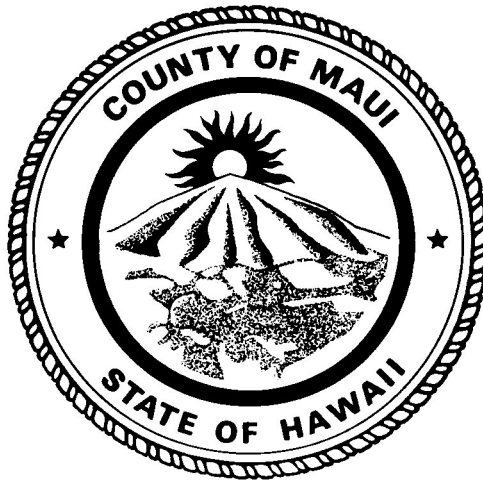


REQUEST FOR PROPOSALS

**INDEPENDENT AUDIT OF THE FORMER
FINANCE DIRECTOR'S ACCOUNTS**



OFFICE OF COUNCIL SERVICES

**County of Maui
200 South High Street, Room 703
Wailuku, Hawaii 96793**

July 29, 2024

RFP No. 25-002OCS

NOTICE TO OFFERORS

SEALED PROPOSALS must be received by **2:00 p.m. HST on Tuesday, September 3, 2024**, by the Office of Council Services, 200 South High Street, Room 703, Wailuku, Hawaii, 96793, for the following:

REQUEST FOR PROPOSALS

RFP No. 25-002OCS

INDEPENDENT AUDIT OF THE FORMER FINANCE DIRECTOR'S ACCOUNTS

Written requests for clarification regarding this Request for Proposals may be directed to David Raatz, Director of Council Services, at county.council@mauicounty.us. Questions or requests for clarification on this Request for Proposals must be submitted in writing no later than **Monday, August 5, 2024**.

The County of Maui does not have the ability to track who may have downloaded this Request for Proposals. Offerors are responsible for being aware of any addenda to this Request for Proposals.



Alice L. Lee
Council Chair

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I. INTRODUCTION

Section 9-13 of the Revised Charter of the County of Maui (1983), as amended (“Charter”), states: “In case of the death, resignation, or removal of the director of finance, the council shall cause an independent audit to be made of the finance director's accounts.”

Scott K. Teruya was nominated by Mayor Michael P. Victorino as the County’s Director of Finance on January 2, 2019, and served as Acting Director of Finance from that date until the Council approved the nomination by Resolution 19-31 on February 22, 2019. On January 12, 2023, Mayor Richard T. Bissen, Jr. notified the Council he had nominated Mr. Teruya to continue serving as Director of Finance. The Council approved the nomination on March 10, 2023, by adopting Resolution 23-72, CD1. Mr. Teruya continued to serve as Director of Finance until being terminated from employment on April 8, 2024, after having been placed on administrative leave on or about February 2, 2024. The termination triggered Charter Section’s 9-13 requirement of an independent audit. Mr. Teruya’s tenure as Director of Finance was January 2, 2019, to April 8, 2024.

The Office of Council Services (“OCS”) is procuring an independent audit of the former Director of Finance’s accounts on the Council’s behalf under Charter Section 9-13. The Council seeks to retain a certified public accountant or firm of certified public accountants who: (A.) are licensed to practice in the State of Hawaii; and (B.) have no personal interest, direct or indirect, in the fiscal affairs of the County or any of its operations.

This Request for Proposals (“RFP”) describes the scope and nature of the work that is required of the Contractor. Also, the RFP is intended to assist prospective Offerors in the preparation of proposals for the independent audit. Unless otherwise expressly provided in the contract, all provisions of the specifications and instructions are part of the contract recommended by OCS and entered by the Contractor and the Chief Procurement Officer (“CPO”). The CPO may delegate authority under the contract to the extent permitted by law.

Once the highest-ranked proposal is determined, OCS will verify with the HCE online system to determine whether the Offeror is compliant with State-required certificates. Under Hawai‘i Revised Statutes (“HRS”) Section 103D-310, proof of compliance is required at the time of award.

