

State of Hawaii
Department of Health
Executive Office on Aging

**Request for Proposals
Solicitation #RFP-27-054**

Medicaid Administrative Claiming Support

OFFERS ARE DUE AT 2:00 P.M., HAWAII STANDARD TIME (HST) ON

Monday, August 10, 2026

(or such later date as may be established by the State of Hawaii by an Addendum to this RFP)
BY SUBMISSION THROUGH THE HAWAII ELECTRONIC PROCUREMENT SYSTEM
(HIEPRO)

**DIRECT ALL QUESTIONS REGARDING THIS RFP, QUESTIONS OR ISSUES RELATING
TO THE ACCESSIBILITY OF THIS RFP (INCLUDING THE ATTACHMENTS AND
EXHIBITS AND ANY OTHER DOCUMENT RELATED TO THIS RFP) AND REQUESTS
FOR ACCOMMODATIONS FOR PERSONS WITH DISABILITIES IN CONNECTION
WITH THIS RFP, TO:**

CANDICE BRYANT
PROGRAM AND SYSTEMS MANAGEMENT SUPERVISOR
EXECUTIVE OFFICE ON AGING
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HI 96813
(808) 586-7297
CANDICE.BRYANT@DOH.HAWAII.GOV

Note: *It is the Offeror's responsibility to check the public procurement notice website, the request for proposals website, or to contact the RFP point-of-contact identified in the RFP for any addenda issued to this RFP. The State shall not be responsible for any incomplete proposal submitted as a result of missing addenda, attachments or other information regarding the RFP.*

July 9, 2026

REQUEST FOR PROPOSALS

Medicaid Administrative Claiming Support

RFP No. 27-054

The Department of Health, Executive Office on Aging (“EOA”) seeks a qualified Contractor to provide technical, administrative, and operational support for Hawai‘i’s Medicaid Administrative Claiming program. The Contractor shall operate and maintain a federally compliant Random Moment Sampling (“RMS”) system, support claim development and calculation activities, provide training and technical assistance to participating agencies, and assist EOA in preparing quarterly Medicaid Administrative Claims.

The Contractor shall provide a secure, web-based solution that supports RMS administration, reporting, claim calculation, documentation, and ongoing program management.

The anticipated contract term shall be for two (2) years, from September 1, 2026 through August 31, 2028, unless otherwise specified in the executed contract or Notice to Proceed.

The EOA will conduct an orientation meeting to discuss the scope of work, and the required contractor qualifications on **July 20, 2026, 11:00 AM** Hawaii Standard Time (hereinafter “HST”). The orientation will be conducted **remotely via Microsoft Teams**.

Microsoft Teams Meeting Information:

Meeting Link: [Medicaid Administrative Claiming Support RFP Orientation](#)

Meeting ID: 291 642 712 375 592

Passcode: 3ad78WX9

The EOA will be accepting questions regarding this RFP, up to **July 24, 2026, 2:00 PM HST** at EOA, 250 S. Hotel Street, Suite 406, Honolulu, Hawaii 96813 or by e-mail at Candice.bryant@doh.hawaii.gov. All written questions will receive a written response from the Executive Office on Aging by **July 28, 2026**.

Responses to this request for proposals shall be submitted by no later than **2:00 PM HST on August 10, 2026**.

The DOH/EOA reserves the right to reject any and all proposals and to accept any proposal in whole or in part when in the best interest of the EOA and the State.

Any inquiries and requests regarding this RFP should be directed to Candice Bryant at (808) 586-7297 or via email at Candice.bryant@doh.hawaii.gov

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Section 1

Administrative Overview

Section 1

Administrative Overview

Offerors are encouraged to read each section of the RFP thoroughly. While sections such as the administrative overview may appear similar among RFPs, State purchasing agencies may add additional information as applicable. It is the responsibility of the Offeror to understand the requirements of *each* RFP.

1.1 Procurement Timetable

Note that the procurement timetable represents the State’s best estimated schedule. If an activity on this schedule is delayed, the rest of the schedule will likely be shifted by the same number of days. Contract start dates may be subject to the issuance of a Notice to Proceed.

Event	Date
Solicitation Release:	July 9, 2026
Pre-Proposal Orientation:	July 20, 2026, 11:00 AM HST
Question Submittal Deadline:	July 24, 2026, 2:00 PM HST
Answers to Questions:	July 28, 2026
Proposal Due Date and Time:	August 10, 2026, 2:00 PM HST
Evaluations	August 11–14, 2026
Estimated Date for Discussions, if necessary	TBD
Estimated Due Date for BAFO, if necessary	TBD
Anticipated Award Date:	August 19, 2026
Contract start date	September 1, 2026

1.2 Website Reference

	Item	Website
1	Procurement of Goods, Services, & Construction	https://spo.hawaii.gov/for-vendors/vendor-guide/methods-of-procurement/goods-services-construction/competitive-sealed-proposals-procurement-method/
2	RFP website	https://hiepro.ehawaii.gov/welcome.html?redirectContext=welcome.html
3	Hawaii Revised Statutes (HRS) and Hawaii Administrative Rules (HAR) for Competitive Sealed Proposals	https://www.capitol.hawaii.gov/hrscurrent/Vol02_Ch0046-0115/hrs0103D/HRS_0103D-.htm ; https://spo.hawaii.gov/references/har/goods/
4	General Conditions, AG-103D	https://hiepro.ehawaii.gov/static-resources/AG-008%20103D%20General%20Conditions%20(1.10.23).pdf
5	Forms	https://spo.hawaii.gov/all-forms/
6	Cost Principles	http://spo.hawaii.gov Search: Keywords “Cost Principles”
7	Protest Forms/Procedures	https://spo.hawaii.gov/for-vendors/vendor-guide/protests-for-goods-services-construction/
8	Hawaii Compliance Express (HCE)	http://spo.hawaii.gov/hce/
9	Hawaii Revised Statutes	http://capitol.hawaii.gov/hrscurrent
10	Department of Taxation	http://tax.hawaii.gov
11	Department of Labor and Industrial Relations	http://labor.hawaii.gov
12	Department of Commerce and Consumer Affairs, Business Registration	https://cca.hawaii.gov/breg/
13	Campaign Spending Commission	http://ags.hawaii.gov/campaign/
14	Internal Revenue Service	http://www.irs.gov/
(Please note: website addresses may change from time to time. If a State link is not active, try the State of Hawaii website at http://hawaii.gov)		

