual, partnership, firm, corporation, joint venture or other legal entity undertaking the execution of work under the terms of the contract with the STATE and acting directly or through his, their or its agents, employees or sub-contractors.

f. DAYS

Days mean calendar days unless otherwise specified.

g. GENERAL CONDITIONS

General Conditions issued by the Department of the Attorney General of the State of Hawaii, referred to as Form AG-008, as revised, and included in solicitations by reference. The applicable revised Form AG-008, which is included by reference, is the form dated and in effect at the date the solicitation is issued.

h. GENERAL PROVISIONS

General Provisions are standard terms and conditions.

i. HAR

Hawaii Administrative Rules

j. HEAD OF THE PURCHASING AGENCY

The head of any agency with delegated procurement authority by law or from a chief procurement officer of this STATE to enter into and, administer contracts.

k. HRS

Hawaii Revised Statutes

l. IFB

Invitation for Bids

m. OFFER

An offer means a bid or proposal as defined in sections 1a and 1p, in response to any solicitation.

n. OFFEROR

Any individual, partnership, firm, corporation, joint venture or other legal entity, submitting directly or through a duly authorized representative or agent, an offer for the work or services contemplated in response to a solicitation as defined in 1s.

o. PROCUREMENT OFFICER

Procurement officer means the person with procurement delegation duly authorized to enter into and administer contracts and make written determinations with respect to the contract. The term includes an authorized representative acting within the limits of authority. The delegated authority is received from the chief procurement officer directly or through the head of a purchasing agency or designee to the procurement officer.

p. PROPOSAL

A proposal means any offer submitted in response to any solicitation, except a bid as defined in section 1a.

q. PURCHASING AGENCY

Purchasing agency means any governmental body which is authorized by law or rules, or by way of delegation to enter into contracts for procurement of goods, services, or construction.

r. RFQ

Request for Quotes

s. RFP

Request for Proposals

t. SOLICITATION

Solicitation means an invitation for bids ("IFB"), used in the competitive sealed bidding process, a request for quotes ("RFQ") used in the small purchases process, or a request for proposals ("RFP"), used in the competitive sealed

proposal process for the purpose of obtaining quotes, bids or proposals to perform a STATE contract.

u. SPECIAL PROVISIONS

The terms and conditions pertaining to the specific solicitation in which they are contained and in addition to these General Provisions; including but not limited to terms and conditions describing the preparation of solicitations, evaluation of offers, determination of award, plus those applicable to performance by the CONTRACTOR.

Additions or revisions to the General Provisions, which shall be considered a part of the General Provisions, setting forth conditions or requirements applicable to the particular project or contract under consideration shall be included in the Special Provisions. Should any Special Provisions conflict with these General Provisions, said Special Provisions shall govern.

v. SPECIFICATIONS

A description of what the purchasing agency requires and, consequently, what an offeror must offer to be considered for award.

w. STATE

STATE means the remaining departments of the executive branch and all governmental bodies administratively attached to it, excluding the judiciary, the legislature, the department of education, University of Hawaii, the division of community hospitals, and the office of Hawaiian affairs, except where specifically included in any particular solicitation.

x. SURETY

The individual, firm, partnership or corporation other than the CONTRACTOR, which executes a bond with and for the CONTRACTOR to ensure the CONTRACTOR's acceptable performance of the contract.

y. WORK

The furnishing by the CONTRACTOR of all labor, services, materials, equipment, and other incidentals necessary for the satisfactory performance of the contract.

2. COMPETENCY OF OFFEROR

Prospective offeror must be capable of performing the work for which offers are being called. Either before or after the deadline for an offer, the purchasing agency may require offeror to submit answers to questions regarding facilities, equipment, experience, personnel, financial status or any other factors relating to the ability of the offeror to furnish satisfactorily the goods or services being solicited by the STATE. Any such inquiries shall be made and replied to in writing; replies shall be submitted over the signatures of the person who signs the offer. Any offeror who refuses to answer such inquiries will be considered non-responsive.

The purchasing agency reserves the right to visit an offeror's place of business to inspect its facilities and equipment and to observe its methods of operation in order to facilitate evaluation of performance capabilities.

3. OFFER INCORPORATES SOLICITATION

The solicitation, including the AG's General Conditions, Specifications, General Provisions and any Special Provisions, and other documents referenced in or attached to the solicitation shall be considered a part of the offer whether attached to the solicitation or not at the time of its submission. Such documents shall not be altered in any way when the proposal is submitted and any alterations so made by the offeror may be cause for rejection of the offer.