II. SPECIFICATIONS

- A. Definitions. Unless the context requires otherwise, terms used in this document are defined as follows:
1. “Contractor” means the Offeror that has been awarded the contract to conduct the independent audit of the former Finance Director’s accounts.
 2. “Chief Procurement Officer” or “CPO” means the Chair of the Maui County Council or the Chair’s designated representative.
 3. “Council” means the Maui County Council.
 4. “County” means the County of Maui.
 5. “Director” means the County of Maui’s former Director of Finance Scott K. Teruya.
 6. “Evaluation Committee” means the committee formed by the Office of Council Services to evaluate proposals.
 7. “Offeror” means any individual, partnership, firm, corporation, joint venture, representative, or agent responding to the RFP.
- B. RFP Schedule and Significant Dates. The schedule represents OCS’s best estimate of the schedule that will be followed. If a component of this schedule is delayed, the rest of the schedule will be shifted by a similar number of days. Any change to the RFP Schedule and Significant Dates will be reflected in, and issued in, an addendum. The approximate schedule is as follows, and dates are subject to change:

Release of RFP	July 29, 2024
Due Date to Submit Questions	August 5, 2024
OCS's Response to Questions	August 12, 2024
Proposal Deadline	2:00 p.m. HST on September 3, 2024
Proposal Evaluation	September 6, 2024
Notice of Award	September 10, 2024
Contract Start	September 24, 2024
Project Kickoff Meeting	September 26, 2024
Draft Audit Report Due	October 17, 2024
Final Audit Report Due	October 31, 2024

C. Audit Objectives. The audit's objectives are:

1. Identify and review accounts on the Director's relevant financial obligations and personal transactions as an individual, including:
 - a. Personal financial disclosure statements.
 - b. Division of Motor Vehicles and Licensing accounts.
 - c. Sewer, water, and solid waste accounts.
 - d. Any real property the Director has owned and related real property tax accounts.
 - e. The Director's purchasing card accounts.
 - f. Procurement contracts handled by the Director.
 - g. Reimbursements the Director received from the Department of Finance during the Director's tenure in office.
2. Identify, obtain information on, and review relevant accounts and related documents through interviews and other communications with the Department of Finance, the Office of the Mayor, and any other relevant sources and through independent investigation.
3. Identify any debts owed by the Director to the County, including any County taxes or fees.
4. Identify irregularities, if any, and make recommendations for improvement when appropriate.

D. Standards.

1. The audit must be performed under standards of the American Institute of Certified Public Accountants, the U.S. Government Accountability Office, and the Governmental Accounting Standards Board.
2. The audit report should be in plain language worded and avoid technical terms.

E. Reports to Be Issued.

1. Draft and Final Audit Reports.
 - a. One electronic copy of the draft audit report must be submitted to and discussed with OCS at least 14 days before delivery of the final audit report by the Contractor. The Contractor must perform additional fieldwork as required to clarify and support statements made in the draft audit report.
 - b. The Contractor must print and deliver an electronic copy and two bound copies of the final audit report to OCS by the due date.
2. The Contractor must provide OCS with written reports of all information showing irregularities that could demonstrate in illegal acts as soon as the information is obtained.
3. The Contractor must provide a prompt written notification to OCS of any deficiency that is highly unusual, of such a nature as to require immediate correction, or of such character that a significant amount of time or resources beyond that initially agreed to in the contract would be required to complete the audit. If the deficiency is of such a character as to require the expenditure of additional time or resources, the Contractor must include in the notification an estimate of the additional time and cost that would be required. In this situation, the Contractor will proceed to complete the audit only upon written authorization of OCS.

F. Engagement Activities.

1. Work Papers. At any time during and after the audit's completion, the Contractor must make available to OCS for inspection and review, the work papers developed during the audit, including, the following:
 - a. Any program and internal control structure documentation.
 - b. The schedules, recommendations, computations, analyses, notes, confirmation letters and replies, and other data representing a record of work done.
 - c. The documents obtained and other work papers about the audit.

The work papers must not be made available to others except by consent of OCS. Public disclosure of the work papers is governed by HRS Chapter 92F, as amended. The State of Hawaii Office of Information Practices in Opinion Letter 92-25 stated that the work papers of a certified public accounting firm are government records subject to the State of Hawaii Uniform Information Practices Act (HRS Chapter 92F). The Contractor must consult with OCS if it receives a request for inspection or copies of the work papers.

All work papers and reports must be retained, at the Contractor's expense, for a minimum of 5 years beyond the end of any contract under this procurement, unless the firm is notified in writing by the County of the need to extend the retention period.

In addition, the Contractor must respond to the reasonable inquiries of successor contractors and allow successor contractor to review work papers on matters of continuing accounting significance.

2. Consultation. The Contractor must be available for consultation regarding the audit with the CPO, OCS, the Council and its committees, and with successor contractors. Typically, these meetings are held after the completion of the work required to discuss the reports with a knowledgeable representative of the Contractor.

G. Contract Term.

1. The contract will be for a nine-month period beginning September 24, 2024, and ending June 23, 2025. At OCS's recommendation, the Contractor and the CPO may extend the term of the contract for an additional 12 months without the necessity of re-bidding, upon mutual agreement in writing at least 60 days before the expiration of the contract. The hourly rate and term of the extended period will be negotiated and subject to availability of funds.

