



State of Hawaii

Department of Commerce and Consumer Affairs

Regulated Industries Complaints Office

Request for Proposals

No. RFP-RICO-16-001-SW

**REQUEST FOR PROPOSALS FOR COMPLAINTS
MANAGEMENT SYSTEM REPLACEMENT APPLICATION**

Date Issued: May 27, 2016

PROPOSAL MUST BE SUBMITTED BY June 28, 2016

Catherine P. Awakuni Colón

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Director and Procurement Officer

Department of Commerce and Consumer Affairs

NOTICE TO INTERESTED PARTIES

The Hawaii Department of Commerce and Consumer Affairs' (DCCA) Regulated Industries Complaints Office (RICO) is seeking proposals in response to a Request for Proposals (RFP) to replace its current Complaints Management System (CMS) software application (RICO-16-001-SW).

The Complaints Management System Replacement RFP requests proposals to provide a replacement for the current CMS application, configure, install, and provide data migration, staff training, and ongoing support for the replacement CMS application.

This solicitation is provided for information purposes. If interested in responding to this solicitation, you may choose to submit your offer provided you register your organization by e-mail for this specified solicitation. If you do not register your organization, you will not receive addenda, if any.

Registration of Solicitation

Submit E-MAIL to: daria.a.loy-goto@dcca.hawaii.gov

Provide the following information:

- Name of Company
- Mailing Address
- Telephone Number
- Facsimile Number
- Name of Contact Person
- E-Mail Address
- RFP Number

1. INTRODUCTION

1.1 TERMS AND ACRONYMS USED HEREIN

"Department" means the Department of Commerce and Consumer Affairs as defined under HRS § 26-9H, and includes the Regulated Industries Complaints Office.

"Complaints Management System" or "CMS" means the current case and legal action management application in use by the Regulated Industries Complaints Office.

"Contract Administrator" means the Department staff designated by the State of Hawaii Department of Commerce and Consumer Affairs Director, to administer the contract contemplated by this RFP.

"Deliverables" means work associated with RFP-RICO-16-001-SW to provide a replacement for the current CMS application, configure, install, and provide data migration, staff training, and ongoing support for the replacement CMS application, but not limited to include other activities required to bring the replacement CMS application into full operation.

"GC" means General Conditions, issued by the Hawaii State Department of the Attorney General (Form AG-008 103D).

"GET" means General Excise Tax.

"Offeror" means any individual, partnership, firm, corporation, joint venture, organization, or other entity submitting directly or through a duly authorized representative or agent, a bid for the goods, service, or construction contemplated.

"Procurement Officer" means the Executive Officer of the Department.

"Provider" or "Successful Offeror" means the Offeror awarded the contract to provide a replacement for the current CMS application, configure, install, and provide data migration, staff training, and ongoing support for the replacement CMS application.

"PVL" means the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division.

"RFP" means Request for Proposal.

"RICO" means the Department of Commerce and Consumer Affairs

Regulated Industries Complaints Office established under HRS § 26-9H.

"State" means State of Hawaii.

"SCAP" means the State Certified Arbitration Program (commonly referred to as "Lemon Law").

"Working day" means every day from 7:45 a.m. to 4:30 p.m., Hawaii Standard Time, except Saturday, Sunday, and any federal or State of Hawaii holiday.

1.2 INTRODUCTION

The Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office (RICO) is the enforcement arm for the various professions and vocations that are licensed in the State of Hawaii. RICO investigates allegations of professional misconduct by licensees and also investigates possible unlicensed activity that may be occurring in the State.

This RFP provides estimated dates for the various events in the submission process, selection process, and performance of work. While these dates are subject to change, prospective Offerors must be prepared to meet them as they currently appear in this RFP. Any failure to meet a deadline in the submission or evaluation phases and any objection to the dates for performance in the work phase may result in the State refusing to consider the proposal of the Offeror.

1.3 OBJECTIVE

The objective of this RFP is to select a Provider to provide a replacement for the current CMS application, configure, install, and provide data migration, staff training, and ongoing support for the replacement CMS application.

1.4 BACKGROUND

The Regulated Industries Complaints Office (RICO) is a statewide agency of the Department of Commerce and Consumer Affairs. RICO serves as the enforcement arm for the various professions and vocations that are licensed in the State. To that end, RICO investigates allegations of professional misconduct by professional and vocational licensees and also investigates possible unlicensed activity that may be occurring in the State. RICO's partner agency, the Professional and Vocational Licensing Division (PVL), accepts applications and issues

licenses for the various licensing boards, commissions, and programs. RICO also administers the State's Certified Arbitration Program (commonly referred to as "SCAP"). Through the SCAP program, a consumer who may have purchased a "lemon" can file a request for mediation against a motor vehicle manufacturer.

Currently, RICO utilizes a custom application known as the Complaints Management System (CMS) which runs on an AIX platform utilizing an obsolete version of Oracle Forms that is no longer supported by the manufacturer. RICO would like to replace this outdated custom application with a more robust application that is better suited to its needs and runs on a more economical platform. RICO is seeking an off-the-shelf system, currently in use and demonstrable, that can be configured to meet RICO's case processing and legal action needs.

1.5 OFFICIAL MEANS OF COMMUNICATION

During the solicitation process for this RFP, all official communications with Offerors must be submitted in writing and directed to RICO by e-mail. All communications and inquiries concerning this RFP should be directed to:

Department of Commerce and Consumer Affairs
Regulated Industries Complaints Office
Attn: Contract Administrator
235 S. Beretania Street, Ninth Floor
Honolulu, Hawai'i 96813

Telephone: (808) 586-2666
E-mail: daria.a.loy-goto@dcca.hawaii.gov

Written inquiries must be received by the Contract Administrator at the e-mail address identified above and shall state the page, paragraph, and line or sentence to which the question relates, when applicable. The subject line of all e-mailed inquiries shall include the title and number of the RFP. All written inquiries must be received by the deadline specified in Section 1.7.

Replies to Offerors' questions shall be considered official only if (1) RICO receives the questions in writing via e-mail by the date specified herein; and (2) RICO provides a written reply as an addendum to the RFP.

Registered Offerors shall receive a written response via e-mail. RICO shall not be responsible for notifying potential Offerors who have failed to provide their necessary contact information.

1.6 ISSUING OFFICE

This RFP is issued by RICO. RICO is the sole point of contact concerning this RFP.

1.7 RFP SCHEDULE - SIGNIFICANT DATES

The schedule for the work set out herein represents the State's best estimate of the schedule that shall be followed. If a component of this schedule, such as Closing Date is delayed, the rest of the schedule shall be shifted by the same number of days. The approximate schedule is as follows:

<u>Activity</u>	<u>Scheduled Date</u>
Public notice announcing RFP	<u>May 27, 2016</u>
Registration deadline	<u>June 3, 2016 (by 12:00 noon H.S.T.)</u>
Deadline to receive written inquiries	<u>June 10, 2016 (by 4:30 p.m. H.S.T.)</u>
Issuance of responses to written inquiries	<u>June 17, 2016</u>
Closing date - proposal submittal deadline	<u>June 28, 2016</u>
Proposal evaluation period	<u>Through June 30, 2016</u>
Provider selection	<u>June 30, 2016</u>
Contract discussions	<u>July 30, 2016 to July 8, 2016</u>
Contract start date	<u>July 15, 2016</u>

Prospective Offerors should be aware of the specified time that an item is due, in addition to the date that it is due.

1.8 REGISTRATION REQUIREMENT

You MUST REGISTER your company by the date specified in Section 1.7, to ensure receiving any addenda that are issued. Registration shall include Company Name, Company Contact Person, Address, Telephone Number, Facsimile Number, and E-mail Address and shall be submitted by e-mail to daria.a.loy-goto@dcca.hawaii.gov. Telephone calls WILL NOT BE HONORED. It is the Offeror's responsibility to confirm that RICO has received the e-mailed registration submittal.

1.9 AUTHORITY

This RFP is issued pursuant to the provisions of the Hawaii State Procurement Code (HRS Chapter 103D), and the State Procurement Office's applicable Directives, Circulars, and administrative rules. All prospective Offerors are charged with the presumptive knowledge of all legal authorities. These and other pertinent materials are available on the State of Hawaii website at www.spo.hawaii.gov. Submission of a valid executed offer by any Offeror shall constitute admission of such knowledge on the part of such Offeror.

Any agreement arising out of this RFP is subject to the approval of the State Department of the Attorney General, as to form, and to all further approvals as required by statute, administrative rule, order, or other directive.

1.10 GENERAL INSTRUCTIONS FOR PROPOSAL

RICO wants clear and concise Proposals in response to this RFP. However, Offerors should take care to completely answer questions and meet this RFP's stated requirements.

Each Offeror may submit only one (1) proposal. Alternate proposal(s) will not be accepted.

Each Proposal must be organized in an indexed binder ordered in the same manner as identified in Section 3 of this RFP. The detailed requirements for the Proposal's contents and formatting are contained within this RFP.

Offeror shall submit one (1) unbound, indexed, original proposal marked "ORIGINAL," six (6) bound, indexed copies of the original marked "COPY," and an electronic version of the proposal sent via e-mail. It is imperative to note that the Offeror submit only one original proposal and the required number of copies. **DO NOT SUBMIT MORE THAN ONE ORIGINAL.**

Offers shall be typewritten. Handwritten offers will be rejected.

Offers shall be submitted in a sealed envelope clearly identified with the RFP number, title, and Offeror's name on the outside of the envelope. The envelope shall be made to the attention of the Contract Administrator.

Offers shall be delivered no later than the date and time stated on the cover page of the RFP. Offers received after the deadline shall be

destroyed by RICO.

1.11 PURPOSE OF THIS RFP

1.11.1 SPECIFICATIONS

Specifications are explicitly stated within this RFP. Offerors should consider the following general specifications prior to deciding to respond to this RFP:

Offeror must be prepared to act in an independent capacity and not as officers or employees of the State. Offeror must indemnify, defend and hold harmless the State and its officers and employees from liability and any claim, suit, judgment, and damages arising as a result of the Successful Offeror's acts and/or omissions in the performance of its duties.

Offeror must agree to a completion date not to exceed twelve months from the issuance date of the contract with the State or a mutually agreed upon completion date.

Offeror's proposal price must be all inclusive and cannot contain any open ended pass-through costs such as travel expenses. All such costs should be included within Offeror's proposal price.

Offeror must submit a project timeline that includes major and minor milestones, and identify any dependencies within the project timeline. RICO will review Offeror's project timeline, and make mutually agreed upon changes, if needed.

Offeror must possess extensive experience in all facets of the Deliverables in the RFP.

Offeror must be able to show that it has specific expertise and experience in similar work involving other government agencies. A list of past government customers along with contact information must be provided as part of their offer.

Offeror must propose a lead staff member who will coordinate the Deliverables associated with the RFP, and who will serve as a single point of contact.

Offeror shall provide RICO with a list of key staff that will perform work associated with the Deliverables during the contract period.

Offeror shall NOT replace or alter the duties of key staff during the

contract period without express written authorization, in advance, from the Contract Administrator.

The software solution that Offeror is proposing must be a "commercial off the shelf" (COTS) product, as defined by the Federal Acquisition Regulations (FAR) 2.101 that can be modified or configured to meet RICO's requirements. Offeror must be able to demonstrate this solution if requested by the State.

Offeror must be able to meet specifications of the system as set forth in Appendix 3.

Offeror must be able to meet specifications of the system as set forth in Appendix 4 and complete and submit a copy of Appendix 4 with proposal.

The proposed software solution should utilize a Microsoft SQL database engine and be able to operate in a virtualized server environment.

Note that RICO will be responsible for providing the virtualized environment and user platforms for the proposed application to run on.

Offeror must be able to show experience with data migration, including successful data migration of a customized version of the application being proposed by the Offeror.