4. PREPARATION OF OFFER

An offeror may submit only one offer in response to a solicitation. If an offeror submits more than one offer in response to a solicitation, then all such offers shall be rejected. Similarly, an offeror may submit only one offer for each line item (if any) of a solicitation. If an offeror submits more than one offer per line item, then all offers for that line item shall be rejected.

Competing subsidiary or jointly-owned companies may submit bids or proposals and these may be accepted for evaluation and award if such companies submit with their bids or proposals a certificate of non-collusion, sworn to before a notary, which acknowledges that the offer is without collusion.

Unless otherwise specified in the solicitation, all prices shall include applicable Federal, state and local taxes. Any illegible or otherwise unrecognizable price offer shall cause automatic rejection of the offer.

Offers submitted in response to an IFB or RFP shall be signed in ink in the space provided on the bid or proposal page by (1) the owner of a sole proprietorship, (2) one or more members of a partnership, (3) one or more members or officers of each firm representing a joint venture, (4) one or more officers of a corporation, or (5) an agent of the offeror duly authorized to submit offers on the offeror's behalf.

5. LATE OFFERS, LATE WITHDRAWALS, AND LATE MODIFICATIONS

Any notice of withdrawal, notice of modification of an offer with the actual modification, or any offer received at the place designated for receipt and opening of an offer after the time and date set for receipt and opening of offers is late. A late offer, late modification, or late withdrawal shall not be considered late if received before contract award and would have been timely but for the action or inaction of personnel within the procurement activity. A late offer or late modification that will not be considered for award shall be returned to the bidder unopened as soon as practicable and accompanied by a letter from the procurement activity stating the reason for its return. A late withdrawal request shall be responded to with a statement of the reason for non-acceptance of the withdrawal.

6. DISQUALIFICATION OF OFFERORS

An offeror shall be disqualified and his offer automatically rejected for any one of the following reasons: proof of collusion, in which case, all offers involved in the collusive action will be rejected and any participant to such collusion will be barred from future solicitations until reinstated; or offeror's delivery of the offer after the deadline specified in the public notice calling for offers, or as amended, except as allowed in Section 3-122-29 (1), HAR.

An offeror may be disqualified and his offer rejected for any one or more of the following

reasons: offeror's lack of responsibility and cooperation as shown by past work or services; offeror's being in arrears on existing contracts with the STATE or having defaulted on previous contracts; offeror's lack of proper equipment and/or sufficient experience to perform the work contemplated; offeror does not possess proper license to cover the type of work contemplated, if required; or offeror's failure to pay, or satisfactorily settle, all bills overdue for labor and material on former STATE contracts at the time of issuance of solicitation.

7. IRREGULAR OFFERS

Offers will be considered irregular and shall be rejected for the following reasons including but not limited to the following: if the offer is unsigned by the offeror, unless otherwise specified in the solicitation; if the required offer guaranty received separately from the offer is not identifiable as guaranty for a specific offer, or is received after the date and time set for the opening; if the required offer guaranty is not in accordance with the solicitation; if the offeror or surety fails to sign the surety bond submitted as offer guaranty; if offeror fails to use the surety bond form furnished by the STATE or identical wording contained in the said form when submitting a surety bond as proposal guaranty; if the offer shows any non-compliance with applicable law or contains any unauthorized additions or deletions, conditioned, incomplete, or irregular or is in anyway making the proposal incomplete, indefinite, or ambiguous as to its meaning; or unbalanced offers in which the price for any item is obviously out of proportion to the prices for other items.

8. STANDARDS OF CONDUCT

All offerors should be certain that their offer is not in violation of HRS §84-15. This section provides as follows:

- a. A state agency shall not enter into any contract to procure or dispose of goods or services, or for construction, with a legislator, an employee, or a business in which a legislator or an employee has a controlling interest, involving services or property of a value in excess of \$10,000 unless:
 - (1) The contract is awarded by competitive sealed bidding pursuant to section 103D-302;
 - (2) The contract is awarded by competitive sealed proposal pursuant to section 103D-303; or
 - (3) The agency posts a notice of its intent to award the contract and files a copy of the notice with the state ethics commission at least ten days before the contract is awarded.
- b. A state agency shall not enter into a contract with any person or business which is represented or assisted personally in the matter by a person who has been an employee of the agency within the preceding two years and who participated while in state office or employment in the matter with which the contract is directly concerned.

9. CAMPAIGN CONTRIBUTIONS BY STATE AND COUNTY CONTRACTORS

Unless otherwise specified in the solicitation, a legislative body has appropriated the funds for this contract.

Therefore, if awarded a contract in response to this solicitation, offeror agrees to comply

with Section 11-205.5, HRS, which states that campaign contributions are prohibited from a State and county government contractor during the term of the contract if the contractor is paid with funds appropriated by a legislative body.