1.3 Authority

This RFP is issued under the provisions of the Hawaii Revised Statutes (“HRS”) Chapter 103D and its administrative rules, Hawaii Administrative Rules (“HAR”) Chapters 3-120

to 3-132. All prospective Offerors are charged with presumptive knowledge of all requirements of the cited authorities. Submission of a valid, executed proposal by any prospective Offeror shall constitute admission of such knowledge on the part of such prospective Offeror.

1.4 RFP Organization

This RFP is organized into five sections:

Section 1, Administrative Overview: Provides Offerors with an overview of the procurement process.

Section 2, Service Specifications: Provides Offerors with a general description of the tasks to be performed, delineates contractor responsibilities, and defines deliverables (as applicable).

Section 3, Proposal Instructions: Describes the required format and content for the proposal.

Section 4, Proposal Evaluation: Describes how proposals will be evaluated by the State purchasing agency.

Section 5, Attachments: Provides Offerors with information and forms necessary to complete the proposal.

1.5 Contracting Office

The Contracting Office is responsible for overseeing the contract(s) resulting from this RFP, including system operations and monitoring and assessing Contractor performance. The Contracting Office is:

Department of Health, Executive Office on Aging
250 S. Hotel St. Suite 406
Honolulu, HI 96813
Ph: (808) 586-0100; Fax: (808) 586-0185

1.6 Contract Type

The resulting contract shall be a cost-reimbursement contract. The Contractor shall be reimbursed for allowable costs actually incurred in the performance of the contract, subject to the approved budget, availability of funds, and the maximum compensation established in the contract.

All costs shall comply with applicable State cost principles under HAR Chapter 3-123 and applicable federal cost principles.

The maximum compensation available under this procurement for the initial two-year contract term is **\$350,000.00**.

For proposal purposes, Offerors shall submit separate budgets for Contract Year 1 and Contract Year 2. The State anticipates funding of approximately \$210,000 for Contract Year 1 and approximately \$140,000 for Contract Year 2 to reflect the higher level of implementation activities anticipated during the first year of the contract. These annual funding amounts are planning estimates for proposal evaluation purposes and do not establish separate contractual funding limits.

1.7 Period of Performance

This contract shall be for a period of two (2) years beginning on the date specified on the Notice to Proceed or executed contract. Unless terminated, the contract may be extended without re-solicitation, upon mutual agreement in writing between the State and the Contractor, prior to the expiration date, for not more than four (4) additional 12-month periods, or parts thereof.

1.8 RFP Point-of-Contact

From the release date of this RFP until the selection of the successful offeror, any inquiries and requests shall be directed to the sole point-of-contact identified below.

Candice Bryant
Department of Health, Executive Office on Aging
250 S. Hotel St. Suite 406
Honolulu, HI 96813
(808) 586-7297
Candice.bryant@doh.hawaii.gov

1.9 Orientation

An orientation for Offerors in reference to the request for proposals will be held as follows:

Date: July 20, 2026 **Time:** 11:00 AM HST

Location: **Microsoft Teams Meeting Information:**
Meeting Link: [Medicaid Administrative Claiming Support RFP Orientation](#)
Meeting ID: 291 642 712 375 592
Passcode: 3ad78WX9

Offerors are encouraged to submit written questions prior to the orientation. Impromptu questions will be permitted at the orientation and spontaneous answers provided at the State purchasing agency's discretion. However, answers provided at the orientation are only intended as general direction and may not represent the State purchasing agency's position. Formal official responses will be provided in writing. To ensure a written response, any oral questions should be submitted in writing following the close of the

orientation, but no later than the submittal deadline for written questions indicated in the subsection 1.10, Submission of Questions.

1.10 Submission of Questions

Offerors may submit questions to the RFP point-of-contact identified in Section 1.8. Written questions should be received by the date and time specified in Section 1.1 Procurement Timetable. The purchasing agency will respond to written questions by way of an addendum to the RFP.

Deadline for submission of written questions:

Date: July 24, 2026 **Time: 2:00 PM HST**

State agency responses to Offeror written questions will be provided by:

Date: July 28, 2026

1.11 Submission of Proposals

- A. **Forms/Formats** - Forms, except for program specific requirements, may be found on the State Procurement Office website referred to in Section 1.2, Website Reference.
 - 1. **Proposal Identification Form (Form OF-1)**. Provides Offeror proposal identification. Form OF-1 is attached hereto as Attachment A.
 - 2. **Table of Contents**. A sample table of contents for proposals is located in Section 5, Attachments. This is a sample and meant as a guide.
 - 3. **Proposal Offer Form (Form OF-2)**. The Offeror shall complete and submit Form OF-2, attached hereto as Attachment B, as part of its proposal. The Offeror's detailed Cost Proposal and Budget Narrative shall be submitted in accordance with Section 3.10 of this RFP.
- B. **Program Specific Requirements**. Program specific requirements are included in Sections 2 and 3, as applicable.
- C. **Multiple or Alternate Proposals**. Multiple or alternate proposals shall not be accepted unless specifically provided for in Section 2. In the event alternate proposals are not accepted and an Offeror submits alternate proposals, but clearly indicates a primary proposal, it shall be considered for award as though it were the only proposal submitted by the Offeror.
- D. **Offeror Compliance**. All Offerors shall comply with all laws governing entities doing business in the State.