1.11.2 Relationship of the Successful Offeror to RICO

The relationship between the Successful Offeror and RICO shall be governed by the contract entered into by and between the Successful Offeror and RICO.

Copies of any reports or other communications from the Successful Offeror to RICO or vice versa (other than administrative matters concerning the Successful Offeror's own contract with RICO) shall be available to the public upon request, unless deemed confidential.

1.12 PROPOSAL MODIFICATIONS AND WITHDRAWALS

Proposals may be modified or withdrawn prior to the deadline for submission of proposals by the following:

1. **Modifications:** A written notice shall be sent by the Offeror and received by the Contract Administrator stating that a modification to a submitted proposal is being provided by the

Offeror. The written notice must accompany the actual modification securely sealed in a separate envelope or container.

2. Withdrawal: A written notice shall be sent by the Offeror and received by the Contract Administrator. The withdrawal shall state that the Offeror wishes to withdraw a proposal that has already been received by the Procurement Officer.
3. Modifications and withdrawals shall be submitted in an envelope clearly identified with the RFP number, title, and Offeror's name on the outside of the envelope. The envelope shall also be made to the attention of the Contract Administrator.

Modifications and withdrawals shall be postmarked no later than the date and time stated on the cover page of the RFP.

1.13 SUBMISSION OF PROPOSAL

Submission of a proposal shall constitute an incontrovertible representation by the Offeror of compliance with every requirement of this RFP, and that the RFP documents are sufficient in scope and detail to indicate and convey reasonable understanding of all terms and conditions of the performance of the work. Before submitting a proposal, each Offeror must:

1. Examine the solicitation documents thoroughly. Solicitation documents include this RFP, any attachments and any other relevant documentation.
2. Become familiar with State, local, and federal laws, ordinances, rules, and regulations that may in any manner affect cost, progress, or performance of the work specified herein.

1.14 COST OF RFP

The Offeror shall be responsible for all costs incurred in preparing or responding to this RFP.

The State shall not be liable for any costs, including discussions, incurred by any Offeror in responding to this RFP, even if the State does not award a contract through this process or an Offeror's proposal is disqualified and subsequently destroyed by RICO. The State may decide not to award a contract for the work. It may also cancel this RFP and contract for the work through some other process or by issuing another RFP.

1.15 PROPERTY OF THE STATE

All materials and documents submitted in response to this RFP shall become the property of the State and shall not be returned.

2. SCOPE OF DELIVERABLES

2.1 INTRODUCTION

The Regulated Industries Complaints Office (RICO) is a statewide agency of the Department of Commerce and Consumer Affairs. RICO is the enforcement arm for the various professions and vocations that are licensed in the State. RICO investigates allegations of professional misconduct by licensees and also investigates possible unlicensed activity that may be occurring in the State. RICO's partner agency, the Professional and Vocational Licensing Division, accepts applications and issues licenses for the various licensing boards, commissions, and programs.

Currently, RICO is utilizing a custom application for 65 users, that utilizes a 32-bit Windows client (based on Oracle Forms 6.0) that needs to be installed and running on each user's computer. The current application runs on an AIX platform and utilizes an obsolete version of Oracle (10G) that is no longer supported. At the time that this solution was deployed, RICO's responsibilities were not as extensive as they currently are, and there was no need to share data with other databases.

The principal functions of the CMS replacement application must include:

- (1) Keeping track of complaints as they move through the various sections of RICO;
- (2) Keeping a record of information about all actions, including administrative and legal, taken by RICO along with relevant documents;
- (3) Providing reports of all aspects of the processing, assignment, and status of all complaints and actions;
- (4) Providing historical data on complaints and actions for public inquires and confidential in-house use;
- (5) Providing complete data migration;
- (6) Replacing functionality of the existing CMS application.
Detailed information about CMS can be found in Appendix 1.
- (7) Incorporating all mandatory project requirements that have been defined in the Project Requirements Table, Appendix 2.

The goal of this RFP is to identify an Offeror that can provide a replacement for the current CMS application, configure, install, and provide data migration, staff training, and ongoing support for the replacement CMS application, but not limited to include other activities required to bring the replacement CMS application into full operation. Functionality of the replacement CMS application should be more

comprehensive than the current CMS application, run on a less costly platform, and have lower operational costs.

The Successful Offeror shall meet, or exceed, the requirements and standards set forth in Section 2.3.

2.2 COMPENSATION

Payment shall be made to the Offeror according to a payment schedule based on completion of major milestones as identified in Offeror's project timeline. Neither RICO nor the State of Hawaii shall be liable or responsible for any compensation to the Provider for the Deliverables provided under its proposal or in this project that is greater than the total contract amount. Provider shall be paid in accordance with the State of Hawaii's General Conditions ("GCs") #17, to the extent modified and superseded by RICO's Billing Requirements and Travel Guidelines. See Appendix 1 for GCs and Appendix 2 for Billing Requirements and Travel Guidelines in the Goods and Services Contract and Attachments.

2.3 GENERAL REQUIREMENTS

2.3.1 Provider Tasks, Guidelines, and Target Outcomes

The Provider shall meet the following requirements in providing the Deliverables:

1. Provide a replacement for the current CMS application, configure, install, and provide data migration, staff training, and ongoing support for the replacement CMS application for a year after acceptance, but not limited to include other activities required to bring the replacement CMS application into full operation.
2. The replacement CMS application should be configured to allow all of RICO's staff to utilize this application. Currently, RICO has 65 positions.
3. The replacement CMS application should utilize a Microsoft SQL database engine and run under a virtualized server environment.
4. The replacement CMS application should include the capability via APIs or other built-in interfaces to allow the sharing of data between itself and other applications that are utilizing a Microsoft SQL database engine.
5. The replacement CMS application should have the capability to utilize address verification and/or validation without RICO having to incur any additional cost to implement within the

application. This only pertains to the cost of integrating this feature into the application, and does not pertain to the subscription or licensing cost for such services.

6. Provider must include a minimum of 2 (two) comprehensive, live, onsite, hands-on training for technical support training for DCAA's IT staff. RICO will provide a computer lab equipped for training up to 11 of DCCA's IT staff per session. This technical training must be completed before the replacement CMS application goes online for end-users.
7. Provider must include a minimum of 2 (two) comprehensive, live, onsite, hands-on training sessions for end-users. RICO will provide a computer lab equipped for training a pre-defined number of end-users per session. One of these sessions should be dedicated to training RICO designated trainers to lead future training sessions.
8. Offeror must provide technical support for one year following acceptance of the completion of this RFP. Support should be available during Regular Working Days at no additional charge to RICO.
9. Offeror must provide all specifications outlined in the Requirements Table). Offeror must clearly state if any of the requirements will not be provided with their response.

The following are targeted outcomes for this RFP:

1. Within twelve (12) months after the start of the contract, the replacement CMS application should be completely tested, and ready to be used. In addition to this, all training for DCCA's IT staff must be completed.
2. One of the major targeted outcomes is to provide a replacement CMS application that runs on a less costly platform, and have lower operational costs. In order to accomplish this, we would like to take advantage of DCCA's existing hardware, virtualization and SQL licensing, and infrastructure.
3. Enforcement action taken by RICO sometimes requires coordination with PVL's boards and commissions. In order to streamline this process, the replacement CMS application should be able to both incorporate data from, and share data with, PVL's SQL database.
4. RICO additionally uses data about businesses registered in the State of Hawaii from the Department's Business Registration Division, and may seek to use data from other government agencies. Typically, databases are accessed via a web interface. The replacement CMS application should have the capability to automate access to these databases and download any specific data needed by RICO.

2.3.1.1 Reports

During the contract period, the Provider shall submit status monthly reports for the first six (6) months of the project, and bi-weekly reports for the remaining portion of the contract. The reports shall be delivered to the RICO office in electronic form, sent via e-mail to a RICO designated staff member and copied to a designated Information Services & Communications Office (ISCO) staff member. The reports shall address the following areas:

1. Each report should clearly state the time period covered using beginning date and end date, and identify who is submitting the report.
2. Project progress in relation to the project timeline, expressed as a percentage of total project completion; whether the project is on schedule, behind schedule, or ahead of schedule; key milestone completed; and key milestone(s) for the next reporting period.
3. Status of application configuration. Specifically, what functionality is being worked on and how much more work will be required to complete, along with what the next configuration task will be.
4. Detailed explanations of any problems, risks, or issues encountered, and how these will be remedied.
5. Any other high priority issues.
6. Key decisions, if any to be reported.

If there has been a failure on the part of the Provider to meet target outcomes, the required reports must include a narrative explanation of the failure and a proposed action plan to correct the performance problem.

2.3.1.2 Facility, Equipment, and Capabilities

The Provider must furnish its own facility and equipment to configure the replacement CMS application. The Department will provide the virtualized environment to create a test and development platform along with remote access if needed. The Provider shall provide evidence of its capabilities to perform all tasks described in this RFP.

2.3.1.3 Authorizations

Unless otherwise provided in this RFP, the Provider shall be responsible for obtaining all official licenses, approvals, clearances and similar authorizations required by any local, state, or federal agency for

the work required in this RFP.

2.3.2 Management

Administration

The Contract Administrator shall serve as RICO's primary liaison with the Provider during the term of the agreement. The Contract Administrator, or designee, shall provide overall direction during the agreement term and monitor and assess the Providers performance. The Contract Administrator shall monitor the status of the Provider's work through review of reports to be submitted by the Provider.

Authorization to Proceed

RICO does not encourage, and shall not in any way be bound by, work performed on behalf of RICO without approval of the Procurement Officer. Any work performed by the Provider prior to the approval by the Procurement Officer to proceed is done at the Provider's own risk.

2.4 PROVIDER'S USE OF SUBCONTRACTORS

The Provider may support the requirements of this RFP, including but not limited to the configuration, installation, data migration, staff training, and ongoing support for the replacement CMS application, directly or through subcontractors. Given the Provider shall not be a State entity or agency, Offerors should be aware that the Provider shall not be required to adhere to State procurement procedures when engaging subcontractors. Nevertheless, contract agreements with subcontractors must be consistent with prudent business practices, employ fair employment practices, and include adequate insurance coverage for all subcontractors, and shall comply with any and all applicable laws, rules, and ordinances.

2.5 GENERAL RESPONSIBILITY TO COMPLY WITH STATE REQUIREMENTS

Unless otherwise provided in this RFP, the Successful Offeror shall be responsible for obtaining all official licenses, approvals, clearances and similar authorizations required by any local, state, or federal agency for the work required in this RFP.

3. PROPOSAL FORMAT AND CONTENT

3.1 INTRODUCTION

Offerors are required to present their proposals in accordance with this section. Proposals should be prepared simply and economically to provide a concise description of the Offeror's approach and capabilities for satisfying the required Deliverables outlined in this RFP.

It is important that proposals be complete. In the event an Offeror chooses not to respond to any section of the response format, the Offeror should then, in place of the appropriate section, indicate its reason for the omission of a response. In addition, Offerors should address any and all anticipated difficulties and problem areas along with potential approaches to their resolution.

Offerors may make certain assumptions or use simplifying conditions in their proposals. However, those assumptions or conditions must be clearly identified and the rationale behind them fully explained.

Offerors shall refer to Section 1.10 for guidance of proposal submission materials.

The following sections are also incorporated in the evaluation criteria set out in Section 4. Please refer to that section for further guidance in developing a proposal.

If any additional information is required by the State regarding any aspect of the Offeror's proposal, it shall be provided within two (2) business days of notice, or prior to the deadline and issuance of written responses to written inquiries, whichever comes first.

The proposal shall be organized in the exact prescribed format using all titles, subtitles, and numbering, with each section being tabbed and separated into sections as listed below. The proposal shall include, without limitation, all of the information requested in this RFP in the order specified and pages must be numbered.