10. ACCEPTANCE OF OFFER

- a. Acceptance of offer, if any, will be made within sixty calendar days after the opening of offers, and the prices quoted by the offeror shall remain firm for the sixty-day period. Unless otherwise provided, each individual item or group of items will be awarded to the responsive and responsible offeror whose offer complies with all the solicitation requirements. In determining the responsive and responsible offeror, offers will be evaluated not only on the amounts thereof, but on all factors relating to the satisfactory performance of the contract. Products or servicing capabilities must be of a quality and nature that will meet the needs and purposes of the intended use and must conform to all requirements prescribed in the specifications. The offeror must have the ability to perform as called for in the contract terms. The STATE shall be the sole judge of product or vendor capability. The successful vendor will be notified by letter that the offer has been accepted and that the vendor is being awarded the contract.
- b. If the offer is rejected or if the vendor to whom the contract was awarded fails to enter into the contract and furnish satisfactory security, if applicable, the purchasing agency may, at their discretion, award the contract to the next lowest or remaining responsible offeror or may publish another call for offers; provided in the case of only one remaining responsible offeror, the head of a purchasing agency may negotiate with such bidder to reduce the scope of work, if available funds are exceeded, and to award the contract at a price which reflects the reduction in the scope of work.
- c. The head of a purchasing agency further reserves the right to cancel the contract award at any time prior to execution of said contract by all parties, without any liability to the awardee and to any other offeror.

11. EXECUTION OF CONTRACT

The following subsections shall not apply to any contract in which the total amount payable to the CONTRACTOR cannot be accurately estimated at the time the contract is to be awarded:

- a. In cases where the contract award equals or exceeds the dollar level specified in Section 103D-305, HRS, the STATE shall forward a formal contract to the successful offeror for execution. The contract shall be signed by the successful vendor and returned, together with a satisfactory contract bond if required, and other supporting documents, within ten days after receipt by the vendor or within such further time as the procurement officer may allow.
- b. No such contract shall be considered binding upon the STATE until the contract has been fully and properly executed by all the parties thereto and the State Comptroller has, in accordance with Section 103D-309, HRS, endorsed thereon a certificate that there is an appropriation or balance of an appropriation over and above all outstanding contracts, sufficient to cover the amount required by the contract; with the exception of a multi-term contract, whereby, the State Comptroller shall only be required to certify that there is an appropriation or balance of an appropriation over and above all outstanding contracts, that is sufficient to cover the amount required to be paid under the contract during the fiscal year or remaining portion of the fiscal year of each term of the multi-year contract.

- c. Pursuant to the Attorney General's General Conditions (AG-008, as revised), Section 18, in any contract involving not only STATE but supplemental funds from the Federal government, this section shall be applicable only to that portion of the contract price as is payable out of STATE. As to the portion of the contract price as is expressed in the contract to be payable out of Federal funds, the contract shall be construed to be an agreement to pay the portion to the CONTRACTOR, only out of Federal funds to be received from the Federal government. This subsection shall be liberally construed so as not to hinder or impede the STATE in contracting for any project involving financial aid from the Federal government.

12. CONTRACT BOND

- a. The requirement for contract performance and payment bonds, if any, shall be stated in the Special Provisions of the solicitation.
- b. When required by the Special Provisions, a performance bond and a payment bond shall be delivered by the CONTRACTOR to the STATE at the same time the executed contract is delivered. Each amount of the performance and payment bonds shall not exceed fifty per cent of the amount of the contract price; provided, for contracts where contract price cannot be determined at the time of award, the amounts of the bonds shall be as stated in the solicitation. ‘
- c. The acceptable performance and payment bonds are the same as the acceptable bid or proposal security deposit specified in Section 7. If a surety bond is submitted for either the performance or payment bond, in addition to the form prescribed, a power of attorney for the surety's attorney-in-fact executing the bond shall be provided.

13. FAILURE TO EXECUTE CONTRACT

If the offeror to whom a contract is awarded shall fail or neglect to enter into the contract, and to furnish satisfactory security as required by Section 30 within ten days after such award or within such further time as the procurement officer may allow, the purchasing agency shall pay the amount of offeror's proposal guaranty, as required under Section 7, into the State Treasury as a realization of the STATE. The procurement officer may thereupon award the contract to the next lowest responsible offeror or may call for new offers, whichever method he may deem is in the best interest of the STATE.

14. RETURN OF OFFER GUARANTIES

All offer guaranties submitted as required by subchapter 24, chapter 3-122, HAR, shall be retained until the successful offeror enters into contract and furnishes satisfactory security or if the contract is not awarded or entered into, until the procurement officer's determination is made to cancel the solicitation. At such time, all offer guaranties, except surety bonds, will be returned.

