DEPARTMENT OF HAWAIIAN HOME LANDS

LEGAL AD DATE: February 1, 2010

REQUEST FOR PROPOSALS
No. RFP-10-HHL-005

SEALED PROPOSALS FOR PROVIDING LOAN SERVICING FOR THE STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

WILL BE RECEIVED UP TO 4:30P.M. (HST) ON

FEBRUARY 22, 2010

OR AS REVISED THROUGH ADDENDUMS/AMENDMENTS, IF APPLICABLE, THROUGH THE HAWAII ELECTRONIC PROCUREMENT SYSTEM (HEPS). DIRECT QUESTIONS RELATING TO THIS SOLICITATION TO KAMANA'O MILLS, TELEPHONE (808) 620-9500, FACSIMILE (808) 620-9529 OR E-MAIL AT KAMANAO.MILLS@hawaii.gov

Kaulana H.R. Park, Chairman
Hawaiian Homes Commission and
Procurement Officer

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SECTION ONE

INTRODUCTION AND KEY DATES

1.1 TERMS AND ABBREVIATIONS USED THROUGHOUT THE SOLICITATION

Procurement Officer	=	The Chairperson of the Department of Hawaiian Home Lands
DHHL	=	Department of Hawaiian Home Lands 91-5420 Kapolei Parkway Kapolei, Hawaii 96707
State	=	All agencies, including schools, if applicable, of the purchasing jurisdictions participating in this agreement (refer to STATE'S COMMITMENT of the Special Provisions).
SPO	=	State Procurement Office of the State of Hawaii, located at 1151 Punchbowl Street, Room, 416, Honolulu, Hawaii 96813; P. O. Box 119, Honolulu, Hawaii 96810-0119.
Offeror	=	Any individual, partnership, firm, corporation, joint venture, or other entity submitting directly or through a duly authorized representative or agent, a bid for the good, service, or construction
BAFO	=	Best and Final Offer
EC	=	Evaluation Committee
HRS	=	Hawaii Revised Statutes
HAR	=	Hawaii Administrative Rules
GC	=	General Conditions
RFP	=	Request for Proposals

1.2 INTRODUCTION

The State of Hawaii, Department of Hawaiian Home Lands (DHHL), seeks proposals from organizations to service DHHL's direct loan portfolio.

1.3 CANCELLATION

The RFP may be cancelled and any or all proposals rejected in whole or in part, without liability, when it is determined to be in the best interest of the State.

1.4 RFP SCHEDULE AND KEY DATES

The schedule represents the State's best estimate of the schedule that will be followed. All times indicated are Hawaii Standard Time (HST). If a component of this schedule is delayed, the rest of the schedule may be shifted accordingly. The approximate schedule is as follows:

Advertisement of Request for Proposals	February 1, 2010
Deadline to Submit Written Inquiries	February 8, 2010 2:00 P.M.
Response to Written Questions	February 16, 2010
Proposals Due	February 22, 2010
Proposal Evaluations	March 8, 2010
Discussion with Priority Listed Offerors	March 11, 2010
Best and Final Offer (if necessary)	March 16, 2010
Estimated Contract Award	March 22, 2010
Contract Commencement Date	Specified on the Notice to Proceed

SECTION TWO
PURPOSE AND SCOPE OF SERVICES

2.1 PURPOSE

The Department of Hawaiian Home Lands requests proposals from experienced and qualified contractors to service its direct loan portfolio. The DHHL currently services in excess of 1,100 Contracts of Loans, with an outstanding aggregate balance of approximately $64.3 million.

Pursuant to Section 10-3-43(3) of Title 10, Administrative Rules, Department of Hawaiian Home Lands, the DHHL may outsource the servicing of its direct loan portfolio and assess related fees.

2.2 SCOPE OF SERVICES

The DHHL seeks to contract with an experienced and qualified organization that can provide statewide loan servicing to native Hawaiian families residing on Hawaiian Home Lands throughout the State of Hawaii.

The selected Offeror shall furnish the services listed below and may propose any additional services provided by Offeror that will be of benefit in managing DHHL's direct loan portfolio. DHHL reserves the right to choose among such additional/alternative services after selection of the Offeror.

