

NEIL ABERCROMBIE  
GOVERNOR



**STATE OF HAWAII**  
**EMPLOYEES' RETIREMENT SYSTEM**

November 21, 2011

Addendum 4

Request for Proposals  
for Internal Audit Services

Employees' Retirement System  
of the State of Hawaii

RFP ERS 2011-02  
Dated  
October 6, 2011

OFFERORS:

Please replace the following pages with the attached revised (revised 11/21/2011) pages:

Page Nos.	Description	Change
3	1.6 Procurement Timetable: Scheduled Date*	Deleted: Interviews with Priority Listed Offerors January 11-13, 2012
10	2.2.1 Agreement Period	Changes to commencement and expiration dates.
16 & 17	4.3 Phases	Deleted: Discussions with Priority Listed Offerors

All other terms and conditions remain unchanged.

Very truly yours,

  
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  
Facsimile: (808) 586-1677

## 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 21, 2011
Proposals Due	November 30, 2011
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 offerer 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.

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 January 31, 2013.

### **3.8 References**

Provide the names of at least three (3) references, including the phone and address of the company or agency, and the name of the key contact.

### **3.9 Proposed Fees**

1. Provide a detailed fee proposal, including rate per hour by staff level. An estimate of out-of-pocket and administrative costs (excluding travel costs) should also be provided.
2. Describe internal audit services that are considered out of scope and the fee treatment for those services.

The fee proposal should include the optional extension term.

## **SECTION 4 PROPOSAL EVALUATION**

### **4.1 Introduction**

The evaluation of proposals received in response to this RFP will be conducted comprehensively, fairly, and impartially.

### **4.2 Evaluation Organization**

A Selection Committee will review and evaluate all proposals submitted by the deadline specified in this RFP.

### **4.3 Phases**

The evaluation will be conducted in two phases:

Phase 1 -- Evaluation of Mandatory Requirements: During this phase, each proposal will be evaluated to determine whether it is sufficiently responsive to the mandatory requirements described in Section 3 to permit a complete evaluation. To meet the mandatory requirements, the offeror must submit a proposal that includes all of the items described in Section 3, including responses to all of the questions in subsections 3.4 through 3.9. Only those proposals that meet the minimum mandatory requirements will be considered in Phase 2 as a finalist.

Phase 2 -- 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 3 – 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.

<b>Criteria</b>	<b>Points</b>
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