

NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

October 20, 2011

Addendum 2

Request for Proposals
for Internal Audit Services

Employees' Retirement System
of the State of Hawaii

RFP ERS 2011-02
Dated
October 6, 2011

OFFERORS:

The following changes are hereby made:

1.6 Procurement Timetable: Scheduled Date* have been revised

Revised Pages:

3, 4, 10 & 17 -- replace with attached revised (Revised 10/20/2011) pages

All other terms and conditions remain unchanged.

Very truly yours,

A handwritten signature in black ink, appearing to read "Wesley K. Machida".

Wesley K. Machida
Administrator



Employees' Retirement System
of the State of Hawaii

Wesley Machida, Administrator
Employees' Retirement System
201 Merchant St., Suite 1400
Honolulu, Hawaii 96813
Telephone: (808) 586-1700
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1.6 Procurement Timetable

Activity	Scheduled Date*
RFP Announcement	October 3, 2011
RFP Available to Prospective Offerors	October 6, 2011
Deadline for Questions	November 2, 2011
ERS Response to Questions	November 16, 2011
Proposals Due	November 30, 2011
Interviews with Priority-Listed Offerors	January 11-13, 2012
Contractor Selection and Award	January 20, 2012
Agreement Start Date	January 31, 2012

*Best Estimates at this time.

1.7 Offerors' Questions

Questions will be accepted and responded to only if submitted in writing no later than 4:30 p.m. HST on November 2, 2011. Formal responses will be provided in writing. ERS responses to offeror questions will be sent to all persons obtaining a copy of the RFP.

1.8 Submission of Proposals

Offerors must carefully examine the RFP, amendments or addenda (if any), required contract forms, and other documents, laws and rules, as necessary, before submitting a proposal. The submission of a proposal shall be considered a warranty and representation that the offeror has made a careful examination and understands the work and the requirements of this solicitation.

Each qualified offeror may submit only one (1) proposal. Alternate proposals will not be considered or accepted and offerors may not be a party in more than one proposal.

One original and (8) copies and one single-sided unbound original of the proposal must be submitted.

Proposals must be received by the Procurement Officer no later than 4:30 p.m. HST, on November 30, 2011. Any proposal received after that date and time will be rejected. Proposals must be mailed or delivered to the Procurement Officer at the address shown in Section 1.5 of this Request.

The outside cover of the package containing the proposal shall be marked:

Employees' Retirement System
Proposal Submitted in Response to RFP No. 2011-02
(Name of Offeror)

NO FAXED OR E-MAILED proposals will be considered or accepted.

1.9 Receipt, Opening and Recording of Proposals; Late Proposals

Proposals and modifications will be time-stamped upon receipt and held in a secure place by the Procurement Officer until the established due date.

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

Modifications: A written notice shall be sent by the offeror and received by the Procurement Officer 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.

Withdrawal: A written notice shall be sent by the offeror and received by the Procurement Officer. The withdrawal shall state that the offeror wishes to withdraw a proposal that has already been received by the Procurement Officer.

Proposals shall not be opened publicly, but shall be opened in the presence of two or more procurement officials. Proposals and modifications shall be shown only to personnel having a legitimate interest in them. After the date established for receipt of proposals, a register of proposals shall be prepared which shall include the following for all proposals: the name of each

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

Hawaii Compliance Express

Alternately, instead of separately applying for these paper certificates at the various state agencies, applicants may choose to use the Hawaii Compliance Express (HCE), which allows businesses to register online through a simple wizard interface at <http://vendors.ehawaii.gov> to acquire a "Certificate of Vendor Compliance." The HCE provides current compliance status as of issuance date. The "Certificate of Vendor Compliance" indicating that applicant's status is compliant with the requirements of HRS Chapter 103D-310(c), shall be accepted for both contracting purposes and final payment. Applicants that elect to use the new HCE services will be required to pay an annual fee of \$15 to the Hawaii Information Consortium, LLC (HIC). Applicants choosing not to participate in the HCE program will be required to provide the paper certificates as instructed in the prior sections.

Timely Submission of all Certificates

The above certificates should be applied for and submitted to the ERS as soon as possible. The above certificates should be provided to the ERS no later than the last scheduled date for presentations by Priority-Listed Offerors. If valid certificates are not submitted on a timely basis for award of the contract, an offer otherwise responsive and responsible may not receive the award.

SECTION 2 SCOPE OF WORK

2.1. INTRODUCTION

Historically, the ERS has not had an internal audit function. Therefore, it is seeking a qualified consultant to assist the ERS with establishing an internal audit function. The scope of services will include operational, compliance and information system reviews to assess the adequacy and effectiveness of ERS' internal control systems.

2.2 GENERAL REQUIREMENTS

2.2.1 AGREEMENT PERIOD

The term of the agreement may commence on or around January 31, 2012, and expire on July 31, 2012. The term of this contract may be extended, at ERS' option, until July 31, 2013.

Phase 2 – Establishment of Priority List of Offerors: All offerors who pass Phase 1 are eligible for the priority list. If there are more than three (3) acceptable or potentially acceptable offeror's proposals, the evaluation committee shall evaluate and rank all the proposals for the priority list. Based on the numerical ranking order with number 1 being considered to be the highest-ranked proposal, at least three (3) but not more than five (5) offerors shall be considered as the Priority-Listed Offerors. If only two (2) acceptable offers are received, they shall be on the priority list.

Phase 3 – Discussions with Priority-Listed Offerors: The Selection Committee may conduct interviews of Priority-Listed Offerors in Honolulu during the period specified in the Procurement Timetable.

Phase 4 -- Evaluation of Proposals: The Selection Committee will evaluate the proposals of Priority-Listed Offerors in accordance with the criteria listed in subsection 4.4, below.

Phase 5 – Award: The Selection Committee will make the final selection by January 20, 2012.

4.4 Evaluation Criteria

The evaluation criteria listed below will be used to evaluate and rank offerors' proposals. The evaluation criteria are listed in the order of importance and priority.

Criteria	Points
Professional qualifications & expertise	30
Stability and relevant experience of the firm and the team proposed for the ERS	25
Methodology, process, soundness of approach and understanding the needs of the ERS	25
Fees	15
Client references	5
Total	100