The following services shall be furnished, at a minimum, for all loan accounts:

- Service all DHHL lessees
- Generate and mail out monthly billing statements for loan accounts
- Accept loan payments, homeowners insurance premiums and real property taxes (RPT)
- Pay insurance companies for insurance premiums and counties for RPTs
- Monitor loan accounts for adequate fire and property insurance coverage
- Generate renewal notices and billing statements for homeowners insurance premiums and RPTs when required
- Force-place insurance coverage when necessary
- Remit total monthly receipts of principal, interest and late charges to DHHL
- Provide current account information to borrowers via customer service call center and/or internet access
- Accept electronic (ACH), debit and credit card payments and salary assignments
- Accept partial payments
- Receive payments for accounts with varying due dates
- Generate and mail out 30-, 60-, 90- and 120-day delinquency letters
- Notify DHHL of paid-in-full accounts
- Calculate pay-offs and respond to pay-off inquiries from DHHL and escrow companies

- Transmit real-time, monthly and yearly (fiscal and calendar years) loan account data including transaction and status reports to DHHL's LSB and fiscal staff in electronic format
- Work with DHHL's fiscal staff and respond to DHHL's auditor's inquiries
- Generate Statement on Auditing Standards (SAS) No. 70 Type II reports
- Transmit account information to credit reporting agencies
- Generate all notices, statements, forms and reports required by the Internal Revenue Service
- Issue 1098 mortgage interest paid statements annually
- Prohibit disclosure of personal information provided by DHHL or its lessees

The selected Offeror will transmit all loan account data to DHHL as comma-delimited text files on a monthly basis. A copy of the preferred format is provided in SECTION 6, Attachment 4. Reports are due within three (3) business days of the next month and will include, but is not limited to, the following:

- Monthly payment receipts broken down by principal, interest, late fees, escrow and suspense categories
- Monthly invoices paid and all other records sufficient to support the detailed transactions and balances owed
- Monthly transaction reports of interest charges, late charges, escrow disbursements and suspense transactions
- Monthly reports of loan account assignments and cancellations
- Monthly ending balances of all accounts sorted by principal, interest, late fees, escrow and suspense balances
- Monthly delinquency report sorted by principal, interest, late fees, escrow and suspense categories and total installments past due
- Monthly report of escrow balances to include name of insurance carrier, date of payment, amount paid and type of insurance
- Monthly report of suspense balances to include date of payment, amount paid and reason for payment
- Other reports and records required by applicable laws, rules and regulations

The selected Offeror will preserve and make available for review, inspection and downloading of all records and reports related to DHHL's loan accounts. These records and reports will be maintained for a period of three (3) years after the close of the fiscal year ending June 30.

In conjunction with the annual audit of DHHL, the Offeror will work with DHHL's fiscal staff and its auditors. The Offeror will also respond to DHHL's auditor's additional requests that may arise in the course of the annual audit of DHHL.

All records and reports related to DHHL's loan accounts will also be made available to DHHL's auditors in the event of litigation, audit findings or claims. The selected Offeror will retain these records and reports until the litigation, audit findings or claims have been resolved.

2.3 PERFORMANCE MEASUREMENTS

The selected Offeror will be evaluated periodically by DHHL based on the following criteria:

- Timely reporting of information
- Accuracy of reported information
- Customer service (number of complaints shall not exceed 1% of total accounts)

2.4 TERM OF CONTRACT

The initial term of contract shall be for a one-year (1) period beginning on the date specified on the Notice to Proceed. The contract is authorized to be a multi-term contract and may be extended by mutual agreement through a written supplemental contract without the necessity of re-soliciting for up to three (3) additional two (2) year periods or parts thereof.

Funds have been appropriated for the initial term of the contract only and the contractual obligation of both parties in each fiscal period succeeding the first is subject to the appropriation and availability of funds.

The items listed in Section 2.2 SCOPE OF SERVICES are required for the proposed contract period. The agreed-upon contract price shall remain the same throughout the contract period, except to the extent price adjustment is allowed.

The contract will be cancelled only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the initial term of the contract; however, this does not affect either DHHL's rights, the State's rights or the contractor's rights under any termination clause of the contract.

The Procurement Officer will notify the Offeror on a timely basis that the funds are, or are not, available for the continuation of the contract for each succeeding fiscal period.

In the event of cancellation as provided above, the selected Offeror will be reimbursed the unamortized, reasonably incurred, nonrecurring costs.