When interests of OCS, the County, or the Contractor so require, OCS or the Contractor may terminate the contract for convenience by providing prior written notice of at least 6 weeks to the contracted parties.

III. BUDGET LIMITATIONS AND PAYMENT SCHEDULE

- A. The total sum to be allocated for conducting the audit is limited to the extent of funds appropriated for this purpose and the continued availability of funds during the term of the contract.
- B. To the extent practicable, a payment schedule for services provided by the Contractor will be based on the delivery of the reports.
 1. The final payment to the Contractor will be made after the Contractor has delivered the final audit report, acceptable to OCS.
 2. The progress billing invoices must be supported with a synopsis of the number of hours expended by staff classification, a description of the work performed, and a percentage of completion.

IV. PROPOSAL

Proposals for the audit must include the following:

- A. Methodology. The plan, approach, method, and procedure that the Offeror intends to take in performing the audit must be described. In addition, the proposed steps to be followed and the tests and standards to be used in performing the work required must be outlined.

B. Offeror's Description. The Offeror's background, staff, and previous work must be described, as outlined below.

1. Background:

- a. Describe the nature of services provided by the Offeror.
- b. Explain how the Offeror is organized to manage the operation of the audit.
- c. If the Offeror is a joint venture or intends to subcontract a portion of the audit, describe all venturers or subcontractors.
- d. Describe any record of substandard work.
- e. Provide the number of the full-time staff employed by the Offeror, including joint venturers and subcontractors by categories (services, professional and other classification, offices).

2. Quality control program. Describe the quality control system for the organization and provide a copy of the latest external quality control review report, if any.

3. Previous work. Summarize the Offeror's work done within the last three years and any work ever done for the State of Hawaii or the counties of Hawaii.

4. Independence. Provide an affirmative statement that Offeror is independent of the Director, OCS, and the County.

C. Resources to Be Used. Identify the resources that the Offeror intends to commit to the work, including the qualifications, experience, and recent relevant training of management (e.g., partners and managers) and staff assigned to this engagement.

1. Indicate the number of hours to be worked by the partners, managers, and other staff assigned to this engagement. Partners and managers must work at least 15 percent of the hours, and staff must work the remaining hours.

2. The proposal must identify the individual who will represent the Contractor in all matters concerning this engagement.
3. Indicate how the quality of staff over the term of this engagement will be assured.
4. Request written permission of OCS before making changes to consultants and subcontractors mentioned in this RRF.
5. Identify other similar engagements that the Offeror will be committed to perform during the months of September through December of the calendar year 2024 and January through June of the calendar year 2025.

D. Timetable and Compensation. The proposal must include a timetable of the dates for the delivery of the draft and final audit reports and the proposed compensation, including a payment schedule.

1. The proposal must, to the extent possible, show the cost schedule of the engagement on the time allocation of the staffing classifications (i.e., partner, principal, manager, supervisory staff, and staff), corresponding rates, and estimated out-of-pocket expenses.

If the County requests the Contractor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then the additional work must be performed only if based on an addendum to the contract, recommended by OCS, and executed by the CPO and the Contractor.

2. The proposal must show hourly rates, by staffing classifications, for additional services required by the County in connection with the work performed under this engagement, as may be required.

E. Address Where the Audit Will Be Conducted. The proposal must specify the address of the office from which the Offeror will conduct and coordinate its activities. The proposal must specify facilities, equipment, or anything else the Offeror requires the County to provide. Available office space within County facilities is scarce, and providing room to the Contractor may not be possible. But the Council will make a good-faith effort to accommodate the Contractor's needs.

F. Proposal Submittal.

1. The proposal for conducting the audit must be submitted in a sealed envelope or package marked "Proposal for Independent Audit of the Former Finance Director's Accounts, RFP 25-002OCS" and mailed or delivered to:

David Raatz, Director of Council Services
County of Maui
200 South High Street, Room 703
Wailuku, Hawaii 96793

The envelope or package must contain the original proposal, five paper copies, and an electronic copy in a portable format, such as a flash drive, jump drive, pen drive, or USB stick.

2. Timely receipt of proposals will be evidenced by the date and time registered by an OCS time-stamp clock. Proposals received after the deadline will be rejected and returned.
3. If the Offeror chooses to submit its proposal by mail or private-delivery service, please be aware that the postal service and private firms deliver to a central County mailroom, not to OCS in Room 703. This situation may cause a delay in receipt, and the proposal may reach OCS after the deadline, resulting in an automatic rejection.
4. Proposals will not be publicly opened but will be opened only in the presence of designated OCS personnel. Proposals will become public information after the posting of the award or rejection of all proposals.
5. Proposals submitted via email, facsimile, or other means except for mail or physical delivery will not be accepted.
6. Performance and payment bonds are not required for responding to this RFP.
7. Multiple or alternate proposals will not be accepted.
8. OCS may cancel this RFP, and any and all proposals may be rejected in whole or in part, when it is in the County's best interest.