- Transmittal Letter
- Table of Contents
- Executive Summary
- Offeror Background, Organization and Staff Experience
- Technical Response
- Management and Control
- Budget and Fees
- Assumptions and Expectations

The proposal submission shall comply with Section 1 above.

3.2 TRANSMITTAL LETTER

The transmittal letter must be included as part of the Offeror's technical proposal. The transmittal letter must be on the Offeror's official business letterhead and must be in the form of a standard business letter that is signed by an individual or individuals authorized to legally bind the Offeror.

The transmittal letter must be counter-signed by all subcontractors that the Offeror proposes to use.

The Transmittal Letter shall include the following:

3.2.1 Terms and Conditions

A statement indicating that the Offeror understands and shall comply with all terms and conditions in the RFP.

3.2.2 Legal Entity

A statement indicating that the Offeror is a corporation or other legal entity (which must be specified, i.e., corporation, partnership, joint venture, etc.), and indicating the jurisdiction where the Offeror is organized.

3.2.3 Federal Tax ID No.

A statement setting forth the Offeror's Federal tax identification number ("I.D.").

3.2.4 Provider

A statement that the Offeror maintains an active and current certificate of registration as required by HRS § 1030-310. A true and certified copy of its certificate of registration must be provided and a State GET I.D. must also be provided. See Section 5.12.5 for additional information and instructions.

The Successful Offeror shall be required to assume responsibility for the life of the contract for all contractual activities, products, and deliverables identified in the RFP and offered in the Successful Offeror's accepted proposal whether or not the Successful Offeror directly performs or provides them.

Furthermore, the Successful Offeror shall be considered to be the sole point of contact with regard to contractual matters. If it is known that a part of the work is to be subcontracted or provided by a third party, the Successful Offeror's proposal shall include, at a minimum, the following information:

1. List of all known subcontractors and other providers of products or Deliverables;
2. Names and addresses of all subcontractors, and other providers of Deliverables;
3. Description of work to be subcontracted and Deliverables to be provided by third parties;
4. Descriptive information concerning the organization of all subcontractors and third parties as well as resumes, including two (2) professional references, of subcontractor staff;
5. Descriptive information about the previous relevant experience of all subcontractors and third parties and their proposed staffs;
6. Descriptive information relating to the nature and duration of the previous relationship of all subcontractors and third parties with the Offeror; and
7. Explanation of any existing contractual relationships between the Offeror and subcontractors, or among subcontractors.

3.2.5 Subcontractor

If one or more subcontractors are used, a statement shall be submitted by each subcontractor, signed by an individual authorized to legally bind the subcontractor and stating:

1. The general scope of work to be performed by the subcontractor; and
2. The subcontractor's willingness to perform the work indicated.

In addition, each subcontractor shall submit to RICO, a tax clearance certificate from the DOTAX and the IRS showing that all delinquent taxes, if any, levied or accrued under state law and the Internal

Revenue Code of 1986, as amended, against the subcontractor have been paid.

If the Offeror chooses to subcontract any work required by this RFP within its proposal, the Offeror is responsible for including appropriate provisions and contractual obligations to ensure the successful fulfillment of all contractual obligations agreed to by the Offeror and the State and to ensure that the State is indemnified against any and all claims of damage, loss, and cost (including attorney fees) of any kind related to a subcontract in those matters described in the contract between the State and the Offeror. The Offeror shall expressly understand and agree that it shall assume and be solely responsible for all legal and financial responsibilities related to the execution of a subcontract. The Offeror shall agree and understand that utilization of a subcontractor to provide any of the Deliverables in the contract shall in no way relieve it of the responsibility for providing the Deliverables as described and set forth herein, and in the contract. In addition, the activities performed by all subcontractors must be integrated with the operations of the Successful Offeror, such that RICO perceives a single service entity.

The Successful Offeror must provide the State with notice prior to establishing any new subcontracting arrangements and before changing any subcontractors. RICO reserves the right to require the Successful Offeror to replace subcontractors, as well as staff members, found to be unacceptable to RICO for any reason.

3.2.6 Non-discrimination

A statement of affirmative action that the Offeror does not discriminate in its employment and collection practices with regard to race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin, handicap, or disability.

3.2.7 Approval of Offeror's Recommendations

A statement that the Offeror agrees that RICO reserves the right to disapprove Offeror recommendations without penalty, when they conflict with the policy or fiscal interests of RICO, as determined by RICO.

3.2.8 Contact Person

Include the name, e-mail, and telephone number of a person who may be contacted during the evaluation process to discuss the Offeror's proposal.

3.2.9 Availability

This section shall describe the Offeror's availability in order to provide the Deliverables described in this RFP.

3.3 TABLE OF CONTENTS

Include a table of contents listing the individual sections of the proposal and their corresponding page numbers. Tabs should separate each of the individual sections listed in Section 3.1.

3.4 EXECUTIVE SUMMARY

The executive summary shall clearly and concisely summarize and highlight the contents of the proposal to provide RICO with a clear and broad understanding of the entire proposal. The executive summary shall include all of the items below:

3.4.1 Benefits to the State

A brief synopsis of the overall benefits of the proposal to the State. This synopsis should not exceed two (2) pages in length and should be easily understandable.

3.4.2 Offer Form - OF-1

Refer to Section 6 of this RFP for the Offer form.

3.4.3 Wage Certificate

Offeror shall complete and submit the attached Wage Certificate by which the Offeror certifies that the Deliverables required shall be performed pursuant to HRS § 103-55. Refer to Section 6 of this RFP for the Wage Certificate form.

3.4.4 Evidence of Insurance

Certificate of insurance evidencing Commercial General Liability Insurance (occurrence form) and Professional Liability. Refer to Section 5 of this RFP for information on Insurance Requirements.

3.5 OFFEROR BACKGROUND, ORGANIZATION AND STAFFING

3.5.1 The Offeror Background and Experience

3.5.1.1 Offeror Background

A separate section must be completed in the proposal for the Offeror. Background information on the Offeror and its size and resources shall cover the following:

1. Legal name of Offeror;
2. Physical address of principal place of business and all other offices including the location of the office performing work under this RFP;
3. Mailing address (if different from above);
4. Date established;
5. Ownership (public or private company, partnership, subsidiary, etc.);
6. Offeror's primary line of business;
7. Number of employees engaged in tasks directly related to the requirements listed in this RFP;
8. History of company name changes and dates associated with each name; and
9. Location where incorporated or otherwise legally established.

3.5.1.2 Financial Stability and Financial Commitment

The Offeror shall submit the Offeror's audited financial statements and annual reports, if any, for the last two (2) years. If unaudited financial statements are submitted, copies of filed tax returns shall be provided to support the statements.

As with trade secrets or other proprietary data. An Offeror may request in writing that the financial information provided be kept confidential. If requested, the Offeror must include a written statement requesting that portions of the unpriced proposal that contain trade secrets or other proprietary data are to remain confidential, pursuant to HAR § 3-133-46. Otherwise contents of all proposals shall be made public as provided in HAR § 3-122-58 upon posting of award.

3.5.1.3 Offeror Performance

The Offeror shall provide information that demonstrates the following:

1. Responsiveness to previous clients;
2. Timeliness of meeting schedules;
3. Adherence to contract requirements of previous clients; and

The Offeror must provide the following information relative to the past five (5) years (or the number of years the Offeror has been in business, whichever is less):

1. Whether the Offeror has had a contract terminated for default or cause. If so, the Offeror must submit full details, including the other party's name, address, and telephone number.
2. Where the Offeror has been assessed any penalties in excess of \$10,000.00, including liquidated damages, under any of its existing or past contracts with any organization (including any governmental agency). If so, the Offeror must provide complete details, including the name of the organization, the reason for the penalty, and the penalty amount for each incident.
3. Whether the Offeror was the subject of any governmental action limiting the right of the Offeror to do business with that entity or any other governmental entity.
4. Whether the Offeror, any officer of the bidder, or any owner in the Offeror has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.
5. Whether the Offeror, any officer of the bidder, or any owner in the Offeror has been convicted of a felony or is currently under indictment on any felony charge.

While an affirmative answer to any of these items will not automatically disqualify an Offeror from consideration, at the sole discretion of the evaluation committee, such an answer and a review of the background details may result in a rejection of the Offeror's proposal. The evaluation committee shall make this decision based on its determination of the seriousness of the matter, the matter's possible

impact on the Offeror's performance of the work, and the best interests of the State.

3.5.1.4 Offeror Experience

The Offeror shall provide details of the Offeror's, and each subcontractor's, skills, abilities, experience, and knowledge in all areas of providing software application solutions to government agencies. Offeror shall propose an existing case management software solution and have experience in customizing this solution for specific client needs. The offeror should also have proven experience with migration of client data to match the case management system.

The proposal shall include a listing of the Offeror's experience working with government entities in areas relative to the required work described in this RFP. Include a listing of experience obtained by senior management employees or officers, who shall be primarily assigned to perform or oversee the work described in the Offeror's proposal.

The Offeror must also include references for which the Offeror and each subcontractor has successfully provided services on projects that were similar in their nature, size, and scope of work. Offerors, at minimum, must include a brief analysis of the degree of similarity in the nature, size, and scope of work provided.

Refer to Section 6 of this RFP for the Vendor Reference form. The Offeror must use this form and fill it out completely for each reference. The forms may be recreated electronically, but all fields and formats must be retained. Failure to recreate the forms accurately may lead to the rejection of the Offeror's proposal. By listing the references, Offerors and their subcontractors grant the State and RICO authorization to contact these client references to assess the Offeror's quality of work performed.

3.5.2 ORGANIZATION AND STAFFING

The organization and staffing subsection shall include organizational charts of proposed personnel projected to work on this RFP and their job titles and responsibilities. The chart must describe the management approach and a detailed narrative describing who the key personnel are and how key personnel's experience and background enable them to successfully complete their assigned tasks. RICO reserves the right to disqualify any potential Provider that changes key personnel assigned to performing work under this RFP, prior to the execution of the contract.

Resumes of all key personnel assigned to perform work under this RFP must be included and should include information relating to each person's experience, education, and skills (including, but not limited to, specific degrees, dates, names of employers, and educational institutions). Each resume shall be no more than two (2) pages in length. The Offeror should also indicate whether any or all of the key personnel have worked together on projects that were similar in their nature, size, and scope of work in the past.

The Offeror must also include references for which the Offeror's proposed key personnel has successfully provided management services on projects that were similar in their nature, size and scope of work .

Refer to Section 6 of this RFP for the Vendor Reference form. The Offeror must use this form and fill it out completely for each reference. The forms may be recreated electronically, but all fields and formats must be retained. Failure to recreate the forms accurately may lead to the rejection of the Offeror's proposal. By listing the references, Offeror's proposed key personnel grant the State authorization to contact these client references to assess the Offeror's proposed project manager(s) and key personnel(s) quality of work performed.

3.6 TECHNICAL RESPONSE

The technical response section shall include a detailed discussion of the Offeror's approach to accomplishing the required work described in this RFP, including a work schedule for the configuration, installation, testing, and staff training for the replacement CMS application. It shall also describe the processes and procedures that the Offeror's proposed organization shall follow to carry out the required work, including its plans to provide ongoing support.

The Offeror must provide a detailed work schedule for all RFP milestones. The work schedule should be delivered in a chart format, preferably in a format similar to a Gantt chart, showing all major tasks and events for the completion of this project, and documenting estimated hours required to perform each task and event and the personnel proposed to perform each task and event. (The estimated hours performed by personnel on a weekly schedule shall serve as the basis for managing the work under this RFP.) The schedule should clearly demonstrate how the Offeror shall accomplish milestones set forth in this RFP. The Offeror shall also identify and describe all risk factors associated with the forecasted milestone schedule. The project work schedule is crucial to allow RICO to gauge the Offeror's relative

understanding of the tasks at hand.

As part of its technical response, the offeror must provide a response to the requirements table provided (See Appendix 4).