- **Tax Clearance.** Pursuant to HRS §103-53, as a prerequisite to entering into contracts of \$25,000 or more, Offerors are required to have a tax clearance from the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). Refer to Section 1.2, Website Reference for DOTAX and IRS website address.
 - **Labor Law Compliance.** Pursuant to HRS §103-55, Offerors 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. Refer to Section 1.2, Website Reference for the Department of Labor and Industrial Relations (DLIR) website address.
 - **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 Department of Commerce and Consumer Affairs (DCCA), Business Registration Division. Foreign insurance companies must register with DCCA, Insurance Division. More information is on the DCCA website. Refer to Section 1.2, Website Reference for DCCA website address.
 - **State agencies can award amounts of \$2,500.00 or greater only to those companies that are registered with Hawaii Compliance Express (HCE).** The HCE is an electronic system that allows companies doing business with State or County agencies to quickly and easily obtain proof that they are compliant with applicable laws. The HCE certificate, "Certificate of Vendor Compliance," is submitted in place of a tax clearance, labor certificate, and a Certificate of Good Standing required in Hawaii Revised Statutes (HRS) §103-D-310(c) and Hawaii Administrative Rules (HAR) §3- 122-112. Refer to Section 1.2, Website Reference, for HCE's website address.
- E. **Wages Law Compliance.** If applicable, by submitting a proposal, the Offeror certifies that the Offeror is in compliance with HRS §103-55, Wages, hours, and working conditions of employees of Contractors performing services. Refer to Section 1.2, Website Reference for statutes and DLIR website address.
- F. **Campaign Contributions by State and County Contractors.** HRS §11-355 prohibits campaign contributions from certain State or county government Contractors during the term of the contract if the Contractors are paid with funds appropriated by a legislative body. Refer to Section 1.2, Website Reference for statutes and Campaign Spending Commission website address.
- G. **Confidential Information.** If an Offeror believes any portion of a proposal contains information that should be withheld as confidential, the Offeror shall request in writing nondisclosure of designated proprietary data to be confidential and provide justification to support confidentiality. Such data shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal to

facilitate eventual public inspection of the non-confidential sections of the proposal. Note that price is not considered confidential and will not be withheld.

- H. **Proposal Submittal.** The State has established the Hawaii State eProcurement (HIEPRO) System to promote an open and transparent system for vendors to compete for State contracts electronically. Offerors interested in responding to this solicitation must be registered on HIEPRO. Registration information is available at the State Procurement Office website: <http://spo.hawaii.gov/HIEPRO/>; select HIEPRO Vendor Registration, then HIEPRO Vendor Registration Guide.

All proposals shall be submitted via HIEPRO at the date and time indicated in the solicitation, and in strict accordance with the instructions herein. The RFP Process, including issuance of the RFP, submission of Proposals, issuance of Addenda, and changes to the Procurement Timetable in Section 1.1 shall be conducted through HIEPRO. The State shall not be responsible for the failure of any Offeror to receive the RFP Process information.

The Contractor shall be subject to a one-time mandatory HIEPRO fee of .75% (.0075) of the award amount or \$5,000, whichever is less. HIEPRO is administered by Tyler Technologies, Inc. Tyler Technologies, Inc. shall invoice the Contractor directly for payment of the HIEPRO fee. Payment must be made within thirty (30) days from receipt of invoice.

1.12 Discussions

- A. **Prior to Submittal Deadline.** Discussions may be conducted with potential Offerors to promote understanding of the purchasing agency's requirements.
- B. **After Proposal Submittal Deadline.** Discussions may be conducted with Offerors whose proposals are determined to be reasonably susceptible of being selected for award, but proposals may be accepted without discussions, in accordance with HAR §3-122-53.

1.13 Additional Materials and Documentation

Upon request from the State purchasing agency, each Offeror shall submit additional materials and documentation reasonably required by the State purchasing agency in its evaluation of the proposals.

1.14 RFP Amendments

The State reserves the right to amend this RFP at any time prior to the closing date for final revised proposals.

1.15 Best and Final Offer

DOH, in its sole discretion, may request each Priority Listed Offeror to submit its Best

and Final Offer (“BAFO”). The request shall be issued in an Addendum which will provide guidance and additional instructions. BAFOs shall be submitted to the DOH RFP Contact Person via HIePRO on or before the deadline provided in Section 1.1 Procurement Timetable. If a Priority Listed Offeror fails to submit a BAFO, its last submitted offer shall be deemed to be its BAFO.

1.16 Cancellation of Request for Proposals

The RFP may be canceled and any or all proposals may be rejected in whole or in part, when it is determined to be in the best interest of the State.

1.17 Costs for Proposal Preparation

Any costs incurred by Offerors in preparing or submitting a proposal are the Offerors’ sole responsibility.

1.18 Rejection of Proposals

The State reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in this RFP and which demonstrate an understanding of the problems involved and comply with the service specifications. Any proposal offering any other set of terms and conditions contradictory to those included in this RFP may be rejected without further notice.

A proposal may be rejected as authorized under HAR § 3-122 Subchapter 11.

1.19 Notice of Award

A Notice of Award of the Contract shall be made to the responsible Offeror whose Proposal is determined the most advantageous to the State, taking into consideration all the evaluation factors set forth in this RFP.

The Notice of Award shall be made available in HIePRO. Failure by the chosen vendor to accept the award within five days of the Notice of Award will be deemed a rejection of the award.

Any agreement arising out of this solicitation is subject to the approval of the Department of the Attorney General as to form, and to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order or other directive. No work is to be undertaken by the Contractor(s) awarded a contract prior to the contract commencement date. The State of Hawaii is not liable for any costs incurred prior to the official starting date.

1.20 Debriefing

Pursuant to HAR §3-122-60, a non-selected Vendor may request a debriefing to understand the basis for award. The written request for debrief shall be sent to: Candice.Bryant@doh.hawaii.gov.

