



RELEASE DATE: June 14, 2024

**The State of Hawaii
OFFICE OF THE AUDITOR**

ADDENDUM NO. 1

DATE ISSUED: JUNE 14, 2024

TO

**Request for Proposals
Solicitation #RFP-2024-010**

**FINANCIAL AND SINGLE AUDITS OF THE
HAWAI'I TOURISM AUTHORITY AND
HAWAI'I CONVENTION CENTER**

DATE ISSUED: JUNE 4, 2024

June 14, 2024

ADDENDUM NO. 1

To

**REQUEST FOR PROPOSALS
FINANCIAL AND SINGLE AUDITS OF
THE HAWAI'I TOURISM AUTHORITY AND HAWAI'I CONVENTION CENTER
RFP No. RFP-2024-010**

The Office of the Auditor, State of Hawai'i, is issuing this Addendum No. 1 to RFP Number RFP-2024-010, FINANCIAL AND SINGLE AUDITS OF THE HAWAI'I TOURISM AUTHORITY AND HAWAI'I CONVENTION CENTER for the purposes of:

- ☒ **Responding to questions that arose at the orientation meeting of June 10, 2024 and written questions subsequently submitted in accordance with Sections 1.3 and 2.5, of the RFP.**
- ☐ Amending the RFP.
- ☐ Final Revised Proposals

The proposal submittal deadline:

- ☐ is amended to <new date>.
- ☒ **is not amended.**
- ☐ for Final Revised Proposals is <date>.

Attached is (are):

- ☒ **A summary of the questions raised and responses for purposes of clarification of the RFP requirements.**
- ☐ Amendments to the RFP.
- ☐ Details of the request for final revised proposals.

If you have any questions, contact:

Lauren Kawajiri, Administrative Deputy Auditor

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Mailing Address: Office of the Auditor, State of Hawai'i, Kekūanaō'a Building,
465 South King Street, Room 500, Honolulu, Hawai'i 96813-2917

A virtual pre-proposal conference was held via Zoom Meeting on June 10, 2024 at 10 A.M. HST for RFP Nos. RFP-2024-008-01, RFP-2024-009-01 and RFP-2024-010. The agenda for the pre-proposal conference follows:

AGENDA

- I. Welcome and Introductions
- II. Purpose of this meeting
- III. Purpose of these RFPs
 - a. 2024-008-01 Hawai‘i Housing Finance and Development Corporation financial and single audits FY24-25
 - b. 2024-009-01 Employees’ Retirement System of the State of Hawai‘i financial audits FY23-24
 - c. 2024-010 Hawai‘i Tourism Authority financial and single audits and Hawai‘i Convention Center financial audit FY24
- IV. Timeline
 - a. Deadline for submission of written questions: June 12, 2024 at 4 P.M.
 - b. Answers to questions submitted: June 14, 2024 at 4 P.M.
 - c. Proposals due: June 20, 2024 at 12 Noon
 - d. Evaluations: June 20 through 25, 2024
 - e. Anticipated award date: July 1, 2024
 - f. Contract start date: July 2024
 - g. Audits must be completed by the due dates in the RFPs to ensure State Annual Comprehensive Financial Report is issued timely.
- V. Overview of RFPs
 - a. Section 1: General Information
 - b. Section 2: Solicitation Information
 - c. Section 3: Requirements
 - d. Section 4: Proposal Submission Instructions
 - e. Section 5: Evaluation and Award
 - f. Section 6: Evaluation Criteria
 - a. Section 6.1 requires that engagement partner/partner-in-charge and engagement manager(s) possess a current and valid Hawai‘i CPA license and individual permit to practice in the State of Hawai‘i
 - b. Section 6.2.1 includes a reference to a new Contractor Past Performance Database on HANDS. Contracts completed on or after January 1, 2024 will require the Procurement Officer to complete and submit a contractor performance form in the database. The database will be used to determine the overall rating of past performance.
 - g. Section 7: Contract Management
 - a. Section 7.5 Post Award Deliverables. While dates are split between financial and single audit reports for HHFDC, they prefer that the fieldwork be completed simultaneously, and a single report be issued in December.

- h. Section 8: Special Provisions
- i. Attachments and Exhibits: Offer Forms, Statement of Work/Specifications, AG General Conditions
 - a. Attachment E Licensing Requirements. We added additional requirements for engagement managers to also possess a current and valid Hawai‘i CPA license and individual permit to practice public accountancy in the State of Hawai‘i.
 - b. Attachment F Experience and Qualifications of Firm. Please provide professional experience of partners, principals, managers, and seniors expected to be assigned to the engagement. We did not previously specify that it should be for the key personnel expected to be assigned to the engagement.
 - c. Attachment G Past Performance on Projects. Please advise if the firm received a notice to cure for non-performance or default in the past 5 years for any project identified.
 - i. If no prior Hawai‘i engagements, Offerors should still provide any notice to cure received in the past 5 years.
 - d. Attachment H: Attachment H Human Resources. Please provide the number of personnel in the organization and the amount that are intended to be committed to the engagement. We previously asked for the number of personnel that are available for assignment.
 - e. Exhibit 1: AG General Conditions are non-negotiable.

VI. Hawai‘i Compliance Express

VII. Questions and Answers

- a. Submit written questions by email to LAO.Auditors@hawaii.gov
- b. Questions/Answers will be posted to each respective RFP as an addendum. Questions will remain anonymous.

VIII. Other Information

- a. Prior year audits posted on Office of the Auditor website.