SECTION THREE
PROPOSAL FORMAT AND CONTENT

3.1 INTRODUCTION

One of the objectives of this RFP is to make proposal preparation easy and efficient, while giving Offerors ample opportunity to highlight their proposals. The evaluation process must also be manageable and effective. When an Offeror submits a proposal, it shall be considered a complete plan for accomplishing the tasks described in this RFP and any supplemental tasks the Offeror has identified as necessary to successfully complete the obligations outlined in this RFP.

The proposal shall describe in detail the Offeror's ability and availability of services to meet the goals and objectives of this RFP as stated in Section 2.2 SCOPE OF SERVICES.

Provide all of the information requested in this RFP in the order specified.

Organize into sections, following the exact format using all titles, subtitles, and numbering with tabs separating each section described below. Each section must be addressed individually and pages must be numbered.

1. Transmittal Letter

2. Experience and Capabilities

3. Proposal: Program Description, Strategy and Timeline

4. Cost Summary

5. Exceptions

3.2 TRANSMITTAL LETTER

A transmittal letter shall include the following (See SECTION SIX, Attachment 1: Offer Form OF-1):

1. Title and number of this RFP

2. Confirmation that the Offeror understands and shall comply with the requirements, provisions, terms, and conditions specified in this RFP

3. Signed Offer Form OF-1 with the complete name and address of Offeror's firm and the name(s), mailing address, telephone number, facsimile number and email address of the person(s) the State should contact regarding the Offeror's proposal

4. If subcontractor(s) will be used, append a statement to the transmittal letter from each subcontractor, signed by an individual authorized to legally bind the subcontractor and stating:

   a. The general scope of work to be performed by the subcontractor and

   b. The subcontractor's willingness to perform for the indicated Offeror

3.3 EXPERIENCE AND CAPABILITIES

1. Minimum Qualifications

   Offeror shall possess the following minimum qualifications and shall provide pertinent documentation to demonstrate its experience and capabilities in the following skill sets:

   a. Specialization in loan management and servicing for government agencies, municipalities and/or non-profit organizations

   b. Capability to monitor loan recipients for adequate fire and property insurance coverage and force-place insurance coverage when necessary

   c. Ability to perform the loan servicing functions listed in SECTION 2.2 SCOPE OF SERVICES

   d. Experience with the native Hawaiian community and DHHL

   e. Possess adequate financial capacity

   f. Registered Hawaii corporation with statewide service capacity through offices in all counties

   g. Current compliance with the regulations of the Division of Financial Institutions, Department of Commerce and Consumer Affairs, State of Hawaii; the Office of the Comptroller of the Currency, U.S. Department of the Treasury; or the Office of Thrift Supervision, U.S. Department of the Treasury

2. Information Technology and Internal Control Capabilities

   The Offeror will describe in specific detail the following:

   a. Information technology capabilities

   b. Administration of loan servicing and accounting control systems

   c. Security control features in the administration and management of the program

3. Organizational Experience

The Offeror shall describe its organizational experience pertinent to the loan services provided:

a. Describe the organization's qualifications, including the number and location of employees and resources that will be committed to the project.

b. Provide the names and associated resumes of the staff who will be assigned to work with and support DHHL in all aspects of the program. DHHL reserves the right to contact references to verify experience listed.

c. Identify lead personnel for the management, implementation, technical assistance and statewide coordination of the loan servicing function to be provided. Submit a resume in the Offeror's proposal for each named individual. The Offeror is responsible for notifying DHHL of any changes to the management staff.

d. Include an organizational chart and a thorough narrative describing how the proposed program and services will be supported from senior management down to the lowest level.

e. Provide the names, contact persons, titles, postal addresses, e-mail addresses, and telephone numbers of at least three (3) recent references doing business in Hawaii (See SECTION SIX, Attachment 2: CLIENT REFERENCES). At least one reference must be a government agency.

4. Customer Support

The Offeror must provide customer support to DHHL beneficiaries, loan and fiscal staff. Describe Offeror's ability to provide this support, which should include but not be limited to the following features:

a. The number and titles of the customer account representative(s) who would respond to lessee, fiscal and loan staff inquiries concerning account status and services.

b. Describe the responsibilities of customer service personnel, including chain of command for problem resolution.

c. Describe the Offeror's customer service response policy, processes and time frames. Detail customer service availability, telephone average response times, including number of calls received, number of calls handled, number of calls abandoned, average wait time and average length of talk time.