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).

1.21 Protests

Pursuant to HRS §103D-701 and HAR Chapter 3-126, an Offeror aggrieved by a solicitation or an award of a contract may file a protest, provided that no protest based upon the content of the solicitation shall be considered unless it is submitted in writing prior to the date set for the receipt of offers. Refer to Section 1.2, Website Reference for website address. Only the following matters may be protested:

- (1) A State purchasing agency’s failure to follow procedures established by Chapter 103D of the Hawaii Revised Statutes;
- (2) A State purchasing agency’s failure to follow any rule established by Chapter 103D of the Hawaii Revised Statutes; and
- (3) A State purchasing agency’s failure to follow any procedure, requirement, or evaluation criterion in a request for proposals issued by the State purchasing agency.
- (4) Protests based on the content of the solicitation will not be accepted after the solicitation closing date, in accordance with HRS 103D-701.

Any protest shall be submitted in writing to the Procurement Officer identified in HIePRO, addressed to:

Procurement Officer
Name: Candice Bryant
Title: Program and System Management Supervisor
Mailing Address: 250 S. Hotel St. Suite 406 Honolulu, HI 96813
Business Address: 250 S. Hotel St. Suite 406 Honolulu, HI 96813

1.22 Availability of Funds

The award of a contract and any allowed renewal or extension thereof, is subject to allotments made by the Director of Finance, State of Hawaii, pursuant to HRS Chapter 37, and in accordance with §103D-309, HRS, and subject to the availability and allotment of State and/or Federal funds.

1.23 General and Special Conditions of Contract

The general conditions that will be imposed contractually are on the SPO website. Special conditions may also be imposed contractually by the State purchasing agency, as deemed necessary.

1.24 Cost Principles

To promote uniform purchasing practices among State purchasing agencies procuring goods, services, and construction under HRS Chapter 103D, State purchasing agencies will utilize standard cost principles as outlined on the SPO website. Refer to Section 1.2 Website Reference for website address. Nothing in this section shall be construed to create an exemption from any cost principle arising under federal law.

1.25 Contract Execution

The successful Offeror shall enter into a formal written contract with the State. In submitting a proposal, the Offeror will be deemed to have agreed to each provision set forth in Attachment D, General Conditions. The State shall have no obligation to accept terms and conditions that vary from those set forth in the aforementioned attachment. The Contract shall include or be deemed to incorporate this RFP, the Offeror's Proposal or BAFO, State AG General Conditions ("GC") set forth in Attachment D, and any other terms as may be agreed to by the State and the Contractor.

Upon selection and award of the contract, the State shall send the formal contract to the successful Offeror via an electronic signature process. The State reserves the right to cancel any contract and request new proposals or negotiate with remaining Offerors if the State is not satisfied with the awarded Contractor's performance.

No work is to be undertaken by the Offeror awarded a contract prior to the execution of a formal contract and the contract commencement date. The State of Hawaii is not liable for any costs incurred prior to the contract commencement date.

No contract shall be considered binding upon the State until the contract has been fully and properly executed by all parties thereto.

Section 2

Service Specifications

Section 2

Service Specifications

2.1 Introduction

A. Background

The Executive Office on Aging (“EOA”) serves as the designated State Unit on Aging for Hawai‘i and is responsible for coordinating a Statewide system of services and supports for older adults and caregivers pursuant to federal and State law. Under the Older Americans Act (“OAA”), EOA administers programs and services that support older adults, family caregivers, and individuals with Long-Term Services and Supports (“LTSS”) needs.

EOA oversees Hawai‘i’s Aging and Disability Resource Center (“ADRC”) Network, which includes ADRC sites operated by the Area Agencies on Aging (“AAAs”) in each county. The ADRCs serve as a primary point of access for individuals seeking information, assistance, and access to LTSS programs and services.

EOA also coordinates Hawai‘i’s No Wrong Door (“NWD”) System, which brings together State and community partners to provide streamlined access to LTSS information and services. As part of the NWD system, participating agencies conduct administrative activities that support the efficient administration of Hawai‘i’s Medicaid program, including outreach, screening, referrals, and assistance with Medicaid applications.

The Hawai‘i Department of Human Services, Med-QUEST Division (“MQD”), administers the State Medicaid program. Through a Memorandum of Understanding between EOA and MQD, EOA and participating agencies are eligible to receive Medicaid Administrative Claiming (“MAC”) reimbursement for allowable administrative activities that support the Medicaid program.

To support MAC claiming, EOA must maintain a federally compliant methodology for determining the proportion of staff time attributable to Medicaid-related administrative activities and for calculating quarterly administrative claims. This methodology includes the use of federally approved twice-daily stratified Random Moment Sampling (“RMS”) and associated cost allocation processes.

At contract commencement, the MAC program will support the Executive Office on Aging and participating Area Agencies on Aging operating the ADRC Network. During the two-year contract term, the State anticipates the program to support approximately 8 to 12 participating agencies and programs and approximately 50 to 80 staff participating in the RMS process.

Based on planning estimates developed during the State's Cost Allocation Plan ("CAP") process, the MAC program is anticipated to generate approximately \$1.7 million to \$2.2 million in annual federal Medicaid administrative reimbursement. This information is provided solely to assist Offerors in understanding the approximate scale of the program. Actual reimbursement amounts

may vary based on eligible expenditures, program participation, federal requirements, and other factors.

To support these activities, EOA is seeking a qualified Contractor to provide technical, administrative, and operational support for Hawai'i's Medicaid Administrative Claiming program as described in Section 2.4, Scope of Work.

B. Description of the Service Goals

EOA seeks a qualified Contractor to provide technical, administrative, and operational support for Hawai'i's Medicaid Administrative Claiming program. The Contractor shall operate and maintain a federally compliant Random Moment Sampling ("RMS") system, support claim development and calculation activities, provide training and technical assistance to participating agencies, and assist EOA in preparing quarterly Medicaid Administrative Claims.