Responses to Question Raised by Applicants

For RFP No. RFP-2024-010

FINANCIAL AND SINGLE AUDITS OF THE HAWAI'I TOURISM AUTHORITY AND
HAWAI'I CONVENTION CENTER

- 1. Regarding Offer Form OF-2 for client references, can we use the same reference forms that were submitted in February for the prior RFPs (i.e. RFP Nos. 2024-001 through 2024-007)?**

We prefer that new client reference forms be submitted in response to the current RFPs. If prior reviewers have no changes to the reference forms submitted in response to RFP Nos. 2024-001 through 2024-007, they may email the prior submitted form with an acknowledgement that there have been no changes to the feedback previously submitted and specify in the email which RFPs they are submitting their feedback for.

- 2. What were the actual hours incurred in FY2022 and FY2023? How many hours were incurred by the auditors in each of the two most recently completed audits? If provided by the auditors, please break down between the financial statement portion and single audit portion.**

The auditors incurred 1,031.5 hours for the FY2023 audits (612 hours for HTA financial audit, 80.25 hours for HTA single audit, and 339.25 hours for HCC financial audit) and 1,116.2 hours (719.9 hours for HTA financial audit, 127 hours for HTA single audit, and 269.3 hours for HCC financial audit) for the FY2022 audits.

- 3. Were there any amendments made to the FY2022 or FY2023 contract price?**

No. Prior audit contract award details are available on the Hawai'i Awards and Notices Data System website (<https://hands.chawaii.gov/hands/awards>).

- 4. Will the predecessor auditor provide full access to their 2023 audit work papers?**

Yes.

- 5. Any challenges you have faced in your previous audits that you would like to avoid going further and if so, what are they?**

There were no challenges during prior audits.

- 6. What are you looking for in your next service provider?**

HTA and HCC are looking for a CPA firm that will follow Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards.

7. When will the HTA and the Hawaii Convention Center be able to provide their auditors with the final trial balances and supporting schedules?

Historically, HTA and HCC have started responding to the auditor’s requests in August.

8. When will the auditors be able to commence fieldwork for the FY2024 audit?

Historically, fieldwork begins in August through September. During FY2023’s audit, fieldwork started mid-October through mid-December.

9. Do you have any preference for the auditors to perform audit work on site or in person. If the preference is to be in person, is there a certain percentage of time for our fieldwork you would like us to be on site?

HTA does not have a preference. HCC prefers that a portion of the fieldwork be done on-site (possibly half of fieldwork).

10. Does HTA/HCC maintain physical offices other than at the Convention Center?

For FY2024, HTA and HCC do not maintain physical offices other than at the Convention Center. In FY2025, HTA expects to hire five destination managers who will work remotely from Maui, Hawai‘i Island, and Kaua‘i.

11. Is all audit documentation expected to be available from the Convention Center?

For FY2024, all audit documentation is expected to be available from the Convention Center. There is uncertainty about where audit documentation will be held from FY2025 going forward due to the destination managers on the outer islands.

12. Will the HTA and the Hawaii Convention Center be using another CPA firm to provide accounting assistance?

No.

13. Does the HTA and the Hawaii Convention Center prepare all financial statements and disclosures? If so, when will the HTA and the Hawaii Convention Center financial statements and disclosures be provided to the auditors to review?

HTA and HCC will draft and submit all financial statements and disclosures for the auditor’s review in November.

14. Any significant changes in the department (i.e. operations, systems, key personnel and funding) during FY2024?

HTA returned unspent American Rescue Plan Act (ARPA) funds as of June 30, 2023 to the Department of Budget and Finance (B&F) in July 2023. HTA’s FY2024 operations

were funded by the Governor’s appropriation in Act 164 (SLH 2023) Part III Section 5. HTA and HCC received \$60 million and \$11 million, respectively.

15. Have there been any significant turnover, or any turnover at the executive management level? If there has, please advise reason for this.

There has been no significant turnover during FY2024.

16. Compared to the last audited financial statements are they are [sic] any expected material unusual or nonroutine transactions expected, changes in accounting policies, significant increase in certain account balances/activities expected compared to the prior year, or methodology changes in estimates? If so, please provide detail of them.

HTA returned unspent ARPA funds as of June 30, 2023 to B&F in July 2023. As a replacement funding source, HTA received \$60 million for FY2024 operations from the Governor’s appropriation in Act 164 (SLH 2023). Work for HTA’s Economic Development Administration (EDA) Tourism Grant (Assistance Listing #11.307 Economic Adjustment Assistance) began in FY2024. Total FY2024 spending for the EDA Tourism Grant will be approximately \$3.2 million.

17. How many major federal programs are estimated for 2024?

HTA anticipates one major federal program for FY2024.

18. Does HTA have a preliminary estimate of Federal expenditures for FY2024?

HTA anticipates total Federal expenditures of \$3.47 million for FY2024 as follows:

	Federal Expenditures YTD	Estimated Federal Expenditures for the Remainder of FY24	Total
EDA	\$2,349,655.00	\$868,000.00	\$3,217,655.00
ARPA	254,276.00	-	254,276.00
Total	\$2,603,931.00	\$868,000.00	\$3,471,931.00

19. What are the key accounting and financial reporting systems used for each organization?

Microix, MIP, State of Hawai‘i Financial Accounting Management and Information System (FAMIS), and Datamart.

- 20. Any new IT financial and accounting system implementations exist or expected related to the audit periods related to the RFP? If so, please provide detail of them.**

There are no IT financial and accounting system changes expected.

- 21. What service organizations do you use and do you obtain SOC reports for them (i.e., SSAE 18)?**

HTA does not use any other service organization for financial and accounting purposes. The Office of the Auditor will provide the State of Hawai‘i SOC 1 report upon issuance in September.