



DEPARTMENT OF HUMAN SERVICES

RELEASE DATE: October 7, 2019

INVITATION FOR BIDS No. IFB HMS-903-20-01-S

SEALED OFFERS FOR

TRANSFORMATION OF HAWAII'S FRAUD INVESTIGATIVE PROCESS

WILL BE RECEIVED UP TO 2:00 PM (HST) ON

October 18, 2019

IN THE DEPARTMENT OF HUMAN SERVICES, BENEFIT, EMPLOYMENT & SUPPORT
SERVICES DIVISION, 1010 RICHARDS STREET, SUITE 512, HONOLULU, HAWAII 96813.
DIRECT QUESTIONS RELATING TO THIS SOLICITATION TO SCOTT NAKASONE,
TELEPHONE (808) 586-7054, OR E-MAIL AT SNAKASONE2@DHS.HAWAII.GOV.

A handwritten signature in blue ink that reads "Pankaj Bhanot".

Pankaj Bhanot, Director
Department of Human Services

IFB HMS-903-20-01-S

SECTION ONE

SCOPE OF WORK AND SPECIFICATIONS

1.10 SCOPE OF WORK

The Department of Human Services (DHS) seeks consultation services to strengthen the integrity of our SNAP program by improving fraud prevention, detection, and investigation techniques and processes using data analytics and Business Process Redesign (BPR). BPR is a broad concept describing the effort of decreasing cycle times required to process work, capturing an organization's hidden capacity, and repurposing activities that do not add value. This is accomplished by working side-by-side with dedicated staff, agency leaders, and stakeholders to examine the existing workflow and applying the following process improvement principles to improve service delivery:

- Prioritize and group work based on common need and characteristics
- Use of data to make decisions and manage workload real-time
- Eliminate unnecessary case and/or customer interaction
- Reduce rework

The selected consultant, in collaboration with DHS, will implement procedures, ideas and practices outlined in the following four components of the SNAP Fraud Framework:

- Fraud Detection: Develop analytic algorithms and process improvements that support more proactive fraud detection and protect against employee fraud.
- Investigations and Dispositions: Redesign the investigations and benefit recovery workflow to investigate more referrals and process more overpayment claims.
- Analytics and Data Management: Combine and clean data from appropriate sources to guide the design and deployment of algorithms that help identify and prioritize referrals with the greatest likelihood of fraud.
- Learning and Development: Evaluate opportunities to standardize training for Investigations Office staff and supervisors, as well as fraud-focused curricula for eligibility workers.

Details for the above bulleted items can be viewed in Section 1.40, Service Specifications.

1.20 AUTHORITY

This IFB is issued under the provisions of the Hawaii Revised Statute (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 applicable legal authorities. Submission of a valid executed offer by any prospective Offeror shall constitute admission of such knowledge on the part of such prospective Offeror.

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

1.30 BACKGROUND INFORMATION

The Department of Human Services (DHS) is the State's second largest department. The Benefit, Employment & Support Services Division (BESSD) of DHS provides a continuum of services aimed at providing clients with assistance for basic needs such as food and shelter, while providing employment, child care and dependency diversion/prevention services to assist clients achieve self-sufficiency.

Specifically, the programs that BESSD administers are:

- Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF)
- General Assistance (GA)
- Aid to the Aged, Blind, and Disabled (AABD)
- Supplemental Nutrition Assistance Program (SNAP) – formerly known as the Food Stamp Program
- Low Income Home Energy Assistance program (LIHEAP)
- Homeless Programs (HP)
- First-To-Work (FTW)
- Employment and Training (E&T)
- Child Care Subsidy and Licensing

BESSD's Investigations Office (INVO) provides overall management for implementation of the Division's plans, policies, rules and procedures designed to prevent, detect, investigate, report and prosecute fraud and other crimes in the programs of the Division. Primarily, INVO's referrals and caseload involve the SNAP and cash assistance (TANF/TAONF/GA/AABD) programs.

Staffing for BESSD's INVO was reduced from 50 staff to 35 staff as a result of the Reduction in Force that occurred in 2009. INVO has since received approval by the Hawaii State Legislature to add back five positions, for a current statewide total of 40 staff. While facing this reduction in staff, INVO has also experienced periodic increases in the number of fraud complaints and referrals received. Since fiscal year 2016, INVO has received an average of approximately 1,000 fraud complaints annually. The Investigative Staff Section completes fraud investigations for a very small portion – between 3% and 5% – of these complaints, and an even smaller number of complaints – about 2% – result in convictions by the Attorney General's Office.