5. Competitive Position and Future Commitment

Offeror must address their capabilities as they relate to the following issues:

a. What differentiates your service from other providers?

b. How will your company keep its products and services current and competitive?

1) What approach is being taken in the development of new services?

2) What new services or features does your company plan to offer?

3.4 PROPOSAL: PROGRAM DESCRIPTION, STRATEGY AND TIMELINE

Offeror shall submit a proposal which includes a comprehensive description of its loan servicing program. The proposal shall include an overall strategy, a plan and implementation schedule for the work proposed, expected results, possible shortfalls and resolutions to those shortfalls. The proposal shall also describe an implementation phase, milestones to measure progress of the implementation of this program, training program, support services, security controls and authorizations. Refer to SECTION 2.2 SCOPE OF SERVICES and 2.3 PERFORMANCE MEASUREMENTS for the specific areas and concerns that must be addressed in Offeror's proposal. Whenever possible, Offeror should include flowcharts for a more visual explanation of its program and system workflow.

Software and hardware requirements and all on-line capabilities, shall be included in this section.

3.5 COST SUMMARY

If Offeror intends to charge fees for any of its services, describe the fees in the Offeror's response. Submit a detailed cost schedule for performing loan servicing functions and its associated services (See SECTION SIX, Attachment 3: Cost Summary). Break down the costs as follows:

1. Detailed costs to the State—e.g. cost per account, start-up cost, annual fee(s), software licenses, maintenance fees, etc.

2. Cost estimates of software and hardware requirements for services offered, if any. Describe how software is licensed and its associated costs

3. Clearly state billing and payment terms

3.6 INSURANCE

Prior to commencing work, the selected Offeror shall obtain, at its own cost and expense, the following types of insurance through insurance companies with a Rating of no less than A+. A current certificate showing that the selected Offeror has in force and affect such insurance shall be maintained on file with the DHHL.

The selected Offeror shall have, during the term of the contract:

1. Commercial General Liability insurance in the minimum amount of $1,000,000

2. Errors and Omissions in the minimum amount of $1,000,000

3. Fidelity Bond in the minimum amount $5,000,000

3.7 LITIGATION, INVESTIGATIONS AND REGULATORY PROCEEDINGS

Provide a summary of any material inquiries, investigations or litigation occurring during the past two years (including those in progress) regarding the conduct of your firm, your firm's management, or any employee or official associated with your firm. Describe any related actions taken against your firm or employees by any federal, state or municipal governmental entity or court or regulatory authority, including fines, suspensions, censure, etc.

3.8 EXCEPTIONS

Offeror shall list any exceptions taken to the terms, conditions, specifications, or other requirements listed herein. Offeror shall reference the RFP section where exception is taken, a description of the exception taken, and the proposed alternative, if any.

3.9 OFFEROR'S PROGRAM LITERATURE/BROCHURES/MATERIALS/CATALOGS

Offeror shall place in this section any technical information, product brochures, descriptions, literature, or other material required by this RFP or references in their proposal. Other brochures and/or specification literature not otherwise required by this RFP shall be submitted upon request. If requested, such brochures and/or specifications shall be delivered within three (3) business days of request.

SECTION FOUR
EVALUATION CRITERIA

4.1 EVALUATION CRITERIA

Evaluation criteria are listed in the relative order of importance. The contract will be awarded to the responsive, responsible Offeror whose proposal is determined to be acceptable to DHHL based on evaluation criteria listed in this section.

THE TOTAL NUMBER OF POINTS USED TO SCORE THE PROPOSALS IS 100.

Cost	35 points
Qualifications, Experience	30 points
Information Technology	20 points
Financial Strength	15 points
Total Evaluation Points	100 points

4.2 COST — *35 Points*

Reasonableness of cost and the capability to provide and/or coordinate services to achieve maximum results

The lowest cost proposal will automatically receive the maximum number of points allocated to cost, 35 points. The point allocations for cost on other proposals will be determined through the method set out as follows:

[Lowest Cost Proposal x 35 points] / [Proposal Cost] = Rating Points

4.3 Qualifications, Experience — *30 Points*

Experience working with the native Hawaiian community and DHHL	10 points
References in the State of Hawaii	7 points
Qualifications and experience of mortgage servicing management and staff	7 points
Quantity of branch locations within the State of Hawaii	3 points
Years of mortgage servicing experience	3 points