3.7 MANAGEMENT AND CONTROL

The management and control section shall include details of the method to be used in managing the work and operation associated with this RFP, including details about the Offeror's approach to communication with RICO, subcontractors, and third parties, and the Offeror's approach to ensuring quality, timeliness of activities and completion of tasks, and fulfillment of responsibilities.

This section shall also include a discussion of any conflict of interest the Offeror may have in providing the Deliverables described in its proposal and any problems or concerns that the Offeror wishes to bring to RICO's attention. OFFERORS SHOULD NOTE THAT CONFLICTS OF INTEREST MAY BE GROUNDS FOR DISQUALIFICATION FROM CONSIDERATION AND NONDISCLOSURE MAY BE GROUNDS FOR DISQUALIFICATION FROM CONSIDERATION OR THE TERMINATION OF CONTRACT.

3.8 BUDGET AND FEES

This section of the proposal must contain the Offeror's Firm, Fixed Total Price for this RFP. Estimated proposal prices are not acceptable. RICO shall make payments based on completion of major milestones as identified in Offeror's project timeline. Note that the payment schedule will be weighted heavily (40% of the total contract amount) towards the completion of the required Deliverables of this RFP. Total payments shall not exceed the total fixed contract price. It is anticipated that each Offeror shall carefully evaluate numerous factors in arriving at its proposed price. Offerors must submit a firm price quotation.

Estimated prices or incomplete prices may be used as a basis for rejection of a proposal. The price contained in the Successful Offeror's proposal shall be binding throughout the RFP and contract negotiation process. The Successful Offeror must agree to a twelve-month contract with RICO beginning June 1, 2016 or a mutually agreed upon date within Fiscal Year 2016. No deviations, qualifications or counter offers shall be accepted. RICO reserves the right to reject all proposals. The prices shall be inclusive of all federal, state and local taxes.

The Offeror's proposal shall include a certification that:

1. The prices and cost data were arrived at independently, without consultation, communication, or agreement with any other Offeror or competitor;
2. Unless otherwise required by law, the prices and cost data that were submitted have not been knowingly disclosed by the Offeror, directly or indirectly, to any other Offeror or competitor prior to the award of the contract;
3. No attempt was made or shall be made by the Offeror to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition; and
4. The price shall remain in effect for ninety (90) days following the date that proposals are due.

Offerors are cautioned that, should their proposal be selected and the proposal cost fails to account for all specified in this RFP, Offerors shall be required to provide them at no additional cost to RICO. In other words, it is the Offeror's responsibility to ascertain that the cost information presented is accurate, complete and all-inclusive.

3.9 ASSUMPTIONS AND EXCEPTIONS

The Offeror shall list any assumptions made and exceptions taken to the terms, conditions, specifications, or other requirements listed here. The Offeror shall reference the RFP section where assumption(s) is made or exception(s) is taken, a description of the assumption made or exception taken, and the proposed alternative, if any. Any revision or exception to the work or work products requested shall also be supported by a description of the proposed benefit to the State, if considered.

Further, the Offeror must state that there are no further assumptions or exceptions related to meeting requirements of the RFP other than those enumerated in this section of the proposal. Offeror is advised that any assumptions made or exceptions taken may adversely affect Offeror's evaluation score.

4. PROPOSAL EVALUATION

4.1 INTRODUCTION

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

4.2 EVALUATION ORGANIZATION

A committee selected by RICO shall review and evaluate all proposals submitted by the deadline specified in the RFP. The evaluation committee shall include individuals with experience in and knowledge of RICO's duties, powers, objectives and requirements and the specific requirements set forth under HRS Chapter 440G.

The evaluation committee may have the proposals or portions of them reviewed and evaluated by other State personnel, independent third parties or RICO consultants with technical or professional experience that relates to the RFP or to a criterion in the evaluation process.

All proposals shall be initially reviewed for timeliness of submission, format, and completeness. The proposals that meet the initial requirements of the RFP shall then be fully evaluated according to the criteria listed below. Proposals that only meet a portion or none of the initial requirements shall be rejected and disqualified from further review or consideration unless the Procurement Officer deems that initial requirement deficiencies are minor or may be clarified and corrected without resulting in an unfair advantage to the Offeror and it is in the best interest of the State to not reject or disallow the proposal.

Overall, the proposal shall demonstrate that the Offeror understands the issues and has the ability to meet and satisfactorily produce all contractual requirements listed in the RFP, including all contractual Deliverables. The price must be realistic given the work plan, and must illustrate an aggressive, competitive approach to maximizing the State's limited resources. The evaluation shall be conducted in six (6) phases:

- Phase 1 - Evaluation of Proposal Format and Content
- Phase 2 - Evaluation of Proposals
- Phase 3 - Establishment of Priority List of Offerors
- Phase 4 - Optional Discussions with Priority-listed Offerors
- Phase 5 - Submission of Best and Final Offers (if deemed necessary by RICO)

Phase 6 - Recommendation for Award

4.2.1 Evaluation Categories and Thresholds

<u>Evaluation Categories</u>	<u>Possible Points</u>
Proposal Format and Contents	Pass/No Pass
Proposal:	
Understanding of the Deliverables Requested and the State's Need	10 Points
Offeror Background, Organization, and Staff Experience	30 Points
Technical Response (Product substantially meets requirements)	25 Points
Management and Control	20 Points
Budget and Fees	15 Points
	100 Total Points

4.3 PHASE 1 - EVALUATION OF PROPOSAL FORMAT AND CONTENTS

(PASS/NO PASS)

The evaluation of the proposal format and contents as specified herein shall be on a "pass/no pass" basis. No points shall be assigned for these requirements. The purpose of this phase is to determine whether an Offeror's proposal is sufficiently responsive to the RFP to permit a complete evaluation. Each proposal shall be reviewed for responsiveness. Failure to meet the proposal format and contents requirements ("no pass") shall be grounds for deeming the proposal non-responsive to the RFP and may result in non-consideration of the proposal. Proposals meeting the proposal format and contents requirements ("pass") of Phase 1 shall be considered in Phase 2.

The proposal shall be organized in the exact prescribed format using all titles, subtitles, and numbering, with each section being tabbed and separated into sections as listed below. Offeror shall include, without limitation, all of the information requested in this RFP in the order

specified and pages must be numbered. Offerors shall review the requirements set forth in Section 3.

4.4 PHASE 2 - EVALUATION OF PROPOSALS

(100 TOTAL POSSIBLE POINTS)

During this phase, the evaluation committee shall conduct evaluations on the Offeror's proposal, against requirements specified in this RFP. Based on a 100-point scale, proposals must score a minimum of 70 points for further award consideration. Proposals scoring less than 70 points shall not be considered for project award.

4.4.1 Understanding of the Service Requested and the State's Needs

Proposals shall be evaluated against the following criteria:

1. Has the Offeror demonstrated a thorough understanding of the purpose and scope of the replacement CMS application that is being requested?
2. How well has the Offeror identified pertinent issues and potential problems?
3. Has the Offeror demonstrated that it understands the importance of timeliness and has the ability to meet the deadlines?

4.4.2 Offeror Background, Organization and Staff Experience

The evaluation committee shall evaluate the experience, performance, resources, and qualifications of the Offeror and subcontractors (if any). References shall be verified and findings incorporated into the evaluation.

4.4.2.1 Offeror Background

Background information provided about the Offeror and its resources shall be evaluated by the evaluation committee, including whether or not the Offeror has provided sufficient general background information to make such an evaluation.

4.4.2.2 Financial Stability and Financial Commitment

The evaluation committee shall evaluate the financial condition of the Offeror to determine whether, in its opinion, the Offeror has sufficient financial resources to meet all terms of the contract.

Specifically, the proposal shall be evaluated against the following criteria:

1. Has the Offeror submitted financial statements that provide sufficient reliable information to confirm the financial stability and financial commitment of the Offeror?
2. Does the Offeror possess sufficient resources to perform the agreement?

4.4.2.3 Offeror Performance

As part of the evaluation of the Offeror's experience, the evaluation committee shall evaluate relevant performance references to determine:

1. Has the Offeror been responsive to previous clients?
2. Has the Offeror been timely in meeting deliverables and service deadlines for previous clients?
3. Does the Offeror adhere to contract requirements of previous clients?

4.4.2.4 Offeror's Experience

The evaluation committee shall evaluate the Offeror's experience in producing a complaints management system that is similar to scope of work contained in this RFP. The offeror's experience in providing successful data migration to the complaints management system.

4.4.2.4 Organization and Staffing

The evaluation of organization and staffing shall involve detailed criteria to evaluate the Offeror's overall staffing, qualifications of key personnel, and the past performance of the organization and the individuals. Offeror's proposed organization and staffing resources shall be evaluated to assess the Offeror's capability to carry out the duties and responsibilities under this RFP.

The evaluation committee shall evaluate the key management

personnel and other key personnel proposed to perform work under this RFP, based on experiences listed under the individual resumes.

4.4.3 Technical Response

(20 points)

Evaluation criteria for this section shall assess the Offeror's approach to performing its responsibilities under the RFP. Specifically, proposals shall be evaluated against the following criteria:

1. Adequacy of approach to meeting the requirements specified in scope of work.
2. Overall delivery of requested enhancements detailed in Appendix 3, section II.

4.4.3.1 Adequacy of Approach to Meeting the Requirements Specified in Scope of Work.

The evaluation committee shall evaluate the adequacy of the approach proposed to satisfy the requirements specified in the scope of work.

This area of evaluation includes an assessment of the detailed work plan, including the logic of the work plan, and the realism of the tasks and schedules.

The evaluation committee may evaluate, based on demonstration or otherwise, the features of the proposed complaints management system and how well this system matches the requirements of RICO.

4.4.4 Management and Control

This part of the evaluation assesses the Offeror's approach to management and control methods and tools to successfully complete the tasks described in its proposal.

The Offeror shall address, and proposals shall be evaluated against, the following criteria:

1. Management approach;
2. Authority of the manager (if any);
3. Project control approach (including demonstrated previous use

of control methods and tools to successfully provide service);

4. Approach to ensuring completion of tasks and fulfillment of responsibilities; and
5. Clarity of work assignments and organizational roles, responsibilities, and authorities.

4.4.5 Budget and Fees

The evaluation committee shall analyze the Offeror's proposed budget utilizing a numerical rating system. Of the qualifying proposals, the one with the lowest fixed price shall be awarded the maximum possible points for this component. Other proposals shall be awarded points for this component equal to the lowest proposed price multiplied by the maximum possible points for this component, divided by the higher proposed price.

In addition, the budget proposal must address any non-required scope of work, in which the Offeror chooses to provide within its proposal, as separate budget line items.

4.5 PHASE 3 - ESTABLISHMENT OF PRIORITY LIST OF OFFERORS

The evaluation committee scores for each proposal, as determined in Phase 2 - Evaluation of Proposals, shall be ranked and averaged to determine if the proposal is acceptable, potentially acceptable or unacceptable. Proposals must meet a minimum of seventy (70) points to be considered for the priority list of Offerors. No more than three (3) acceptable or potentially acceptable proposals with the highest average ranking shall be designated as the priority list of Offerors, as set forth under HAR § 3-122-53.

4.6 PHASE 4 - OPTIONAL DISCUSSIONS WITH PRIORITY-LISTED OFFERORS

During the course of this phase, RICO may conduct discussions only with priority-listed Offerors. Proposals may be accepted without such discussions. These discussions are intended to answer any questions the evaluation committee may have regarding a priority-listed Offeror's proposal. The content and extent of each discussion shall be determined by the committee's evaluation of the deficiencies in each proposal. The evaluation committee shall not indicate to a priority-listed Offeror a price that it must meet in order to obtain further consideration nor shall it advise a priority-listed Offeror of its price standing relative to another priority-listed Offeror. However, the

evaluation committee may inform a priority-listed Offeror that its price is considered too high or unrealistic.