2.2 Contract Monitoring and Evaluation

The Contractor's performance under the Contract will be monitored and evaluated by the Contract Administrator or his/her designated representative.

Failure to comply with all material terms of the Contract may be cause for suspension or termination as provided in the General Conditions. The Contractor may be required to submit additional written reports, including a corrective action plan, in response to monitoring conducted by the EOA. These additional reports will not be considered a change to the scope of work and will continue for a duration of time as deemed necessary by the EOA.

2.3 General Requirements

The Offeror shall demonstrate that it possesses the experience, qualifications, and organizational capacity necessary to successfully perform the services described in this Request for Proposals.

At a minimum, the Offeror shall:

1. Have a minimum of three (3) years of experience providing Medicaid Administrative Claiming ("MAC") consulting, implementation, administration, or related services for State government agencies.
2. Demonstrate experience supporting the development, implementation, operation, or enhancement of Medicaid Administrative Claiming programs, including stratified Random Moment Sampling ("RMS"), cost allocation methodologies, claim calculation, or related activities.
3. Provide a description of at least two (2) State government projects completed within the past five (5) years that are similar in scope and complexity to the services requested under this RFP. The description shall identify the client agency, project period, services provided, and outcomes achieved.

4. Submit two (2) letters of reference or support from State government agencies for which the Offeror has provided Medicaid Administrative Claiming services. The letters shall be included as part of the proposal, dated within the past three (3) years, and include the name and contact information of a representative of the agency. The State may contact the referenced representatives to verify the information provided and evaluate the Offeror's past performance.

2.4 Scope of Work

EOA seeks a qualified Contractor to provide technical, administrative, and operational support for Hawai'i's Medicaid Administrative Claiming program. The Contractor shall operate and maintain a federally compliant Random Moment Sampling ("RMS") system, support claim development and calculation activities, provide training and technical assistance to participating agencies, and assist EOA in preparing quarterly Medicaid Administrative Claims.

The Contractor shall provide a secure, web-based solution that supports RMS administration, reporting, claim calculation, documentation, and ongoing program management.

The Scope of Work encompasses the following tasks and responsibilities:

A. Random Moment Sampling Administration

The Contractor shall provide, operate, and maintain a secure, cloud-hosted web-based Random Moment Sampling ("RMS") system that supports Medicaid Administrative Claiming ("MAC") activities.

The Contractor shall:

1. Operate and administer a statistically valid twice-daily stratified RMS process that complies with applicable federal Medicaid requirements and cost allocation principles.
2. Maintain a web-based RMS application accessible through standard internet browsers without requiring installation of software on State-owned devices.
3. Configure and maintain RMS participant pools, activity codes, schedules, and sampling methodologies necessary to support the MAC program.
4. Generate and distribute random moments to participating staff.
5. Monitor participant response rates and conduct follow-up activities as necessary to maximize compliance.
6. Provide administrative tools that allow EOA to monitor participation and review sampling results.
7. Maintain appropriate system security, user management, and data retention practices.

8. Operate the RMS process for all quarters during the contract period.
9. Develop and implement enhancements to the RMS or cost allocation system.

B. Medicaid Administrative Claim Development and Calculation

The Contractor shall support the preparation and calculation of Medicaid Administrative Claims.

The Contractor shall:

1. Review and document the methodology used to develop quarterly Medicaid Administrative Claims.
2. Collect and compile RMS results and expenditure information provided by EOA and participating agencies.
3. Calculate quarterly Medicaid Administrative Claims using approved methodologies and cost allocation procedures.
4. Prepare claim calculation workpapers and supporting documentation sufficient for State and federal review.
5. Develop claim summaries and reports for EOA review and approval.
6. Submit draft quarterly claim packages to EOA in accordance with timelines established by EOA.
7. Provide technical assistance related to claim calculations, supporting documentation, and audit inquiries.
8. Support a monthly five percent quality assurance review process conducted by participating agencies and EOA.

C. Reporting and Program Support

The Contractor shall provide reporting and program management support.

The Contractor shall:

1. Develop Statewide and agency-specific reports that summarize RMS participation, coding results, response rates, and claiming outcomes.
2. Provide quarterly and ad hoc reports requested by EOA.
3. Generate monthly agency participation reports.
4. Identify participation issues, data anomalies, or operational concerns and recommend corrective actions.

5. Participate in meetings with EOA, MQD, participating agencies, and other stakeholders as requested.
6. Maintain documentation of processes, procedures, and methodologies used to support MAC activities.
7. Assist with modifications to the Cost Allocation Plan (“CAP”).

D. Training and Technical Assistance

The Contractor shall provide training and technical assistance to EOA and participating agencies.

The Contractor shall:

1. Develop training materials, user guides, and reference documents related to RMS participation and MAC processes.
2. Conduct initial and refresher training sessions for RMS participants, supervisors, and administrators.
3. Provide ongoing technical assistance and support during normal business hours.
4. Respond to participant and administrator inquiries regarding system access, RMS completion requirements, and claim-related processes.

E. Deliverables

The Contractor shall provide the following deliverables:

1. Web-based RMS system and ongoing system administration.
2. Quarterly RMS administration and monitoring reports.
3. Quarterly Medicaid Administrative Claim calculation packages.
4. Supporting claim documentation and workpapers.
5. Training materials and user guides.
6. Documentation of methodologies and procedures.
7. Quarterly status reports summarizing activities, accomplishments, issues, and recommendations.
8. Monthly agency participation reports.

F. Work Plan

Within thirty (30) days of contract execution, the Contractor shall submit a detailed work plan for EOA approval. The work plan shall include timelines, milestones, responsible staff,

deliverables, and communication protocols necessary to complete all activities described in this scope of services.