The low number of complaints investigated is a direct result of the total volume of complaints and referrals received by INVO relative to its available investigators. Additionally, investigations take an average of four to six months to complete due to outdated processes and procedures that have not changed despite the staffing reduction and increased workload. The length of investigations means many are closed before they are completed due to the statute of limitations.

Similarly, the number of investigation cases referred to the Administrative Disqualification Staff Section is low and has declined significantly, from 57 in 2016 to 9 in 2018. DHS typically recovers more than \$3.2 million per year through INVO, but agency data suggests that an additional \$1 million to \$2.5 million could be recovered annually if more investigations were completed.

It has become apparent to DHS that the existing processes require re-evaluation, and that there is a need to develop greater efficiencies.

By leveraging data analytics in combination with a comprehensive redesign of business practices and workflow, DHS seeks to improve its detection and investigation of fraud while streamlining processes for fraud case management from initial fraud referral through disposition.

1.40 SERVICE SPECIFICATIONS

1.41 Data Analytics

As part of this effort, DHS seeks to address the following objectives:

- Identify, develop and deploy the most effective analytic algorithms and data environment, to include transferring knowledge to state staff to ensure ongoing sustainability beyond grant funding.
- Identify potential risks relating to employee fraud. For example, DHS would be able to leverage data analytics to identify instances where a worker processes eligibility for the same household at multiple certification events, or workers with a rate of SNAP expedited issuance that exceeds the statewide average.
- Improve the quality of fraud referrals received by DHS investigators where has historically been often poor or based on the public's misinformed understanding of program rules and eligibility criteria. Analytics can be used to help prioritize referrals based on a set of elements that allow investigators to pursue those instances with the highest likelihood of fraud, thus improving the return on investment.

The Consultant shall present an approach to address the above objectives, wherein they are ultimately responsible for the following:

- Identify appropriate data sources and pull them into a single data environment. For DHS, these data sources would likely consist of current SNAP recipients, applicants, staff eligibility actions, and commonly used cross-matched sources.
- Prepare the data to build models.
- In partnership with DHS staff and data experts, develop business rules to test. Once the rules have been developed, analytic tests will be run to identify any discrepancy with the rule. As examples:
 - If a rule indicates a recipient should receive a benefit payment no more than once per month, a test can be designed to identify whether recipients have received payments more than once per month.
 - If a rule indicates a household should spend most benefits in a specific island, a test could be designed to identify the rate by which benefits are frequently spent in locations other than the vicinity of the reported home address.
- Develop clear visualizations that allow state staff to quickly and easily identify the outliers that require additional investigation.
- Educate and train DHS in the use of data analytics.

A similar approach would be developed to identify potential risks relating to employee fraud. For example, DHS would be able to leverage data analytics to identify instances where a worker processes eligibility for the same household at multiple certification events, or workers with a rate of SNAP expedited issuance that exceeds the statewide average.

Finally, the quality of fraud referrals received by DHS investigators is often poor or based on the public's misinformed understanding of program rules and eligibility criteria. Analytics can be used to help prioritize referrals based on a set of elements that allow investigators to pursue those instances with the highest likelihood of fraud, thus improving the return on investment.

The Consultant will work with DHS to identify, develop, and deploy the most effective analytic algorithms and data environment. This would include transferring knowledge to state staff to ensure ongoing sustainability beyond grant funding.

1.42 Assessment of the Current Business Model

A meaningful assessment includes data, both quantitative and qualitative, as well as skilled observation to successfully identify opportunities. The assessment of current processes for investigations and benefits recovery will drive the business process redesign effort.

The Consultant, in collaboration with DHS, will assess operations within INVO teams. These assessments will be conducted via onsite visits as well as a review of operational data. During the assessment phase, the Consultant, in collaboration with DHS, will:

- Observe and document team practices and processes
- Interview and ascertain customer feedback
- Analyze workload data and trends
- Document access points and sources of work
- Facilitate focus groups with staff representatives from all teams. These groups will examine staff perspective as it relates to current processes, identify areas in need of change, and note possible best practices.
- Review current performance (i.e. goals, outcomes, timeliness, federal measures)
- Evaluate staff and supervisor training, including opportunities to improve consistency
- Compare how leadership's message and stated goals are being interpreted and emphasized by supervisors, and how investigators see their role in achieving stated goals
- Understand the pain points in processes
- Document organizational structure and staffing levels/breakdown
- Better understand how data is currently used to stratify work and organize DHS' approach

The outcomes associated with the assessment phase will provide a comprehensive description of observations, as well as a list of initial high-level opportunities for the processes on which to focus redesign efforts to ensure the greatest impact on future performance:

- Description of the "As-Is" business processes (pictorial, narrative, and quantitative)
- Work system strengths and weaknesses
- Identification of potential areas needing to change and best practices
- Summary and opportunities from observed activities
- Approach to achieve enhancements and modifications to the existing business model

1.43 Redesign

Following the assessment phase, the Consultant, in collaboration with DHS, will form a Redesign Team that will be charged with fine-tuning the system of work and creating process solutions that are faster, easily accessible, consistent, integrated, and flexible for each of the areas identified during the assessment. The stated goals of this effort are to increase staff capacity, improve processes, achieve consistency, and drive up performance. To do this, the Redesign Team will review the current workflow and business model through process mapping, interact with customers, and analyze operational and customer data. The Redesign Team will be comprised of line workers; administrative/support staff; supervisors; site managers; representatives from policy, quality assurance, training, and IT; and state office management.

The Redesign Team will use process improvement concepts and techniques to formulate answers for some of the following questions:

- Can the number of functions be reduced?
- Which activities offer the greatest potential for improvements?
- Which steps are unnecessary and could be eliminated?
- Will changing the sequence of the steps result in greater efficiency?
- Which activities consume the most elapsed time?
- Which activities consume the most work time?
- Which activities show the greatest discrepancy between work time and elapsed time?
- How can time be saved on critical path activities?
- Which activities could be done in parallel to reduce elapsed time?
- Where does batch processing occur and what is its impact on elapsed time?
- Where do mistakes and rework occur, and how can they be avoided?
- Where does variability occur in the process?
- Where does the process seem unnecessarily complex?
- Where do customers have trouble with the process?

The Redesign Team will create maps for most processes, capturing functions and activities in detail (FACT sheets) to determine the effectiveness of each process. These maps will serve as the basis of a gap analysis and help DHS determine the amount of opportunity there is in a process.

The “As-Is” process maps will form the basis of the team’s gap analysis, through which they will apply process improvement concepts to determine the amount of opportunity in each As-Is process. Based on the findings of the As-Is process mapping gap analysis, the Redesign Team will design re-engineered business practices that aim to free up staffing capacity, improve quality by streamlining DHS’ most important processes, and integrate staff into the BPR model.

At the conclusion of the redesign phase, the Redesign Team will provide DHS leadership with a description of their recommendations for the new model of work with recommendations for technology, policy, and operational functions that could be better aligned. This phase will identify challenges with the current business model, as well as explain each of the team’s recommendations for consideration by leadership:

- Description of the process and analysis work
- Specific detailed recommendations and “To-Be” processes
- Recommended enhancements to DHS training programs
- Policy recommendations, if any, and issues to be addressed by leadership
- Resources and timeframes necessary to implement the recommendations
- Expected benefits
- Proposed organizational structure to maximize the benefits of the recommendations
- Identification of recommended technology changes and the use of data analytics to support process changes

1.44 Implementation Planning and Readiness

A well-designed and sustainable business process is built on solid change management principles. Change management concepts are built into the extensive readiness and implementation methodology that will be applied.

Planning

Prior to implementation of the proposed new business processes, the Consultant, in collaboration with DHS, shall conduct an in-depth planning session during which an implementation plan and timeline will be developed. Planning session activities include training on business process redesign concepts, a review of workload data and flow, backlog reduction planning (if necessary), development of a transition plan, and development of a communication strategy to convey the new workflow and train staff. At the end of this planning session, the state will have produced an implementation plan and timeline outlining the necessary tasks and deliverables required to transition to the new model.

This planning session engages staff in the process of planning for a successful transition to a new service delivery model. The act of engaging their time and effort in developing an implementation plan and making critical decisions puts staff in the position of creating solutions and owning the overall success of the transition.

This approach is based on supportive and continuous training. Every concept is taught and applied on the spot. Staff will be trained on the following concepts to help them develop an effective implementation plan:

- Business process redesign principles
- Understanding the urgency and importance of the organizational changes
- Expectations moving forward
- Strategies to overcome obstacles to the changes
- Possible solutions to manage and overcome matters within their control
- Practical skills and strategies to help the site through the transitional changes

Readiness

Once the implementation plan is finalized, the Consultant, in collaboration with DHS, will work with staff as they prepare to operationalize the new business processes. Implementation would be set to take place within four to eight weeks after the implementation plan is completed. Supporting managers and staff with their preparation efforts during these critical weeks is essential to their success. The Consultant, in collaboration with DHS, will hold regular meetings with managers prior to the implementation date. These meetings will help assess progress with the overall implementation process, remove and overcome unanticipated barriers, advise and train leaders on key management elements required to manage and sustain a site under the new business model, encourage buy-in, and answer any questions managers may have.