The evaluation committee shall attempt to disclose all deficiencies noted in the priority-listed Offerors' proposals. These deficiencies may include: proposed personnel considered to be unqualified, unrealistically low or high pricing, unrealistically low or high estimated efforts, and questionable technical or management approaches. The intent of the discussions is NOT to initiate a pricing or service auction, but rather to give the Offeror the opportunity to clarify or correct proposal deficiencies.

If during the discussions there is a need for any substantial clarification or change of the RFP, the RFP shall be amended by an addendum. Such addenda to the RFP shall be distributed only to the priority-listed Offerors. The priority-listed Offerors shall be permitted to submit new proposals or amend those submitted.

The evaluation committee may request other State personnel, independent third parties or RICO consultants, with technical or professional experience that relates to the RFP to participate in this process.

4.7 PHASE 5 - SUBMISSION OF BEST AND FINAL OFFERS (if deemed necessary by RICO)

The priority-listed Offerors' best and final offers ("BAFO"), if required, must be postmarked no later than the date and time specified in the RFP Schedule. Offeror shall submit one (1) unbound, indexed, original proposal marked "ORIGINAL," six (6) bound, indexed copies of the original marked "COPY," an electronic version of the proposal submitted via e-mail or on a USB flash drive. It is imperative to note that the Offeror submit only one original BAFO proposal and the required number of copies. **DO NOT SUBMIT MORE THAN ONE ORIGINAL.** If a best and final offer is not submitted, the previous submittal shall be construed as the best and final offer. After all timely BAFOs are received, final evaluations shall be conducted for an award.

4.8 PHASE 6 - RECOMMENDATION FOR AWARD

The evaluation committee shall prepare and submit a recommendation on which Offeror should be awarded the contract for the Procurement Officer's review and approval.

5. SPECIAL PROVISIONS

5.1 SCOPE

The Offeror's proposal shall be in accordance with the RFP in its entirety; including these Special Provisions and the General Conditions (Appendix 1) included by reference in Section 7 of this RFP.

5.2 TERM OF CONTRACT

The Successful Offeror shall be required to enter into a formal written multi-term contract to commence work on this project.

The term of contract shall begin on the agreement start date specified in Section 1.7. Offeror must agree to a twelve-month contract with RICO beginning June 1, 2016 or a mutually agreed upon date within Fiscal Year 2016. RICO may terminate the contract at any time, if it is in the best interest of RICO and/or the State.

5.3 OVERVIEW OF THE RFP PROCESS

The RFP is issued pursuant to Subchapter 6 of HAR Chapter 3-122, implementing HRS § 1030-303.

The procurement process begins with the issuance of the RFP and the formal response to any written questions or inquiries regarding the RFP. Changes to the RFP shall be made only by addendum.

Proposals shall not be opened publicly. The register of proposals and Offerors' proposals shall be open to public inspection after posting of the award.

All proposals and other material submitted by Offerors become the property of the State and may be returned only at the State's option.

A committee of at least three (3) State employees selected by RICO shall evaluate the proposals in accordance with the evaluation criteria in Section 4. The committee may have the proposals or portions of them reviewed and evaluated by independent third parties or other State personnel with technical or professional experience that relates to the RFP or to a criterion

in the evaluation process. The proposals shall be classified initially as acceptable, potentially acceptable, or unacceptable. This review shall be a pass/no pass determination with no points assigned.

Proposals may be accepted on evaluation without discussion. However, if discussions are deemed necessary, prior to entering into discussions, a "priority list" of responsible Offerors submitting acceptable and potentially acceptable proposals shall be generated. The priority list shall be limited to a maximum of three responsible Offerors who submitted the highest ranked proposals. The objective of these discussions is to clarify issues regarding the Offeror's proposal before the BAFO is tendered.

If during discussions there is a need for any substantial clarification or change in the RFP, the RFP shall be amended by an addendum to incorporate such clarification or change. Addenda to the RFP shall be distributed only to priority listed Offerors who submit acceptable or potentially acceptable proposals.

Following any discussions, Priority Listed Offerors shall be invited to submit their BAFO, if required. The Procurement Officer or the evaluation committee reserves the right to have additional rounds of discussions with the priority-listed Offerors prior to the submission of the BAFO.

The date and time for Offerors to submit their BAFO, if any, is indicated in Section 1.7, RFP SCHEDULE - SIGNIFICANT DATES. If Offeror does not submit a notice of withdrawal or a BAFO, the Offeror's immediate previous offer shall be construed as its BAFO.

After receipt and evaluation of the BAFOs in accordance with the evaluation criteria in Section 4, the evaluation committee shall make its recommendation. The Procurement Officer shall award the contract to the Offeror whose proposal is determined to be the most advantageous to the State taking into consideration the evaluation factors set forth in Section 4.

The contents of any proposal shall not be disclosed during the review, evaluation, discussion, or negotiation process. Once the award notice is posted, all proposals, successful and unsuccessful, become available for public inspection. Those sections that the Offeror and RICO agree are confidential and proprietary should be identified by the Offerors and shall be

excluded from access.

The Procurement Officer or the evaluation committee reserves the right to determine what is in the best interest of the State for purposes of reviewing and evaluating proposals submitted in response to the RFP. The Procurement Officer and the evaluation committee shall conduct a comprehensive, fair and impartial evaluation of proposals received in response to the RFP.

The RFP, any addenda issued, and the successful Offeror's proposal shall become a part of the contract. All proposals shall become the property of the State.

5.4 RESPONSIBILITY OF OFFERORS

Offeror is advised that if awarded a contract under this solicitation, Offeror shall, upon award of the contract, furnish proof of compliance with the requirements of § 103D-310(c), HRS:

1. Chapter 237, tax clearance;
2. Chapter 383, unemployment insurance;
3. Chapter 386, workers' compensation;
4. Chapter 393, prepaid health care; and
5. Chapter 103D-310(c), Certificate of Good Standing ("COGS") for entities doing business in the State.

Refer to Section 5.12 for instructions on furnishing the documents that are acceptable to the State as proof of compliance with the above-mentioned requirements.

Although proof of compliance with these requirements is required prior to entering into a contract with RICO, due to the compressed timeline of this RFP, it is highly recommended that Offerors furnish this proof of compliance with their proposal.

5.5 PROPOSAL PREPARATION

5.5.1 OFFER FORM - OF-1

Proposals shall be submitted using Offeror's exact legal name as registered with the Department of Commerce and Consumer

Affairs, if applicable; and to indicate exact legal name in the appropriate spaces on Offer Form OF-1. Failure to do so may delay proper execution of the contract. See Attachment 1 of Section 6 of this RFP for the Offer Form.

The authorized signature on the first page of the Offer Form shall be an original signature in ink. If unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the Offeror's intent to be bound.

5.5.2 Offer Guaranty

An offer guaranty is NOT required for this RFP.

5.5.3 Tax Liability

Work to be performed under this solicitation is a business activity taxable under HRS Chapter 237 and vendors are advised that they are liable for the GET. If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

5.5.4 Wage Certificate

The Successful Offeror shall complete and submit the attached Wage Certificate by which Successful Offeror certifies that the Deliverables required shall be performed pursuant to HRS § 103-55. See Attachment 2 of Section 6 of this RFP for the Wage Certificate form.

5.6 REQUIRED REVIEW

Offeror shall carefully review this solicitation for defects and questionable or objectionable matter. Comments concerning defects and questionable or objectionable matter must be made in writing and should be received by RICO by the due date specified in Section 1.7. This allows for issuance of any necessary amendments to the RFP. It shall also help prevent the opening of a defective solicitation and exposure of Offeror's proposal upon which award could not be made.

5.7 CONFIDENTIAL INFORMATION

If a person believes that any portion of a proposal, offer, specification, protest, or correspondence contains information that should be withheld as confidential, then the Contract Administrator should be so advised in writing and provided with justification to support the confidentiality claim. Compensation methodology is not considered confidential.

An Offeror shall request in writing nondisclosure of designated trade secrets or other proprietary data to be confidential, pursuant to HAR § 3-122-46(9). Such data shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.

If a person requests to inspect the portions of an Offeror's proposal designated as confidential, pursuant to HAR § 3-122-46(9), the inspection shall be subject to written determination by Attorney General for confidentiality in accordance with HRS Chapter 92F consistent with HAR § 3-122-58. If the request for confidentiality is denied by the Attorney General, such information shall be disclosed as public information, unless the person requesting that such information be determined confidential appeals the denial to the Office of Information Practices in accordance with HRS § 92F-42(1).

5.8 CANCELLATION OF RFP AND PROPOSAL REJECTION

The State reserves the right to cancel this RFP and seek to perform the proposed scope of work through a new RFP or other means when it is determined to be in the best interest of the State, pursuant to HAR § 3-122-96.

The State also reserves the right to reject any and all proposals in whole or in part when it is determined to be in the best interest of the State, including that the State believes the proposal is excessive in price.

The State shall not be liable for any costs, expenses, loss of profits or damages whatsoever, incurred by the Offeror in the event this RFP is cancelled or a proposal is rejected.

5.9 DISQUALIFICATION OF PROPOSALS

The State reserves the right to consider 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 the scope of work. Any proposal offering any other set of terms and conditions, or terms and conditions contradictory to those included in this RFP, may be disqualified without further notice.

An Offeror shall be disqualified and the proposal automatically rejected for any one or more of the following non-exclusive reasons:

1. Proof of collusion among Offerors, in which case all proposals and Offerors involved in the collusive action shall be rejected.
2. The proposal demonstrates noncompliance with applicable law.
3. The proposal is conditional, incomplete, or irregular in such a way as to make the proposal incomplete, indefinite, or ambiguous as to its meaning.
4. The proposal has any provision reserving the right to accept or reject award, or to enter into an agreement pursuant to an award, or provisions contrary to those required in the solicitation.
5. The delivery of the proposal after the deadline specified in the timetable.
6. The Offerors being in arrears on existing contracts with the State or having defaulted on previous contracts.

5.10 RIGHT TO WAIVE MINOR IRREGULARITIES

The evaluation committee reserves the right to waive minor irregularities. The evaluation committee also reserves the right to waive general requirements provided that all the otherwise responsive proposals failed to meet the general requirements and the failure to do so does not materially affect the procurement. This right is at the sole discretion of the evaluation committee.

5.11 OFFER ACCEPTANCE PERIOD

The State's acceptance of offer, if any, shall be made within ninety (90) calendar days after the opening of submitted

proposals. Offeror's proposal shall remain firm for the ninety (90) day period.

5.12 AWARD OF CONTRACT

5.12.1 Method of Award

The award, if any, shall be made to the responsive, responsible Offeror whose proposal is determined to be the most advantageous to the State taking into consideration the evaluation factors set forth in this RFP.

5.12.2 Responsibility of Successful Offeror - Reference to HRS § 103D-310(c)

Compliance documents must be submitted to RICO by submission deadline for a proposal to be deemed to be in compliance with this section.

The Successful Offeror shall obtain and pay for all permits, certificates, and licenses required and necessary for the performance of the work specified herein prior to commencing work under this contract; shall post all notices required by law, and shall comply with all laws, ordinances, and regulations bearing on the conduct of the work specified.

5.12.3 Timely Submission of all Certificates

The required certificates should be applied for and submitted to RICO as soon as possible. If a valid certificate is not submitted on a timely basis for an award of contract, an Offeror otherwise responsive and responsible may not receive the award.