Following contract award, the successful Contractor will be provided applicable program documentation, including the State's approved Cost Allocation Plan ("CAP"), necessary to perform the required services.

The Contractor shall be fully operational in accordance with the implementation schedule approved by EOA and prepared to support the first Medicaid Administrative Claiming quarter following contract commencement, currently anticipated to be October–December 2026.

Section 3

Proposal Application Instructions

Section 3

Proposal Instructions

General instructions for completing proposals:

- *Proposals shall be submitted to the State purchasing agency using the prescribed format outlined in this section.*
- *Page numbering of the Proposal should be consecutive, beginning with page one and continuing through for each section.*
- *Offerors must also include a Table of Contents with the Proposal which shall coincide with the order of this RFP. A sample Table of Contents is attached hereto as Attachment C.*
- *A written response is required for each item unless indicated otherwise. Failure to answer any of the items will impact upon an Offeror's score.*
- *Offerors are strongly encouraged to review evaluation criteria in Section 4, Evaluation Criteria, when completing the proposal.*

The Offeror shall organize its proposal in the following order:

1. Proposal Identification Form (OF-1)
2. Proposal Offer Form (OF-2)
3. Table of Contents
4. Program Overview
5. Organizational Experience and Qualifications
6. Understanding of Project Requirements and Proposed Approach
7. Work Plan and Service Delivery
8. Staffing and Organizational Structure
9. Data Management, Reporting, and Quality Assurance
10. Cost Proposal and Budget Narrative
11. Other and attachments

3.1 Proposal Identification Form

The Offeror shall submit the Proposal Identification Form (Form OF-1), attached hereto as Attachment A, to allow evaluators to properly identify the organization submitting the proposal.

3.2 Proposal Offer Form

The Offeror shall submit the Proposal Offer Form (Form OF-2), attached hereto as Attachment B. The Proposal Offer Form shall summarize the Offeror's proposed budget by contract year and total proposed budget.

3.3 Table of Contents

The Offeror shall provide a table of contents to inform evaluators where to locate required information. A sample Table of Contents is attached hereto as Attachment C.

3.4 Program Overview

The Offeror shall give a brief overview to orient evaluators as to the program operations and services being offered.

3.5 Organizational Experience and Capability

The Offeror must demonstrate capability and knowledge to perform the services listed in section 2.4, Scope of Work and meet all requirements listed in section 2.3, General Requirements. All requirements listed in sections 2.4, Scope of Work, and 2.3, General Requirements, must be addressed. Provide as much detail as possible to show experience in completing the Scope of Work.

3.6 Understanding of Project Requirements and Proposed Approach

The Offeror shall demonstrate its understanding of the services requested under this RFP and describe its proposed methodology for performing the Scope of Work listed in section 2.4.

3.7 Work Plan and Service Delivery

The Offeror must demonstrate its plan for implementing services and meeting project objectives listed in section 2.4, Scope of Work.

3.8 Staffing and Organizational Structure

The Offeror shall describe its proposed staffing structure and organizational capacity to successfully perform the services described in section 2.4, Scope of Work.

3.9 Data Management, Reporting, and Quality Assurance

The Offeror shall describe its ability to manage data, maintain accuracy, and ensure quality of services and reporting as listed in section 2.4, Scope of Work.

3.10 Cost Proposal and Budget Narrative

The Offeror shall submit a Cost Proposal and Budget Narrative as part of its proposal.

The Cost Proposal shall provide a separate budget for each contract year and identify all costs necessary to perform the services described in this RFP.

The maximum compensation available under this procurement is \$350,000.00.

For proposal purposes, the State anticipates funding of approximately:

- Contract Year 1: \$210,000.00
- Contract Year 2: \$140,000.00

These annual funding amounts reflect the anticipated distribution of implementation and ongoing operational activities and are provided for proposal preparation and evaluation purposes only. They do not establish separate contractual funding limits or guarantee funding by contract year.

Contract Year 1 funding is intended to support system implementation and start-up activities, including onboarding, implementation of the Random Moment Sampling (RMS) system, training, and quarterly Medicaid Administrative Claiming activities. Contract Year 2 funding is intended to support ongoing operation of the RMS system, quarterly claiming activities, continued onboarding of participating agencies, training, and ongoing technical support.

The Cost Proposal shall identify all anticipated costs necessary to perform the services described in this RFP. The proposal shall clearly identify costs by contract year and include sufficient detail to allow the State to evaluate the reasonableness and completeness of the proposed budget.

The Offeror shall submit a Budget Narrative describing the basis for each proposed cost, including the assumptions and methodology used to develop the proposed budget. If the Offeror proposes a materially different distribution of costs between Contract Year 1 and Contract Year 2 than the anticipated funding amounts identified above, the Budget Narrative shall explain the basis for the proposed allocation. The narrative shall demonstrate that the proposed costs are reasonable, necessary, and directly support the Scope of Work.

The Offeror shall describe its fiscal management practices, including its accounting system and internal controls, sufficient to demonstrate its ability to manage contract funds, track expenditures, and maintain documentation required for State and federal audit purposes.

The Offeror may include any additional budget narrative, cost justification, or supporting documentation deemed necessary to clearly explain and justify proposed costs and to demonstrate cost reasonableness and alignment with the Scope of Work.

3.11 Other and Attachments

Litigation: The Offeror shall disclose and explain any pending litigation to which they are a party, including the disclosure of any outstanding judgment.

Section 4

Proposal Evaluation

Section 4 Proposal Evaluation

4.1 Introduction

The evaluation of proposals received in response to the RFP will be conducted comprehensively, fairly, and impartially. Structural, quantitative scoring techniques will be utilized to maximize the objectivity of the evaluation.

4.2 Evaluation Process

The procurement officer or an evaluation committee of designated reviewers selected by the head of the State purchasing agency or procurement officer shall review and evaluate proposals. When an evaluation committee is utilized, the committee will be comprised of individuals with experience in, knowledge of, and program responsibility for program services, funding, and reporting.