1.45 Implementation

During implementation, the Consultant will make available human services, fraud, and process experts to provide comprehensive operations support to local managers and staff. The goal is to coach and mentor leaders on managing within a redesigned set of business practices and service delivery model; provide management training on new operating procedures; provide training to all staff to increase knowledge of the new processes and tools; and provide constant support to facilitate knowledge transfer. A primary focus during the implementation phase is to help local managers transition from merely managing people to managing processes and overall operations – regularly holding operational meetings, analyzing data, and making process decisions quickly for ultimate responsiveness to staff and business needs.

The Consultant, in collaboration with DHS, will also help managers develop the habit and continue the practice of holding regular operational meetings to review data, proactively respond to trends and challenges, gather feedback from staff, and develop solutions quickly when needed. Additionally, the Consultant, in collaboration with DHS, will prepare local managers to handle the transition and decisions that would need to be made after the implementation period, as it is anticipated that staff may likely have minor operational details to work out.

1.46 Evaluation

Once the new model has rolled out and teams have operated within the new business model(s) for two to three months, the Consultant, in collaboration with DHS, will begin to assess the results of the initial implementation to identify any planning, design, performance, or communication issues that may impact long-term outcomes. This evaluation will enable DHS to define successes and adherence to the model(s) and determine whether adjustments or additional steps are needed to drive desired results.

The analysis will be conducted by INVO staff, with guidance provided by the Consultant. To track the progress of the project, INVO will use both manual and data tracking. Manually INVO will use checklists to identify when steps within the project are completed. INVO will also use current systems (i.e., the Investigation Management System) to track progress as well as identify and resolve issues with each step. Using both methods will allow INVO to implement and test the processes and procedures established throughout the project.

Analysis may include the following elements:

- Backlog of fraud referrals awaiting action (quantity)
- Days to review complaint/days to determine case status
- Days to investigation on referrals
- Days to recovery
- Monthly recovery percentage of investigation
- Monthly recovery of dollars

Analysis of initial results will be conducted daily and in real-time. If analysis indicates adjustments to the new business processes are needed, changes will be developed by members of the Redesign Team and proposed to DHS leadership for approval prior to implementation.

1.47 Expected Outcomes

Based on the increased program integrity achieved by other states through similar efforts, DHS expects that the implementation of redesigned business practices will enhance Hawaii's ability to investigate, detect, and mitigate fraud and to better leverage staff capacity. Other expected outcomes include:

- Ensuring incoming department referrals are workable and that fraud can be detected.
- Giving investigators the authority to close cases based on allegation findings and the flexibility to continue investigating clients only if the evidence indicates a need for a holistic approach.
- Ensuring clean handoffs of work between units.
- Triaging fraud allegations up front to focus the bulk of the time on larger, more complex cases while more routine fraud cases are worked through less intensive avenues.
- Streamlining handoffs between investigative fraud findings and overpayments to reduce the time and effort needed.
- Combining new technology with seasoned staff to quickly move overpayments to collections.
- Increasing the number of completed investigations with findings.
- Reducing the numbers of days to complete investigations.
- Increasing the number of claims established and amount collected.

1.49 Project Schedule

The Department requires that the length of this project be no more than 12 months from the effective date of the contract. Should the project require additional time, there would be an option of an additional six-month extension at no-cost to the State. It is believed this period of performance is commensurate with the proposed service specifications and will ensure enough time is allocated to each activity as depicted below.

	Month											
Step	1	2	3	4	5	6	7	8	9	10	11	12
Data Analytics												
Assessment												
Design												
Planning												
Readiness												
Implementation												
Evaluation												

1.50 OFFEROR'S QUALIFICATIONS

- 1.51 Offeror shall have experience, within the last 5 years or current, with projects of similar scope to that described in the IFB.
- 1.52 Offeror shall have a minimum of 8 years of in-depth experience providing process management consultation and redesigning the eligibility practices supporting the delivery of safety-net programs such as Medicaid, SNAP, TANF, and state-funded programs for no less than 3 local county governments, states, or federal agencies.