5.12.4 Hawaii Compliance Express

In lieu of requesting individual compliance documents, Offerors may expedite the process by utilizing the Hawaii Compliance Express ("HCE"), which can provide a "Certificate of Vendor Compliance" for your business entity. Businesses register online through a simple wizard interface at <http://vendors.ehawaii.gov>. The HCE provides current compliance status as of the issuance date. The "Certificate of Vendor Compliance" indicating that vendor's status is compliant with the requirements of HRS § 103D-310(c) shall be accepted for both contracting purposes and final payment. Vendors that elect to use HCE services shall be required to pay an annual fee of \$15.00 to the Hawaii Information

Consortium, LLC (HIC). HCE can be accessed online at <http://vendors.ehawaii.gov/hce/splash/welcome.html>.

It is strongly recommended that vendors utilize HCE. Vendors choosing not to participate in the HCE program shall be required to provide each of the paper certificates as instructed below.

5.12.5 HRS Chapter 237 Tax Clearance Requirement for Award

Instructions are as follows:

Pursuant to HRS §103D-328, the Successful Offeror shall be required to submit an original tax clearance certificate issued by the Hawaii State Department of Taxation ("DOTAX") and the Internal Revenue Service ("IRS"). Offerors are urged to submit a valid tax clearance certificate together with their proposals. If this is not feasible, the certificate should be applied for at DOTAX or the IRS and submitted to RICO as soon as possible. If a valid certificate is not submitted on a timely basis prior to award of the contract, an offer otherwise responsive and responsible may be rejected and not considered for award.

The certificate shall have an original green certified copy stamp and shall be valid for six (6) months from the most recent approval stamp date on the certificate. It must be valid on the date it is received by RICO, and a valid certificate must always be in the Successful Offeror's possession throughout the contract.

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX TAX CLEARANCE APPLICATION Form A-6 (Rev. 2006), which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website (Forms):

http://tax.hawaii.gov/forms/a1_1alphalist/

DOTAX Forms by Fax/Mail: (808) 587-7572

1-800-222-7572

Completed tax clearance applications may be mailed, faxed, or submitted in person to the Department of Taxation, Taxpayer Services Branch, to the address listed on the application.

Facsimile numbers are:

DOTAX: (808) 587-1488

IRS: (808) 539-1573

The application for the clearance is the responsibility of the Offeror, and must be submitted directly to the DOTAX or IRS and not to RICO. However, the tax clearance certificate shall be submitted to RICO.

5.12.6 HRS Chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) Requirements for Award

Instructions are as follows:

Pursuant to HRS §103D-310(c), the Successful Offeror shall be required to submit a certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations ("DLIR"). The certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by RICO. A photocopy of the certificate is acceptable to RICO.

The certificate of compliance shall be obtained on the State of Hawaii, DLIR APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH HAR SECTION 3-122-112, Form LIR#27 which is available at <http://labor.hawaii.gov/ui/files/2012/12/LIR27.pdf>. The DLIR shall return the form to the Offeror who in turn shall submit it RICO.

The application for the certificate is the responsibility of the Offeror, and must be submitted directly to the DLIR and not to RICO. However, the certificate shall be submitted to RICO.

5.12.7 Compliance with HRS § 103D-310(c) for an Entity Doing Business in the State

Pursuant to HAR § 3-122-112, the Offeror shall be required to submit a CERTIFICATE OF GOOD STANDING ("CoGS") issued by the BREG. The CoGS is valid for six (6) months from date of issue and must be valid on the date it is received by RICO. A photocopy of the CoGS is acceptable to RICO.

To obtain the CoGS, the Offeror must first be registered with the BREG. A sole proprietorship, however, is not required to register with the BREG, and therefore not required to submit the CoGS. On-line business registration and the CoGS are available at <http://cca.hawaii.gov/breg/online/>. To register or obtain the CoGS by phone, call (808) 586-2727 (M-F 7:45 a.m. to 4:30 p.m. HST). Offerors are advised that there are costs associated with registering and obtaining the CoGS.

5.12.8 Final Payment Requirements

The Successful Offeror is required to submit a tax clearance certificate for final payment on the contract. A tax clearance certificate, not over two months old, with an original green certified copy stamp, must accompany the invoice for final payment on the contract.

In addition to the tax clearance certificate, an original "Certification of Compliance for Final Payment" (SPO Form-22) shall be required for final payment. A copy of this form is available at www.spo.hawaii.gov. Select "Forms for Vendors/Contractors" from the menu.

5.13 NON-APPROPRIATION OF FUNDS

Execution of any agreement between the State and the Provider is contingent upon the availability of funds. Non-availability of funds shall cause any agreement to become void and unenforceable and no damages shall accrue to the State as a result.

5.14 CONTRACT EXECUTION

The Successful Offeror receiving the award shall be notified by letter and shall be required to enter into a formal written contract ("Contract"). RICO shall forward the Contract to the Successful Offeror for execution. The Contract shall be signed by the Successful Offeror and returned within ten (10) calendar days after receipt by the Successful Offeror, or time agreeable, or within such further time as may be allowed by the Procurement Officer. If the Successful Offeror to whom a contract is awarded fails or neglects to enter into the Contract within thirty (30) days after issuance of the notice of award or within such further time as may be allowed by the Contract Administrator, the Procurement Officer may award the Contract to the Offeror who is next in line, or call for new offers if it is deemed to be in the best interest of RICO.

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

Any work undertaken or paid for by the Successful Offeror prior to the official contract commencement date specified on the

Contract shall be the responsibility of the Successful Offeror.

5.15 PROPOSAL AS PART OF THE CONTRACT

All of this RFP and the successful proposal shall be incorporated into the Contract.

5.16 CONTRACT ADMINISTRATOR

For the purposes of the Contract, Daria Loy-Goto, (808) 586-2666, is designated as the Contract Administrator. RICO shall notify the Successful Offeror should the Contract Administrator change.

5.17 INSURANCE REQUIREMENTS

Prior to awarding the contract, the State shall require verification of the following insurance coverage:

1. Worker's Compensation
2. Unemployment Insurance
3. Prepaid Health Insurance

Upon the Successful Offeror's execution of the Contract or earlier, the Successful Offeror agrees to deposit, with the State, certificate(s) of insurance necessary to satisfy the State with assurances that the following insurance provisions of the Contract have been complied with and that such insurance shall be kept in effect and the certificate(s) therefore on deposit with the State during the entire term of the Contract, including those of its subcontractor(s), where appropriate. Upon request by the State, the Successful Offeror shall be responsible for furnishing a copy of the policy or policies.

The Successful Offeror shall maintain in full force and effect, during the life of the Contract, liability and property damage insurance to protect the Successful Offeror and its subcontractors, if any, from claims for damages for personal injury, accidental death and property damage which may arise from operations under the Contract, whether such operations be by itself or by a subcontractor or anyone directly or indirectly employed by either of them. If any subcontractor is involved in the performance of the Contract, the insurance policy or policies shall name the subcontractor as additional insured.

As an alternative to the Successful Offeror providing insurance to cover operations performed by a subcontractor and naming the subcontractor as additional insured, the Successful Offeror may require subcontractor to provide its own insurance that meets the requirements herein. It is understood that a subcontractor's insurance policy or policies are in addition to the Successful Offeror's own policy or policies.

The following minimum insurance coverage(s) and limit(s) shall be provided by the Successful Offeror, including its subcontractor(s) where appropriate:

<u>Coverage</u>	<u>Limits</u>
Commercial General Liability (CGL)	\$2,000,000 per occurrence \$1,000,000 aggregate
Automobile Liability	\$1,000,000 combined single limit per occurrence for personal injury, and property damage

(If non-owned vehicles are used, the policy must provide evidence of coverage.)

Each insurance policy to be required by the Contract, including a subcontractor's policy, shall contain the following clauses:

- "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Department of Commerce and Consumer Affairs, Registered Industries Complaints Office, 355 Merchant Street, Honolulu, Hawaii 96813."
- "The State of Hawaii is added as an additional insured as respect to operations performed for the State of Hawaii."
- "It is agreed that any insurance maintained by the State of Hawaii shall apply in excess of, and not contribute with, insurance provided by this policy."

The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire term of the

Contract, including supplemental agreements.

Failure of the Successful Offeror to provide and keep in force such insurance shall be regarded as material default under this Contract, entitling the State to exercise any or all of the remedies to be provided in the Contract for a default of the Successful Offeror.

The procuring of such required insurance shall not be construed to limit the Successful Offeror's liability hereunder or to fulfill the indemnification provisions and requirements of the Contract. Notwithstanding said policy or policies of insurance, the Successful Offeror shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with the Contract.

5.18 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 Successful Offeror pursuant to the Contract. The State shall also have complete ownership of all software that is purchased under the Contract in order to fully perform. If there is a conflict with the "General Conditions", the terms of the "General Conditions" will apply.

5.19 CONTRACT MODIFICATION - UNANTICIPATED AMENDMENTS

During the course of the Contract, the Successful Offeror may be required to alter projected work that is within the general scope of the Contract. When such work is required, the altered projected work is not-to-exceed cost contained in the Contract. The Contract Administrator shall provide the Successful Offeror a written description of the altered projected work and request the Successful Offeror to submit a firm time schedule for accomplishing the work.

Changes to the contract may be modified only by written document (contract modification) signed by the Contract Administrator and Successful Offeror personnel authorized to sign contracts on behalf of the Successful Offeror.

The Successful Offeror shall not commence additional work until a signed contract modification has been issued.

5.20 SUBCONTRACTING

No work or Deliverables shall be subcontracted without the prior written approval of the Contract Administrator. No subcontract shall under any circumstances relieve the Successful Offeror of its obligations and liability under this contract with the State. All persons engaged in performing the work covered by the contract shall be considered employees of the Successful Offeror.

5.21 PROTEST

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

The notice of award letter, if any, resulting from this solicitation shall be posted in the reception area of the Registered Industries Complaints Office, 335 Merchant Street, Room, Honolulu, Hawaii 96813.

Any protest pursuant to HRS § 1030-701 and HAR § 3-126-3, shall be submitted in writing to the Contract Administrator, Registered Industries Complaints Office, 335 Merchant Street, Honolulu, Hawaii 96813.

5.22 GOVERNING LAW - COST OF LITIGATION

The validity of the Contract and any of its terms or provisions, as well as the rights and duties of the parties to the Contract, shall be governed by the laws of the State. Any action at law or equity to enforce or interpret the provisions of the Contract shall be brought in a state court or competent jurisdiction in Honolulu, Hawaii.

In case the State shall, without any fault on its part, be made a part to any litigation commenced by or against the Successful Offeror in connection with this Contract, the Successful Offeror shall pay all costs and expenses incurred by or imposed on the State, including attorneys' fees.

5.23 ADDITIONAL CONTRACT TERMS AND CONDITIONS

RICO reserves the right to add terms and conditions during the contract negotiations. These terms and conditions shall be within the scope of the RFP and shall not affect the proposal evaluation.

5.24 CONTRACT INVALIDATION

If any provision of the Contract is found to be invalid, such invalidity shall not be construed to invalidate the entire Contract.

5.25 INSPECTION & MODIFICATIONS – REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES

The Successful Offeror is responsible for the completion of all work set out in the Contract. All work is subject to inspection, evaluation, and approval by the Contract Administrator. The State may employ all reasonable means to ensure that the work is being performed in compliance with the Contract.

Should the Contract Administrator determine that corrections or modifications are necessary in order to accomplish its intent, the Contract Administrator may direct the Successful Offeror to make such changes.

Substantial failure of the Successful Offeror to perform the contract requirements may cause the State to terminate the Contract. In this event, the State may require the Successful Offeror to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

5.26 NON-DISCRIMINATION

The Successful Offeror shall comply with all applicable federal and State laws prohibiting discrimination against any person on the grounds of race, color, national origin, religion, creed, sex, age, sexual orientation, marital status, handicap, or arrest and court records in employment and any condition of employment with the Successful Offeror or in participation in the benefits of any program or activity funded in whole or in part by the State.

5.27 WAIVER

The failure of RICO to insist upon the strict compliance with any term, provision or condition of the Contract shall not constitute or be deemed to constitute a waiver or relinquishment of RICO and the State's right to enforce the same in accordance with the

Contract.