15. PAYMENT

Section 103-10, HRS, provides that the State shall have thirty (30) calendar days after receipt of invoice or satisfactory completion of contract to make payment. For this reason, the State will reject any bid submitted with a condition requiring payment within a shorter period. Further, the State will reject any bid submitted with a condition requiring interest payments greater than that allowed by §103-10, HRS, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period or interest payment not in conformance with statute.

16. DELIVERY EXTENSIONS

In the case of contracts for the purchase of goods, the delivery date or the maximum number of days for delivery will be specified by the STATE in its solicitation requirements, and all goods must be delivered with the time specified. However, the CONTRACTOR will not be held responsible for delay due to fire, flood, riot, labor disturbances, war, shortage of transportation, act of God or other reason beyond his control, provided that he notifies the STATE of such delay and the reason therefore as soon as practicable after its occurrence and requests extension prior to the specified date of delivery. Requests for extension of time shall be accompanied by documents such as the CONTRACTOR's purchase order, manufacturer's acknowledgement, shipping manifest, and any other documents substantiating that the causes for delay were beyond the control of the CONTRACTOR. The STATE shall be the sole judge of whether such delay is truly beyond the control of the CONTRACTOR and whether extension will be granted. The STATE reserves the right to terminate the contract or to assess liquidated damages, if provided for in the contract, for delays not covered by specific authorized extension.

17. PERSONAL LIABILITY OF PUBLIC OFFICIALS

In carrying out any of the provisions of the contract or in exercising any power or authority granted to them by the contract, there shall be no liability upon the procurement officer or his authorized representatives, either personally or as officials of the STATE, it being understood that in such matters, they act solely as agents and representatives of the STATE.

OVERVIEW OF THE RFP PROCESS

1. The RFP is issued pursuant to Subchapter 6 of HAR Chapter 3-122, implementing HRS section 103D-303.
2. The procurement process begins with the issuance of the RFP and the formal response to any questions or inquiries regarding the RFP. Changes to the RFP will be made only by Addendum.
3. Proposals shall be received on the State of Hawaii eProcurement system (HIePRO). The register of proposals and Offerors' proposals shall be open to public inspection after posting of the award. FAQ and Help Videos are available on the HIePRO website <https://hiepro.ehawaii.gov/>.
4. All proposals and other material submitted by Offerors become the property of the State and may be returned only at the State's option.
5. The Procurement Officer, or an evaluation committee approved by the Procurement Officer, shall evaluate the proposals in accordance with the evaluation criteria in Section Four.
6. Proposals may be accepted on evaluation without discussion. However, if deemed necessary, prior to entering into discussions, a "priority list" of responsible Offerors submitting acceptable and potentially acceptable proposals shall be generated. The priority list may be limited to a minimum of three responsible Offerors who submitted the highest-ranked proposals. The objective of these discussions is to clarify issues regarding the Offeror's proposal before the BAFO is tendered.
7. If during discussions there is a need for any substantial clarification or change in the RFP, the RFP shall be amended by an addendum to incorporate such clarification or change. Addenda to the RFP shall be distributed only to priority listed Offerors who submit acceptable or potentially acceptable proposals.
8. Following any discussions, Priority Listed Offerors, if any, will be invited to submit their BAFO, if required. The Procurement Officer or an evaluation committee reserves the right to have additional rounds of discussions with the top three (3) Priority Listed Offerors prior to the submission of the BAFO.
9. The date and time for Offerors to submit their BAFO, if any, is indicated in Section 1.4, RFP Schedule and Significant Dates. If Offeror does not submit a notice of withdrawal or a BAFO, the Offeror's immediate previous offer shall be construed as its BAFO.

Exhibit B

10. After receipt and evaluation of the BAFOs in accordance with the evaluation criteria in Section Four, the Procurement Officer or an evaluation committee will make its recommendation. The Procurement Officer will award the Contract to the Offeror whose proposal is determined to be the most advantageous to the State taking into consideration price and the evaluation factors set forth in Section Four.
11. The contents of any proposal shall not be disclosed during the review, evaluation, or discussion. Once award notice is posted, all proposals, successful and unsuccessful, become available for public inspection. Those sections that the Offeror and the State agree are confidential and/or proprietary should be identified by the Offerors and shall be excluded from access.
12. The Procurement Officer or an evaluation committee reserves the right to determine what is in the best interest of the State for purposes of reviewing and evaluating proposals submitted in response to the RFP. The Procurement Officer or an evaluation committee will conduct a comprehensive, fair and impartial evaluation of proposals received in response to the RFP.
13. The RFP, any addenda issued, and the successful Offeror's proposal shall become a part of the Contract. All proposals shall become the property of the State of Hawaii.