1.60 CONTRACT ADMINISTRATOR

For the purposes of this contract, the DHS Contract Administrator will serve as the primary liaison to the Contractor. The DHS Contract Administrator is:

Scott Nakasone
Department of Human Services
Benefit, Employment & Support Services Division
Telephone: (808) 586-7054
Email: snakasone2@dhs.hawaii.gov

1.70 ISSUING OFFICER AND PROJECT COORDINATOR

The individual listed below is the primary point of contact from the date of release of this IFB and during the performance of the Scope of Work of this contract:

Scott Nakasone
Department of Human Services
Benefit, Employment & Support Services Division
Telephone: (808) 586-7054
Email: snakasone2@dhs.hawaii.gov

SECTION TWO

OFFEROR SUBMITTAL AND CONTENT

2.10 OFFEROR'S AUTHORITY TO SUBMIT AN OFFER

The State will not participate in determinations regarding an Offeror's authority to sell a product or service. If there is a question or doubt regarding an Offeror's right or ability to obtain and sell a product or service, the Offeror shall resolve that question prior to submitting an offer. If an Offeror offers a product that meets the specifications, is acceptable and the price submitted is the lowest priced offered, the contract will be awarded to that Offeror.

2.20 CERTIFICATION OF INDEPENDENT COST DETERMINATION

By submission of an offer in response to this solicitation, Offeror certifies as follows:

1. The costs quoted have been arrived at independently, without consultation, communication, or agreement with any other Offeror, as to any matter relating to such costs for the purpose of restricting competition.
2. Unless otherwise required by law, the cost which have been quoted in response to this Solicitation have not been knowingly disclosed by the Offeror prior to award, directly or indirectly, to any other Offeror or competitor prior to the award of the contract.
3. No other attempt has been made or will be made by the Offeror to indicate any other person or firm to submit or not to submit for the purpose of restricting competition.

2.30 REQUIRED REVIEW

- 2.31 Before submitting an offer, each Offeror must thoroughly and carefully examine this solicitation, any attachment, addendum, and other relevant document, to ensure Offeror understands the requirements of the solicitation. Offeror must also become familiar with State, local and federal laws, statutes, ordinances, rules, and regulations that may in any manner affect cost, progress, or performance of the work required.
- 2.32 It is the intent of the specifications to provide complete coverage of the requirements of the requested services. Should there be any omissions or discrepancies in these specifications, the Offeror shall call the immediate attention of the Issuing Officer, to such omission or discrepancy in advance of the bid opening date so that the necessary corrections may be made. Otherwise, it will be construed that the Offeror fully understands the intent of the specification and shall be expected to perform as if the omissions and discrepancies did not exist.

2.40 OFFER PREPARATION COSTS

Any and all costs incurred by the Offeror in preparing or submitting an offer shall be the Offeror's sole responsibility whether or not any award results from this solicitation. The State shall not reimburse such costs.

2.50 OFFER PREPARATION

- 2.51 **Offer Form, OF-1.** Offeror shall submit its current Federal I.D. No. and Hawaii General Excise Tax License I.D. number in the space provided on Offer Form, page OF-1, thereby attesting that the Offeror is doing business in the State and that Offeror will pay such taxes on all sales made to the State.

Offeror is requested to submit its offer 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 space on Offer Form, page OF-1. Failure to do so may delay proper execution of the contract.

The authorized signature on the Offer Page OF-1 shall be an original signature in ink. If unsigned or if 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.

- 2.52 **Offer Form, OF-2.** Pricing shall be submitted on Offer Form, page OF-2. The price shall be the all-inclusive cost, including the GET, to the State. No other costs will be honored. Any unit prices shall be inclusive.

2.52.1 Tax Liability. The following information is provided to assist Offerors in determining their tax liability under this solicitation. For additional information and assistance, Offerors may call the State of Hawaii Department of Taxation.

2.52.2 Hawaii Vendors. A vendor doing business in the State of Hawaii, as evidenced by its Hawaii General Excise Tax (GET) license number, is liable for the Hawaii GET, currently either 4% or 4.5%*, and the applicable Use tax, currently 1/2%, resulting from this solicitation. (*Note: The 4.5% GET rate applies to sales made on Oahu only; the 4% GET rate affects the other Islands of Hawaii.)

2.52.3 Tax-Exempt Vendors. If an Offeror is a person exempt by the HRS from paying the GET and Use tax and therefore not liable for the taxes under this solicitation, Offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

- 2.53 **Offer Form, OF-3.** References shall be submitted on Offer Form, page OF-3. Offeror shall provide the names of at least three (3) references with whom Offeror has done business in the past (within the last 5 years or current) and who can attest to the quality level and reliability of all aspects of Offeror's work and service. The DHS/BESSD reserves the right to contact these references to verify Offeror's quality level and reliability.

- 2.54 **Knowledge, Skills, Experience.** Offeror shall provide information that clearly demonstrates project personnel meet the required minimum qualifications of knowledge, skills and experience.