5.28 SEVERABILITY

In the event that any provision of the 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 the Contract.

5.29 TERMINATION

RICO reserves and has the right, at any time during the term of the Contract, in its sole discretion, to terminate and cancel the Contract in the public interest or for the convenience of the State. The Successful Offeror's obligation under the Contract shall continue until the specified termination date.

5.30 DEFAULT

Pursuant to HAR § 3-125-17, if the Successful Offeror refuses or fails to perform any of the provisions of the Contract with such diligence to ensure that contract provisions are met, within any time requirements specified in the Contract, or any extension thereof, otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of the Contract, the Contract Administrator may notify the Successful Offeror in writing of the delay or non-performance. If the delay or non-performance is not cured in ten (10) calendar days, or any longer time specified in writing by the Contract Administrator, the Contract may be terminated in whole or in part, as applicable.

SECTION 6
ATTACHMENTS

Attachment 1
Attachment 2
Attachment 3

Offer Form
Wage Certificate
Vendor Reference Form

ATTACHMENT 1

**OFFER FORM - OF-1
COMPLAINTS MANAGEMENT SYSTEM (CMS) REPLACEMENT APPLICATION
RFP-RICO-16-001-SW**

Contract Administrator
Registered Industries Complaints Office
Honolulu, Hawaii 96813

Dear Sir/Madam:

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

Offeror is:

- Sole Proprietor Partnership *Corporation Joint Venture
 Other _____

*State of incorporation: _____

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

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 (Type or Print)

Fax No.: _____ ** _____

Exact Legal Name of Company (Offeror)

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

ATTACHMENT 2

Wage Certificate

WAGE CERTIFICATE
FOR SERVICE CONTRACTS
(See Special Provisions)

Subject: RFP No.: RFP-RICO-16-001-SW
Title of RFP: REPLACEMENT OF CMS APPLICATION

Pursuant to Section 103-55, Hawaii Revised Statutes (HRS), I hereby certify that if awarded the contract in excess of \$25,000, the Deliverables to be performed shall be performed under the following conditions:

1. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety shall be fully complied with; and
2. The Deliverables shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work, with the exception of professional, managerial, supervisory, and clerical personnel who are not covered by Section 103- 55, HRS.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by Section 103-55, HRS.

Offeror:

Signature:

Title:

Date:

ATTACHMENT 3

Vendor Reference Form

Vendor (Subcontractor/Partner) Name(s):

Subject: RFP No.: RFP-RICO-16-001-SW

Title of RFP: REPLACEMENT OF CMS APPLICATION

Company:

Contact:

Address:

Phone & Fax No.:

E-mail:

Project Name:

Description of related services provided.

How application relates to case management and estimate of customization, if any, that was required

Company:

Contact:

Address:

Phone & Fax No.:

E-mail:

Project Name:

Beginning Date of Project: Month/Year

Ending Date of Project: Month/Year

Description of related services provided:

SECTION 7
APPENDICES

Appendix 1	General Conditions
Appendix 2	Sample State Goods and Services Contract and Attachments
Appendix 3	Current CMS Application Information
Appendix 4	Requirements

Appendix 1

GENERAL CONDITIONS

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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.

c. 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.

Appendix 2



STATE OF HAWAII
CONTRACTOR'S ACKNOWLEDGMENT

STATE OF Hawaii)
) SS.
 COUNTY OF)

On this _____ day of _____, _____ before me appeared
_____ and _____, to me
known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are
_____ and _____ of
_____, the
CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said
instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said
instrument as the free act and deed of the CONTRACTOR.

(Signature)

(Print Name)

Notary Public, State of _____

My commission expires: _____

Doc. Date: _____ # Pages: _____

Notary Name: _____ Circuit _____

Doc. Description: _____

Notary Signature Date

NOTARY CERTIFICATION



STATE OF HAWAII
CONTRACTOR'S
STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of _____, CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR is is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive sealed proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By _____
(Signature)

Print Name _____

Print Title _____

Name of Contractor _____

Date _____



STATE OF HAWAII
SCOPE OF SERVICES

[Language to be inserted based on the required scope of services in Request for Proposals No. RFP-RICO-16-001-SW and Successful Offeror's Proposal.]



STATE OF HAWAII
COMPENSATION AND PAYMENT SCHEDULE

[Language to be inserted based on the compensation and payment schedule, and fixed proposed price in Request for Proposals No. RFP-RICO-16-001-SW and Successful Offeror's Proposal.]

Appendix 3

CURRENT PROCESS AND SYSTEM BACKGROUND:

The principal functions of the Regulated Industries Complaints Office Complaints Management System is to (1) keep track of complaints as they move through the various sections of RICO; (2) keep a record of information about legal actions taken by RICO; (3) provide reports; and (4) provide historical data on complaints and legal actions (for both in-house use and public inquiries).

Data is stored in tables. The primary pieces of the System are:

- (1) Intake Log,
- (2) CROW (Complainant, Respondent and Witness information) Records,
- (3) Case Records,
- (4) Legal Action, and
- (5) Legal Action Respondent records.

I. INTAKE LOG:

Complaints enter the Regulated Industries Complaints Office (RICO) and are received and processed by the **Consumer Resource Center (CRC)** or "Intake". Intake investigators are responsible for the initial screening and preliminary processing of all complaints entering both RICO and RICO's sister division, the Office of Consumer Protection (OCP).

Every complaint received by RICO is entered into a database within CMS, called the "**Intake Log**". The primary purpose of the Intake Log is to keep track of complaints and inquiries as they are received and before they are formally processed.

Information captured in CMS at the Intake Level includes:

Names: Including complainants and respondents

Assignments

Various dates, including the date received

Inquiry status

The name of the **Licensing Board, Commission or Program**

Outcome

Based on the information received with the complaint, the intake investigator takes action on the complaint. Options for a complaint at the intake level include:

Information is kept as correspondence only

Information is forwarded to the RICO Field Investigation unit as tip information

Based on preliminary investigation, **information is forwarded to the RICO Legal Section** for evaluation

Information is forwarded to the RICO Field Investigation unit for investigation

Matter is otherwise evaluated and closed in **CRC**

All RICO employees can access the Intake Log. Modification of the Intake Log is limited to CRC employees.

The rest of CMS includes a series of tabs with the following: **CROW INFORMATION (COMPLAINANT, RESPONDENT, and OR WITNESS); CASE RECORD INFORMATION; LEGAL**

ACTION INFORMATION; LEGAL ACTION RESPONDENT INFORMATION; and ACTIVITY LOG INFORMATION.

II. CROW INFORMATION (COMPLAINANT, RESPONDENT, OR WITNESS):

Each complainant, respondent, and witness has his/her own record of information stored in the CMS system. Information, such as address, telephone number, license number, etc., is part of the CROW record.

When a new CROW is created in CMS, the CROW is assigned an identification (ID) number. This random number is used to link cases and legal actions to a particular CROW. CROWS can appear on the public website or may be non-public, depending on the status of the complaint. All records connected with a non-public CROW will be non-public. No information will be given to the public about this case.

New CROWS should be created only after they system has been checked for an existing CROW.

Information captured in CMS at the Intake Level includes information licensing information and business registration information. Licensing information is maintained in a separate system maintained by the Department of Commerce and Consumer Affairs Professional and Vocational Licensing Division.

III. CASE RECORD:

If a case is created in CRC, a Case Record is created in CMS. The Case Record includes such information as the RICO case number, the complainant's name, the respondent's name, the complainant's allegations, RICO's allegations, and possible violations we may be investigating. The Case Record also includes assignment information (who the case is currently assigned to in RICO), and location information (in what section the case can be found - Intake, Field or Legal), and disposition information. Disposition information is information about what happened to a case.

Information captured in CMS with the Case Record includes:

Case Numbers: Every Case Record is assigned a specific case number.

Case Status: Case status tells you where the case is currently located – Intake, Field, Legal Section, Closed or Reopened

Dates: Including **Intake Received, Intake Out, Investigations Received, Investigations Out, Legal Received, and Legal Out**

Case CROW: Case CROW is information about the Complainant, Respondent, and Witnesses for a particular case. The CROW record for each person will also include **address information, telephone information,** and, in some cases, **license information.** Each CROW is assigned a random number in CMS.

Assignment information: Assignment information also includes **hours and mileage** information.

Location: Location refers to the island where the Respondent is located.

In addition to information about who a case is about, where it can be found, and who is currently responsible for the matter, the Case Record includes important information about what the case is about including **subject code information, allegations and possible violations,** and current status (**disposition**).

Allegations: Allegations are the claims made against a respondent. Types of allegations include "unlicensed activity" and "professional misconduct." Within CMS, there are two types of allegations: the **complainant's allegations** and the **RICO allegations**.

Violations: **Violations** are references to specific laws in the Hawaii Revised Statutes and Hawaii Administrative Rules that the respondent may have violated. Types of possible violations include Hawaii Revised Statutes ("HRS") § 444-9 (prohibits unlicensed contracting without a license), and HRS § 444-25.5 (requires contractor to provide written notice of lien and bond rights to homeowners).

Disposition: **Disposition** indicates the last thing that was formally done with a case. Types of dispositions codes include, "insufficient evidence," "complaint resolved," or "refer to Legal".

IV. LEGAL ACTION:

If a decision is made to take legal action, charging documents are filed with the appropriate legal body. Upon filing, legal stenographers create a Legal Action Record for the case (or cases), involved in the legal action. The Legal Action Record is separate from the Case Record and linked to the Case Record via case number.

Information captured in CMS with the Legal Action record includes:

Master Case Number: The master case number references the main case to which the legal action is attached. Multiple cases can be included in a single legal action. Additional cases attached to the legal action are "cases involved in this legal action."

Action Code: The action code indicates what action was taken to jump start this legal action. Types of action codes include "pre-petition settlement agreement filed," "petition filed," "complaint filed," "assurance of voluntary compliance," and "citation issued."

Resolution Code: The **Resolution Code** indicates the final resolution of a legal action. All legal action dispositions must have a corresponding resolution code before a legal action record can be closed. Examples of resolution codes include "B[oard] F[inal] O[rder]: Settlement Agreement" and "Judgment: Default."

Legal Action Status: Legal action status indicates the current status of a Legal Action Record in CMS. "3" indicates the Legal Action Record is still pending in the Legal Section. "C" indicates the Legal Action Record is "closed." "R" indicates the Legal Action Record has been "reopened."

V. LEGAL ACTION RESPONDENT RECORD

Attached to every Legal Action Record, is a new record for the Legal Action Respondent. The **Legal Action Respondent Record** principally stores the sanction information for that respondent. This allows for multiple (different) outcomes for different respondents involved in a single legal action.

Sanction information refers to the financial or other penalties that may be imposed by a Board/Commission or Program in an administrative (licensed) action, or by a judge in a Circuit Court (unlicensed) action. Sanctions in an administrative case may include suspension or revocation of a license; probation; or a formal reprimand or censure. Other sanctions may also

be imposed, such as requiring a licensee to complete continuing education requirements or to comply with the terms of a criminal probation. In the Circuit Courts, injunctions (prohibiting a person from engaging in future activity without a required license) are typically awarded in unlicensed cases, as well as fines and sometimes restitution.

Fields that relate to sanction information include:

Periods of suspension and the period of revocation expressed in days, months or years.

Any Suspended Terms

Effective Dates

Catch-all fields that may include information like, "agrees not to reapply" or "must change advertisements" or "continuing education required"

Probation indicates the licensee will be monitored for a time

Censures and reprimands are formal reprimands issued by a Board/Commission or Program.

Fines

Restitution: Restitution is a sum of money imposed to make up for a loss sustained by a complainant. Restitution is usually paid through RICO and tracked in CMS.