The evaluation will be conducted in three phases as follows:

- Phase 1 - Evaluation of Proposal Requirements
- Phase 2 - Evaluation of Proposal
- Phase 3 - Recommendation for Award

Evaluation Categories and Thresholds

<u>Evaluation Categories</u>	<u>Possible Points</u>
Program Overview	0 points
Organizational Experience and Qualifications	25 points
Understanding of Project Requirements and Proposed Approach	25 points
Work Plan and Service Delivery	20 points
Staffing and Organizational Structure	15 points
Data Management, Reporting, and Quality Assurance	5 points
Cost Proposal and Budget Narrative	10 points
TOTAL POSSIBLE POINTS	100 Points

4.3 Evaluation Criteria

A. Phase 1 - Evaluation of Proposal Requirements

1. Administrative Requirements

The State shall review each proposal to determine whether the Offeror has met all administrative and mandatory requirements outlined in Section 1 of this Request for Proposals.

Only proposals determined by the State to be responsive and compliant with the requirements of Section 1 shall advance to subsequent phases of evaluation. Proposals that fail to meet any required administrative or mandatory criteria may be deemed non-responsive and may not be considered for further evaluation.

2. Proposal Requirements

- Proposal Identification Form
- Proposal Offer Form
- Table of Contents
- Program Overview
- Organizational Experience and Qualifications
- Understanding of Project Requirements and Proposed Approach
- Work Plan and Service Delivery
- Staffing and Organizational Structure
- Data Management, Reporting, and Quality Assurance
- Cost Proposal and Budget Narrative
- Other and attachments

B. Phase 2 - Evaluation of Proposal

The total number of points that an Offeror can achieve is 100.

To achieve the highest possible points, the Offeror should provide sufficient detail for each criterion in its proposal that will allow the evaluation committee to make a satisfactory judgment.

1. **Program Overview:** No points are assigned to Program Overview. The intent is to give the Offeror an opportunity to orient evaluators as to the service(s) being offered.
2. **Organizational Experience (25 Points)**

The State will evaluate the Offeror's demonstrated experience and qualifications to perform the proposed services.

a) Relevant Experience (15 Points)

The Offeror shall describe:

- Experience implementing, administering, or supporting Medicaid Administrative Claiming ("MAC") programs for State government agencies.
- Experience developing, implementing, administering, or supporting Random Moment Sampling ("RMS") methodologies and systems.
- Experience supporting Cost Allocation Plans ("CAP"), cost allocation methodologies, and Medicaid administrative claiming processes.
- Experience operating web-based RMS, time study, or cost allocation systems.
- Experience preparing, calculating, or supporting Medicaid administrative claims and related documentation.

b) Organizational Capacity and References (10 Points)

The Offeror shall demonstrate:

- A minimum of three (3) years of experience providing MAC-related services to State government agencies.
- Organizational capacity to successfully provide the services described in this RFP.
- Experience providing services of similar size, scope, and complexity.
- Submission of two (2) letters of reference or support from State government agencies for which the Offeror has provided MAC services.

3. Understanding of Project Requirements and Proposed Approach (25 Points)

The State will evaluate the Offeror's understanding of project requirements and proposed methodology.

a) **Understanding of Program Requirements (10 Points)**

The Offeror shall describe:

- Understanding of Medicaid Administrative Claiming ("MAC") requirements.
- Understanding of Random Moment Sampling ("RMS") methodologies and federal compliance requirements.
- Understanding of Cost Allocation Plan ("CAP") requirements and claiming methodologies.
- Understanding of the roles of EOA, the Area Agencies on Aging ("AAA"), Aging and Disability Resource Centers ("ADRC"), No Wrong Door ("NWD") partners, and MQD in the MAC process.

b) **Proposed Technical and Operational Approach (15 Points)**

The Offeror shall describe

- Proposed methodology for administering RMS activities.
- Approach to collecting, validating, and utilizing expenditure data.
- Approach to calculating quarterly MAC claims.
- Approach to reporting, documentation, technical assistance, and stakeholder coordination.

4. Work Plan & Service Delivery (20 Points)

The State will evaluate the Offeror's proposed work plan and ability to implement the required services.

a) **Work Plan and Project Management (10 Points)**

The Offeror shall provide:

- A detailed work plan with tasks, timelines, milestones, and deliverables.
- A project management approach for administering RMS activities and quarterly claim development.
- Procedures for monitoring performance and ensuring timely completion of deliverables.
- Strategies to address operational issues and maintain continuity of services.

b) System Operations, Training, and Technical Support (10 Points)

The Offeror shall describe:

- Approach to hosting, operating, and maintaining the RMS system.
- Procedures for user support and technical assistance.
- Training approach for EOA staff and participating agencies.
- Approach to implementing system enhancements and supporting CAP modifications.

5. Staffing and Organizational Structure (15 Points)

The State will evaluate the Offeror's proposed staffing and organizational structure.

a) Staffing and Key Personnel (10 Points)

The Offeror shall provide:

- Proposed staffing structure and key personnel assigned to the project.
- Qualifications, certifications, and experience of personnel responsible for RMS administration, MAC claiming, training, and technical support.
- Experience of project management staff overseeing similar projects.
- Description of staff roles and responsibilities.

b) Organizational Structure (5 Points)

The Offeror shall provide:

- An organizational chart showing project staff and reporting relationships
- Description of how the organizational structure supports successful contract performance.
- Identification of subcontractors, if any, and their respective responsibilities.

6. Data Management, Reporting and Quality Assurance (5 Points)

The State will evaluate the Offeror's ability to maintain data integrity, reporting accuracy, and quality assurance.