- 2.55 **Wage Certificate.** Offeror shall complete and submit a Wage Certificate by which the Offeror certifies that services required will be performed pursuant to §103-55, HRS. Accordingly, Offeror should consider the public sector wage rates and/or benefits when preparing this offer, as applicable.

This certification does not apply to managerial, supervisory, or clerical personnel or for contracts for professional consultant services.

2.60 OFFER GUARANTY

An offer guaranty (bid bond) is not required for this IFB.

2.70 CONFIDENTIAL INFORMATION

If an Offeror believes that any portion of the offer contains information that should be withheld as confidential, the Offeror shall request in writing nondisclosure of designated trade secrets or other proprietary data to be confidential. Such data shall accompany the offer, be clearly marked, and shall be readily separable from the offer in order to facilitate eventual public inspection of the non-confidential portion of the offer.

Pursuant to Section 3-122-58, Hawai'i Administrative Rules (HAR), the head of the purchasing agency or designee shall consult with the Attorney General and make a written determination in accordance with Chapter 92F, Hawai'i Revised Statutes (HRS). If the request for confidentiality is denied, such information shall be disclosed as public information, unless the person appeals the denial to the Office of Information Practices in accordance with Section 92F-42(12), HRS.

2.80 INSTRUCTIONS FOR SUBMITTING OFFER

Offeror shall submit their offer, signed by a person with authority to commit the Offeror, in a sealed envelope clearly marked with the following:

"IFB NO. HMS-903-20-01-S"
TRANSFORMATION OF HAWAII'S FRAUD INVESTIGATIVE PROCESS
(Name of Offeror)

Offers must be received no later than 2:00 p.m. HST on October 18, 2019 whether delivered in person or by United States Postal Service, United Parcel Service, Federal Express or any other mailing method, at the following address:

Department of Human Services
Benefit, Employment & Support Services Division
1010 Richards Street, Suite 512
Honolulu, HI 96813
Attention: Scott Nakasone

Offers received earlier will be held unopened; late offers will be rejected. Offers that do not comply with these requirements shall not be considered. Timely receipt shall be evidenced by the date and time registered by the DHS/BESSD time stamp clock. No offers will be received after the specified date and time. All conditions apply regardless of whether an offer is mailed or hand delivered.

Faxed offers, offers submitted solely on electronic media or offers transmitted via e-mail are not permitted and will not be considered.

2.90 MODIFICATION PRIOR TO SUBMITTAL DEADLINE OR WITHDRAWAL OF OFFERS

The Offeror may modify or withdraw an offer before the due date and time.

2.100 RECEIPT, OPENING, AND RECORDING OF BIDS

Offers will be opened on the date, time and place specified in this Solicitation. All information pertaining to the offers shall be available for public inspection, upon request, after offer opening except to the extent that the Offeror designates trade secrets or other proprietary data to be confidential. Offerors shall ensure that material so designated as confidential is readily separable from the offer in order to facilitate public inspection of the non-confidential portion of the offer. Prices and terms of payment shall be publicly available regardless of any designation to the contrary.

The procurement officer, or designated representative, shall examine the offers to determine the validity of any requests for nondisclosure of trade secrets and other proprietary data identified in writing. If the parties do not agree as to the disclosure of data, such data shall be subject to written determination by the Attorney General for confidentiality. If the Attorney General determines in writing that the material so designated as confidential is subject to disclosure, the Offeror submitting the material under review shall be so notified in writing and the material shall be open to public inspection unless the Offeror protests under HAR chapter 3-126.

SECTION THREE
CONTRACT AWARD AND TERMS

3.10 METHOD OF AWARD

Award, if made, shall be to the responsive, responsible Offeror submitting the lowest Total Contract Cost.

3.20 RESPONSIBILITY OF OFFERORS

Offeror is advised that in order to be awarded a contract under this solicitation, Offeror will be required to be compliant with all laws governing entities doing business in the State including the following chapters and pursuant to Hawaii Revised Statutes (HRS) §103D-310(c):

1. Chapter 237, General Excise Tax Law;
2. Chapter 383, Hawaii Employment Security Law;
3. Chapter 386, Worker's Compensation Law;
4. Chapter 392, Temporary Disability Insurance;
5. Chapter 393, Prepaid Health Care Act; and
6. §103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

3.30 Vendor Compliance - Hawaii Compliance Express (HCE).

3.31 Vendors may use the HCE, which is an electronic system that allows vendors/contractors/service providers doing business with the State to quickly and easily demonstrate compliance with applicable laws. It is an online system that replaces the necessity of obtaining paper compliance certificates from the Department of Taxation, Federal Internal Revenue Service; Department of Labor and Industrial Relations, and Department of Commerce and Consumer Affairs.