9. Proposals may be accepted without discussion. However, discussions may occur with priority-listed Offerors. The priority list may be limited to three responsible Offerors that submitted the highest-ranked proposals under Section 3-122-53, Hawaii Administrative Rules.
10. The Offeror must designate in writing those portions of the proposal that contain trade secrets or other proprietary data that are to remain confidential, subject to Section 3-122-58, Hawaii Administrative Rules; and material designated as confidential must be readily separable from the proposal to facilitate inspection of the nonconfidential portion of the proposal. Price is not considered confidential and will not be withheld.
11. The Offeror is advised that to be awarded a contract under this solicitation, the Offeror will be required to be compliant with all laws governing entities doing business in the State, including the following HRS provisions:
 - a. Chapter 237, General Excise Tax
 - b. Chapter 383, Hawaii Employment Security
 - c. Chapter 386, Workers' Compensation
 - d. Chapter 392, Temporary Disability Insurance
 - e. Chapter 393, Prepaid Health Care Act
 - f. Section 103D-310, Responsibility of offerors

Offerors should register with HCE before submitting an offer at <https://vendors.ehawaii.gov>. If the Offeror is not compliant on HCE, the Offeror will not receive the award.

12. The Offeror must submit a current copy of its professional liability insurance certificate.
13. A statement by the Offeror agreeing to abide by this RFP's terms must be included in the proposal.

G. Contact Person. The contact person for this RFP is:

David Raatz, Director of Council Services
200 South High Street, Room 703
Wailuku, Hawaii 96793
county.council@mauicounty.us

V. EVALUATION AND SELECTION PROCEDURES

A. General.

Proposals submitted will be evaluated by the Evaluation Committee in compliance with State laws and regulations. Proposals will be evaluated based on the following Technical Points criteria:

1. The Offeror's relevant experience.
2. Suitability and feasibility, including consideration of schedule and facilities required.
3. Qualifications of firm and personnel who will work on the audit, including consideration of external quality control reviews.
4. Overall responsiveness to this RFP.

Proposals will also receive a Cost Points score.

Scoring values and weighting factors are shown on Exhibit "A."

After the Evaluation Committee makes a determination, the successful Offeror will be notified in writing by OCS that it has been selected as the Contractor, and OCS will seek to award the contract on the Council's behalf.

B. Selection Process.

1. The Evaluation Committee reserves the right to make its recommendations based only upon proposals as submitted or to request additional information.
2. The Evaluation Committee may conduct discussions with Offerors under Section 3-122-53, Hawaii Administrative Rules.
3. The Evaluation Committee reserves the right to accept or reject any proposal that does not address the evaluation criteria.

VI. COMPLIANCE WITH GENERAL CONDITIONS FOR GOODS & SERVICES CONTRACTS

The pertinent substance of the County's General Conditions for Goods & Services Contracts will be incorporated into the contract. A copy is on the County website:

<https://www.mauicounty.gov/DocumentCenter/View/3186/Goods-and-Services>

VII. SERVICES NOT EXCLUSIVE

During the contract term, OCS or the CPO may or may not contract with other entities for similar services other than those within the scope of this RFP.

EXHIBIT "A"
EVALUATION CRITERIA

Proposals will be awarded a maximum of 100 Technical Points based on an evaluation of the proposal's content. A maximum of 30 additional Cost Points will be awarded based upon cost and added to the proposal's Technical Points subtotal score.

Cost Points: The proposal having the lowest total cost will be awarded the maximum number of points assigned to cost. The following formula will be used to assign the cost points for each proposal:

$$\frac{\text{Price of Lowest Cost Proposal}}{\text{Price of Proposal Being Rated}} \times \text{Maximum Points for Cost (30)} = \text{Points}$$

Offeror: _____

Value scale per factor: 0-10 (Unacceptable to Outstanding)

	Factor	Value	X	Weight	=	Score
1	Relevant experience of the Offeror		X	3.25	=	
2	Suitability and feasibility, including consideration of schedule and facilities requirement		X	3.25	=	
3	Qualifications of firm and personnel who will work on the audit, including consideration of external quality control reviews		X	2.25	=	
4	Overall responsiveness to the RFP		X	1.25	=	
	Technical Points score					
5	Cost Points score					
	TOTAL SCORE					

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