Costs

Compliance Date: The **Compliance Date** indicates the date all of the sanctions have been completed. For example, the date a fine was paid, or the last date of a suspension period.

RICO also monitors collection efforts, including filing judgments at land court or bureau of conveyances, and caching information for the Department of Taxation to include in its Tax Intercept Program.

When a resolution is reached for all respondents and the legal action has concluded, Legal Section staff generate final Case Summary and Legal Action Summary reports. The Legal Action record is then locked and the case formally closed. Closed case folders are turned over to the RICO Custodian of Records for maintenance.

If monetary sanctions are imposed, monies collected will be entered into the Legal Action record by a legal steno. Collection information can be updated even though both the Legal Action Record and Case Record in CMS are closed.

VI. ACTIVITY LOG INFORMATION

The Activity Log screen simply captures a series of codes and related notes. Examples of Activity Log codes include "Hearing Date" and "Final Order Pending."

VII. CURRENT SYSTEM PROCESS ISSUES:

The RICO Legal Section reports the following recurring issues related to how cases and legal actions are connected.

The current system allows us to connect cases so that staff knows there may be a relationship between one file and another. For example, a homeowner files a complaint against a contractor and the architect on the homeowner's project. RICO creates a CLB (contracting type) case against the contractor and an ENG (engineering type) case against the architect (architects are licensed by the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects). The cases are then connected at the case level to demonstrate there is some relationship between the two.

Multiple cases may be included in a single legal action. The cases do not have to be connected at the case level. (For example, RICO receives multiple complaints against the same unlicensed contractor. RICO case file a single legal action, including the claims from several different homeowners.) Being able to bring a single lawsuit or other legal action is important as it conserves both staff time and costs related to prosecution. When this happens, Legal identifies a MASTER CASE and connects any cases included in the legal action to the master case.

Issues arise when it comes to reporting the legal action outcomes. Legal may obtain a single order that awards restitution to the various consumers included in the legal action. Sanction information is reported in a single field on the Legal Action Respondent's screen. Currently, we are unable to document multiple restitution awards.

Multiple respondents. A case can have more than one respondent, resulting in multiple legal actions attached to a single case. For example, a CLB (contracting type) case includes the contracting company (the parent) and the company's responsible managing employee (the child). (The State's licensing scheme has a number of parent-child licenses which are dependent on each other to stay active. How we set up cases in CMS, in part, mirrors that licensing scheme.)

Multiple legal actions (against different respondents). Legal may file a single legal action against multiple respondents. Legal may also file separate legal actions against both respondents. For example, the company (parent) agrees to settle the case by paying a fine. RICO files a settlement agreement, creating a new legal action that is connected to the company's CROW. RICO then files a petition for disciplinary action against the company's RME. A second legal action is created and connected to the RME's CROW.

When RICO reports complaint history, the information included in a single individual's complaint history should only include the legal actions that pertain to that respondent.

VIII. REPORTING

RICO makes limited information about complaints it has received and legal actions it has taken public. The following screen shot is an example of the prior complaint history information being provided:

COMPLAINT NO: ACC 2016 0084L	
ALLEGATION: FINE FOR CLOSE DISCIPLINARY ACTION	
ALLEGATION: DISCIPLINE WITHIN OTHER JURISDICTION	
ACTION: PRE PETITION SETTLEMENT AGREEMENT FILED	
DATE OF DECISION:	
OUTCOME PENalty:	
COMPANY OR PROPER NAME: SMITH, BRIAN W	
ASSOCIATED NAMES:	
The information is provided by the State of Hawaii Department of Commerce and Consumer Affairs (DCCA) from its website as a public service and is intended to be used solely as reference material. No posted information is intended to constitute legal or professional advice and this report is NOT an official record. The records available through this web site are NOT official records. Assessing the accuracy and reliability of information contained herein is the user's responsibility. The information obtained from the DCCA website DOES NOT comprise all information from official DCCA records available to the public. Please consult the DCCA website for additional terms and conditions of use.	

Appendix 4

Please complete the following table and return this with your proposal.

Key	
M/O	Y/M/N
M = Mandatory Requirement	Y = Yes, our Quote Complies
O = Optional Requirement	M = Yes, our Quote complies with modifications
	N = No, our quote will not comply

Business Requirements	M/O	Y/M/N	Vendor Comments
Offeror must be in good standing with the State of Hawaii.	M		
Offeror must have experience developing and supporting case management software.	M		
Offeror must have experience with providing data conversion services.	M		
All user acceptance testing will take place within the testing environment at the State.	M		
Project Communications to State staff by Offeror will be initiated and completed within the standard State work day hours (Hawaii-Aleutian Standard Time).	M		
All scheduling for the project where the schedule impacts State resources, will be communicated directly through the State Project Manager.	M		
For each of the Deliverables listed in the Deliverables table, the Offeror will submit an acceptance request in writing after delivery, and acceptance by the State will be in writing.	M		

Service and Support Requirements	M/O	Y/M/N	Vendor Comments
Offeror agrees that the State of Hawaii is the owner of all data maintained on the System.	M		
Offeror must provide on-line and telephone	M		

technical support for at one year as part of this agreement.				
An emergency contact must be available during non-business hours.	M			

Technical Requirements	M/O	Y/M/N	Vendor Comments
The State Server environment is Server 2012. State uses Visual Studio along with .NET programming language in development environments. State runs Office 2013 and Windows 7 on PCs for clients.	M		
The applications should be based on the Microsoft .NET platform.	M		
The system must be an existing Commercial off the Shelf (COTS) solution currently in use in local or state government in the United States.	M		
The State will have the ability to maintain, support and enhance the application in-house.	M		
Existing data must be converted by the Offeror and then mapped for use in the new system.	M		
The solution must be a relational database that can be integrated with future Web Portal (web access that is not part of this RFP).	M		
Ability to meet the RICO data retention requirements which vary based on case and legal actions.	M		
The system must include capability to send automatic notifications of significant or critical events to users through email or system alerts.	M		
Any additional information from Offeror to describe how the proposal meets the requirements of this section ("Technical Requirements"). A separate document, clearly labeled and appended to this Exhibit may be used.	M		

Functional Requirements	M/O	Y/M/N	Vendor Comments
<p>The system must provide a user dashboard allowing user to access cases assigned to the user, alert messages and reminders. Dashboard must include information such as the % of cases completed within RICO case processing guidelines. User dashboard must also include Legal Section deadlines (see section on Legal Action enhancements that follows).</p>	M		
<p>The system must allow users to generate alert messages that can be sent to the recipient via the system. Option for recipient to create a note or Memorandum of Interview which could be added to the existing Activity Log or placed somewhere else in the system. System must provide alert to user's dashboard and send reminder if outstanding.</p>	M		
<p>The system must allow multiple users to input data into specific case or legal action records, and identify principal employee responsible for case or legal action at any given time.</p>	M		
<p>The system must allow users to populate case and CROW records with information from the Intake Log. The existing Intake Log captures all inquiries to RICO office.</p>	M		
<p>The system must capture coding about case processing status. Fields should be soft coded so they can be modified.</p>	M		

<p>The system must allow user to create/generate Word templates/documents that incorporate data from all fields.</p>	M		
<p>The system must allow cases to be reassigned between users and between levels. (Current CMS does not allow for cases to be reassigned to a previous level.) The system should create a notification to the section supervisor when case has been moved to their level so that case may be assigned.</p>	M		
<p>The system must store documents (in multiple formats including PDF, MHT, video, .jpg, etc.) in Case Records and in Legal Action records.</p>	M		
<p>The system must expand the current CMS Activity Log to store documents. Current system Activity Log allows users to add notes and to code events, manually or by automatic update. The Activity Log must allow users to store documents.</p>	M		
<p>The system must allow multiple users to input hours spent on any given case.</p>	M		
<p>The system must be able to calculate hours spent on categories of cases (ex. all CEM (cemetery) type cases) in a given time frame.</p>	M		
<p>The system must allow users to create electronic reports and to automate work flow process once reports are completed and ready for review by a supervisor.</p>	M		
<p>The system must create document and event tracking for administrative and civil legal actions. Like traditional "case management" systems that law offices use, the system should include document filing dates and generate reminders. All legal documents should be electronically added to the system.</p>	M		
<p>The State Certified Arbitration Program (SCAP) or Lemon Law is administratively attached to</p>	M		

<p>RICO. RICO currently tracks certain information about SCAP cases and outcomes in a separate database. The system must incorporate SCAP information as a new case type and include additional information fields in a separate screen.</p>		
<p>RICO maintains information about Advisory Committee Member (licensees appointed by the various boards and commissions to assist RICO with its work), in a separate database. The system should incorporate that information.</p>	M	
<p>The system must allow user to create cases involving CROW's and legal actions involving multiple cases and CROWS, and address issues identified in information about existing system. An enhancement would provide updated information.</p>	M	
<p>Currently, RICO can link to the DCCA's Business Registration Division database and through CMS. The system must be able to pull information from the Business Registration Division's system. An enhancement would provide updated information.</p>	M	
<p>Reporting must be available four ways: (1) system search; (2) within data field; (3) ad hoc and (4) pre-created reports based on reports currently in the CMS system. The system must allow user to create ad hoc reports by exporting data from various fields into Excel. The program must be able to extrapolate information from multiple fields and multiple records (CASE RECORDS, CROW RECORDS, and LEGAL ACTION RECORDS).</p>	M	
<p>RICO stores hard copy case files in various locations and purges hard copy case files according to its record retention policy. The system must create a new screen to track</p>	M	

information about case file location, including fields to indicate where a file may be stored and to indicate when files are "checked out" by staff. The system must also include information about when physical case files or electronic CMS records must be purged and generate lists of cases to be purged.

System Design Requirements	M/O	Y/M/N	Vendor Comments
A user must be able to access information throughout the system with minimal steps.	M		
The user interface should have a consistent look, feel and behavior throughout the system.	M		
System must include crumb trails designed to assist user navigating through the application.	M		
System must include menus for ease of use.	M		
System must allow users to view multiple screens at the same time (similar to internet explorer tabs).	M		
System must include a navigation panel that can be customized depending on a user's access rights.	M		
System must include an audit trail to track changes and record when records are modified.	M		
System must have the ability to add free form notes and allow for spell check in free form notes fields.	M		
System must have the ability to automatically track CROW name changes, address changes and events over time.	M		
System must allow searches to be performed using partial names or word in text searches.	M		
System must provide sort by all headings on results lists ascending/descending order.	M		

Security Requirements	M/O	Y/M/N	Vendor Comments
The system will use role-based security that allows/restricts user access to information, screens, and the ability to perform specific tasks within the system.	M		
Role-based permissions and business rules will be customizable. Permissions will be defined, named, and implemented by the applications administrator (or other suitable role). Examples of roles might include an Intake Investigator, Field Investigator, Supervising Investigator, Staff Attorney, Supervising Attorney, and Super User.	M		
Users will be assigned a role that most closely matches their actual job responsibilities (note: this may not necessarily be the same as job title). These roles will control access to screens, functions, and data fields, and will enable certain process permissions, depending upon the task being performed.	M		

General Requirements	M/O	Y/M/N	Vendor Comments
Offeror shall provide detailed status reports and participate in real-time weekly status meetings. Status report will inherit items from the work-plan and reference (map) back to it. For each deliverable, status reports must identify (1) the budget remaining; (2) the deliverable or product backlog; (3) accomplishments from the previous week; (4) activities for current week; and (5) identify blocking issues.	M		
All documents provided to the State must be delivered in Microsoft Office 2013 formats, Adobe .pdf, or as email.	M		
Offeror will coordinate with the Project Manager to set up user testing.	M		
Offeror will provide sample status report.	M		

Offeror will provide a sample work plan.	M	
Additional Information Please provide brief description of functions or features available in addition to enumerated mandatory requirements. Please limit any additional submission to 2 (two) pages.		Vendor Comments