3.32 **Timely Registration on HCE.** Vendors/contractors/service providers intending to use the HCE to demonstrate compliance are advised to register on HCE as soon as possible at <https://vendors.ehawaii.gov>. The annual registration fee is \$12.00 and the 'Certificate of Vendor Compliance' is accepted for the execution of contract and final payment. If a vendor/contractor/service provider is not compliant on HCE at the time of award, an Offeror will not receive the award.

3.33 **Verification of Compliance on HCE.** The State will verify compliance via HCE throughout the term of the contract.

3.40 PROTEST PROCEDURES

Pursuant to HRS §103D-701 and HAR §3-126-3, an actual or prospective Offeror who is aggrieved in connection with the solicitation or award of a contract may submit a protest. Any protest shall be submitted in writing to the Procurement Officer at:

Procurement Officer DHS/BESSD
1010 Richards Street, Suite 512
Honolulu, HI 96813

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 or if requested, within five (5) working days after the Procurement Officer's debriefing was completed.

The notice of award, if any, resulting from this solicitation shall be posted on the Hawaii Awards and Notices Data System (HANDS), which is available on the SPO website: <https://hands.ehawaii.gov/hands/>.

3.50 APPROVALS

Any agreement arising out of this offer may be subject to the approval of the State Department of the Attorney General, and to all further approvals, including the approval of the Governor, as required by statute, regulation, rule, order, or other directive.

3.60 CONTRACT EXECUTION

Successful Offeror receiving award shall enter into a formal written contract to be signed by the Contractor.

No work is to be undertaken by the Contractor prior to the commencement date specified on the Notice to Proceed. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the official commencement date.

3.70 NOTICE TO PROCEED

Upon execution of the contract, a Notice to Proceed will be issued. The official commencement date shall be the date specified on the Notice to Proceed.

3.80 TERM OF CONTRACT

This contract will be for the period of November 1, 2019 to October 31, 2020, with an option for a six (6) month no-cost extension.

3.90 INSURANCE

Prior to the contract start date, the Contractor shall procure at its sole expense and maintain insurance coverage acceptable to the State in full force and effect throughout the term of the Contract. The Contractor shall provide proof of insurance for the following minimum insurance coverage(s) and limit(s). The type of insurance coverage is listed as follows:

1. Commercial General Liability Insurance

Commercial general liability insurance coverage against claims for bodily injury and property damage arising out of all operations, activities or contractual liability by the Contractor, its employees and subcontractors during the term of the Contract. This insurance shall include the following coverage and limits specified or required by any applicable law: bodily injury and property damage coverage with a minimum of

\$1,000,000 per occurrence; personal and advertising injury of \$1,000,000 per occurrence; broadcasters' liability insurance of \$1,000,000 per occurrence; and with an aggregated limit of \$2,000,000. The commercial general liability policy shall be written on an occurrence basis and the policy shall provide legal defense costs and expenses in addition to the limits of liability stated above. The Contractor shall be responsible for payment of any deductible applicable to this policy.

2. Automobile Liability Insurance

Automobile liability insurance covering owned, non-owned, leased, and hired vehicles with a minimum of \$1,000,000 for bodily injury for each person, \$1,000,000 for bodily injury for each accident, and \$1,000,000 for property damage for each accident.

3. Appropriate levels of per occurrence insurance coverage for workers' compensation and any other insurance coverage required by federal or State law.

The Contractor shall deposit with the DHS/BESSD, on or before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the DHS/BESSD that the provisions of the Contract have been complied with, and to keep such insurance in effect.

The Contractor will immediately provide written notice to the DHS/BESSD should any of the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed upon expiration.

The certificates of insurance shall contain the following clauses:

1. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
2. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

Failure of the Contractor to provide and keep in force such insurance shall constitute a material default under the Contract, entitling the State to exercise any or all of the remedies provided in the Contract (including without limitation terminating the Contract). The procuring of any required policy or policies of insurance shall not be construed to limit the Contractor's liability hereunder, or to fulfill the indemnification provisions of the Contract. Notwithstanding said policy or policies of insurance, the Contractor shall be responsible for the full and total amount of any damage, injury, or loss caused by the Contractor's negligence or neglect in the provision of services under the Contract.