The Offeror shall describe:

- Procedures for maintaining data accuracy, confidentiality, and security.
- Internal controls and quality assurance processes.
- Reporting capabilities and ability to produce required reports.
- Procedures for maintaining documentation sufficient for audit and federal review purposes.

7. Cost Proposal and Budget Narrative (10 Points)

The State will evaluate the Offeror's Cost Proposal and Budget narrative to determine whether the proposed costs are reasonable, realistic, adequately supported, and appropriate for the services proposed.

a) Cost Proposal (6 Points)

The Offeror shall demonstrate:

- Personnel costs are reasonable and support the proposed scope of services.
- Non-personnel costs are reasonable and adequately justified.
- The proposed cost aligns with the Scope of Work and includes sufficient resources to successfully perform all required services.
- The proposed costs are clearly presented by contract year and do not exceed the maximum compensation identified in this RFP.

b) Budget Narrative (4 Points)

The Offeror shall demonstrate:

- The proposed budget is clearly explained and supported.
- The methodology and assumptions used to develop the proposed costs are reasonable.
- The Budget Narrative provides sufficient detail to evaluate the necessity and reasonableness of the proposed costs.

Phase 3 - Recommendation for Award

1. Reference checks for Priority Listed Offerors will be conducted.
2. A final calculation of the proposal scores from Phase 2 will be performed.
3. The final selection will represent the Offeror that is determined to be the most advantageous to the State based on the evaluation criteria listed in Section 4.

Section 5

Attachments

- A.** Proposal Identification Form (OF-1)
- B.** Proposal Offer Form (OF-2)
- C.** Sample Table of Contents
- D.** General Conditions

Proposal Identification Form (OF-1)
 Medicaid Administrative Claiming Support
 RFP-27-054

State of Hawaii
 Department of Health
 Executive Office on Aging
 250 South Hotel Street, Suite 406
 Honolulu, Hawaii 96813

To Whom It May Concern:

The undersigned has carefully read and understands the terms and conditions specified in this RFP and hereby submits the following proposal to perform the work specified in the RFP.

The undersigned further understands and agrees that by submitting this bid, 1) Offeror is declaring this offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) Offeror 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. _____

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.	**	Exact Legal Name of Company (Bidder)
E-mail Address		

****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:**

PROPOSAL OFFER FORM (OF-2)
 Medicaid Administrative Claiming Support
 RFP-27-054

The Offeror hereby offers to perform the services described in this Request for Proposals (RFP) in accordance with the terms, conditions, and requirements of the solicitation.

Proposed Budget Summary

Contract Period	Proposed Amount
Contract Year 1	\$ _____
Contract Year 2	\$ _____
Total Proposed Budget	\$ _____

Note: Pricing shall include labor, materials, supplies, all applicable taxes, and any other costs incurred to provide the specified services. A detailed Cost Proposal and Budget Narrative shall be submitted in accordance with Section 3.10 of this RFP. The proposed annual budget amounts are provided for evaluation purposes and do not establish separate contractual funding limits.

	(x)	
Date		Authorized (Original) Signature
Telephone No.		Name and Title (Please Type or Print)
Fax No.	**	Exact Legal Name of Company (Bidder)
E-mail Address		

****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:**

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GENERAL CONDITIONS

1. Coordination of Services by the STATE. The head of the purchasing agency (“HOPA”) (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.
 - a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.
 - b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.
 - c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.
 - d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.
 - e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.
 - f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

- g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

- a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.
- b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this 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.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

- (1) The Assignee assumes all of the CONTRACTOR'S obligations;
- (2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and
- (3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

- c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.
 - d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.
7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.
 8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.
 9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.
 10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.
 11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.
 12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.
 - a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

- (1) Cancel the stop performance order; or
- (2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

- (1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and
- (2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

- c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.
- d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.
- e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.
- f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

- a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.
- b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

- c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:
- (1) Any completed goods or work product; and
 - (2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

d. Compensation.

- (1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.
- (2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.
- (3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:
 - (A) Contract prices for goods or services accepted under the Contract;
 - (B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;
 - (C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);
 - (D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

- (4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

- (1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

- (A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

- (B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

- (C) Within such further time as may be allowed by the Agency procurement officer in writing.

- (2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

- (3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

- (4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

- a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.
- b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.
- c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

- a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.
- b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.
- c. Prompt payment.
 - (1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and
 - (2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.
- d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

- a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.
- b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

- c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:
 - (A) Changes in the work within the scope of the Contract; and
 - (B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.
 - d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.
 - e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.
 - f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.
 - g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least \$25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.
 - h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.
 - i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.
20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:
- (1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;
 - (2) Method of delivery; or
 - (3) Place of delivery.
- a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

- b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.
- c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.
- d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

- a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:
 - (1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
 - (2) By unit prices specified in the Contract or subsequently agreed upon;
 - (3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;
 - (4) In such other manner as the parties may mutually agree; or
 - (5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.
- b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

- a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:
 - (1) Description of performance (Attachment 1);
 - (2) Time of performance (i.e., hours of the day, days of the week, etc.);
 - (3) Place of performance of services;

- (4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;
 - (5) Method of shipment or packing of supplies; or
 - (6) Place of delivery.
- b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.
 - c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.
 - d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.
 - e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.
24. Confidentiality of Material.
- a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.
 - b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.
25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.
26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.
27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:
- a. The cost or pricing data, and
 - b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over \$100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

- (1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
- (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.
35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.
36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.
37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.
38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.
39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.
40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.
41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.
42. Confidentiality of Personal Information.
- a. Definitions.
- "Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:
- (1) Social security number;
 - (2) Driver's license number or Hawaii identification card number; or

- (3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

- (1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.
- (2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.
- (3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.
- (4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.
- (5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.
- (6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

- (1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.
- (2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:
 - (A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;
 - (B) Access to the personal information will be allowed only as necessary to perform the Contract; and
 - (C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

- (1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or
- (2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

- (1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
- (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.