3.100 INVOICING AND PAYMENT

The Contractor shall submit an original invoice to the DHS Contract Administrator. HRS §103-10, provides that the State shall have thirty (30) calendar days after receipt of invoice or satisfactory delivery of goods to make payment. For this reason, the State will reject any offer submitted with a condition requiring payment within a shorter period. Further, the State will reject any offer submitted with a condition requiring interest payments greater than that allowed by HRS §103-10, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period or interest payment not in conformance with statute.

Only services that have been satisfactorily delivered to and accepted by the State shall be paid for in accordance with statute.

3.110 OFFICE LOCATION

The Contractor shall not be required to have an office location in the State of Hawaii.

3.120 COMPLIANCE WITH LAWS, ORDINANCES, AND REGULATIONS

The Contractor shall comply with all federal, state, and local laws or ordinances of any kind pertaining, but not limited, to permits, licensing, safety, work and labor, employees, wages and payroll, withholding and other taxes, and materials, and shall indemnify and save the State harmless against any claim arising from the violation of any such laws or ordinances.

3.130 CONFIDENTIALITY INFORMATION

The Contractor agrees that all information, records, and data collected in connection with the IFB and/or contract shall be protected from unauthorized disclosures. In addition, Contractor agrees to safeguard the confidentiality of applicant and recipient information.

3.140 SUBCONTRACT

No work or services in whole or in part shall be subcontracted by the Contractor without prior approval from the Project Coordinator of this contract.

3.150 CONTRACT INVALIDATION

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

3.160 LIQUIDATED DAMAGES

Refer to Section 9 of the AG General Conditions, Form AG-008, or as amended. Liquidated damage is fixed at the sum of \$500 per calendar day for any failure of the Contractor to perform in whole or in part any of its obligations relating to the requirements of the IFB. Liquidated damage, if assessed, may be deducted from any payments due or to become due to the Contractor.

**OFFER FORM
OF-1**

TRANSFORMATION OF HAWAII'S FRAUD INVESTIGATIVE PROCESS
STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
IFB HMS-903-20-01-S

Procurement Officer
Department of Human Services
State of Hawaii
Honolulu, Hawaii 96813

Dear Procurement Officer:

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. _____

Federal 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.: _____

Fax No.: _____

Name and Title (Please Type or Print)

E-mail Address: _____

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 will be executed:**

**OFFER FORM
OF-2**

Pricing for the each itemized cost item below is required.

Consultation hourly rate \$
Number of hours proposed: _____

Total for Consultation Services \$

Travel (Airfare, lodging, meals, etc.) per visit (if applicable) \$
Number of visits proposed: _____

Total for Travel \$

Additional Item(s): (Please list with proposed costs) \$

TOTAL CONTRACT COST \$

Note: Pricing shall include labor, materials, supplies, all applicable taxes, and any other costs incurred to provide the specified services.

Offeror _____

Name of Company

**OFFER FORM
OF-3**

OFFEROR REFERENCES

Name, address and contact information of 3 customers for which the Offeror has provided services similar to those requested in the IFB. All work must have been performed within the last 5 years or current.

1. Name:

Address:

Title:

Current Phone Number:

Work Performed:

Schedule and Actual Completion Date:

2. Name:

Address:

Title:

Current Phone Number:

Work Performed:

Schedule and Actual Completion Date:

3. Name:

Address:

Title:

Current Phone Number:

Work Performed:

Schedule and Actual Completion Date:

WAGE CERTIFICATE

Subject: Project No. IFB HMS-903-20-01-S

Description of Project: Transformation of Hawaii's Fraud Investigative Process

Pursuant to §103-55, HRS, I hereby certify that, if awarded a contract in excess of \$25,000.00, the services to be performed will be performed in accordance with the following conditions:

1. The services to be rendered shall be performed by employees paid at wages or salaries not less than wages paid to the public officers and employees for similar work, if similar positions are listed in the classification plan of the public sector.
2. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with.

CONTRACTOR shall be obliged to notify its employees performing work under this contract of the provisions of §103-55, HRS, and the current wage rate for public employees performing similar work. The CONTRACTOR may meet this obligation by posting a notice to this effect in the CONTRACTOR's place of business accessible to all employees, or the CONTRACTOR may include such notice with each paycheck or pay envelope furnished to the employee

I understand that, in addition to the base wages required by §103-55, HRS, all payments required by federal and state laws that employers must make for the benefit of their employees shall be paid.

Offeror: _____

Signature: _____

Title: _____

Date: _____

GENERAL CONDITIONS AG-008 103D (10/17/2013)

Printable and Viewable through the following link:

<http://hawaii.gov/forms/internal/department-of-the-attorney-general/103d/view>