4.4	***Information Technology***	***20 Points***
	Access to information	10 points
	Equipment and software capabilities	5 points
	Interface capabilities with third parties (e.g., insurance companies, real property tax offices, credit bureaus, etc.)	5 points
4.5	***Financial Strength***	***15 Points***
	Capacity to maintain long-term financial solvency	

SECTION FIVE
SPECIAL PROVISIONS

5.1 SCOPE

The furnishing, implementing and supporting a loan servicing system for DHHL shall be in accordance with this RFP solicitation, including the Special Provisions in this section, the Scope of Work specified herein, the SPO General Provisions and the General Conditions, Form AG-008. The SPO General Provisions and the General Conditions, Form AG-008, are available at http://www4.hawaii.gov/bidapps/general_terms.cfm.

5.2 RESPONSIBILITY OF OFFEROR

Offeror is advised that if awarded a contract under this solicitation, the selected Offeror shall, upon award of the contract, furnish proof of compliance with the requirements of HRS 103D-310(c) :

1. Chapter 237, tax clearance;
2. Chapter 383, unemployment insurance;
3. Chapter 386, workers' compensation;
4. Chapter 392, temporary disability insurance;
5. Chapter 393, prepaid health care; and
6. Chapter 103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the state of Hawaii.

Refer to the Award of Contract provision herein for instructions on furnishing the documents that are acceptable to the State as proof of compliance with the above-mentioned requirements.

5.3 OFFEROR QUALIFICATIONS

Offeror shall meet all of the qualifications required by this RFP. Failure to meet the qualifications as specified in Section 3.3 EXPERIENCE AND CAPABILITIES, will likely have an adverse effect on Offeror's proposal evaluation.

5.4 TERM OF CONTRACT

The selected Offeror shall be required to enter into a formal written contract to commence work.

Term of contract shall be for a one-year (1) period beginning on the date specified on the Notice to Proceed. The contract may be extended by mutual agreement through written supplemental contract without the necessity of re-soliciting for up to three (3) additional two (2) year periods or parts thereof, provided that the contract price for each extended period remains the same or lower.

Funds have been appropriated for only the initial term of the contract, and the contractual obligation of both parties in each fiscal period succeeding the first is subject to the appropriation and availability of funds.

The items listed in Section 2.2 SCOPE OF SERVICES are required for the proposed contract period. The agreed-upon contract price shall remain the same throughout the contract period, except to the extent price adjustment is allowed.

The contract will be cancelled only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the initial term of the contract; however, this does not affect either DHHL's rights, the State's rights or the contractor's rights under any termination clause of the contract.

The Procurement Officer will notify the selected Offerer on a timely basis that the funds are, or are not, available for the continuation of the contract for each succeeding fiscal period.

In the event of cancellation as provided in the previous paragraph, the selected Offeror will be reimbursed the unamortized, reasonably incurred, nonrecurring costs.

5.5 CONTRACT ADMINISTRATOR

For the purpose of this contract, Kamana'o Mills, Special Assistant, (808) 620-9200 or authorized representative, is designated the Contract Administrator.

5.6 REQUIRED REVIEW

Offeror shall carefully review this RFP for defects, questionable, or objectionable matter. Comments concerning defects and questionable or objectionable matter must be made in writing and must be received by DHHL prior to the deadline for written questions. This will allow for issuance of any necessary amendments to this RFP.

5.7 OVERVIEW OF THE RFP PROCESS

1. The RFP is issued pursuant to Subchapter 6 of HAR Chapter 3-122, implementing HRS Section 103D-303.

2. The procurement process begins with the issuance of the RFP and the formal responses to any written questions or inquires regarding the RFP. Changes to the RFP will be made only by Addendum.

3. Proposals shall not be opened publicly, but shall be opened in the presence of two (2) or more procurement officials. The register of proposals and Offerors' proposals shall be open to public inspection after posting of the award.

   All proposals and other material submitted by Offerors become the property of the State and may be returned only at the State's option.

4. The Evaluation Committee (EC) selected by the Procurement Officer, shall evaluate the proposals in accordance with the evaluation criteria in Section Four. The proposals shall be classified initially as acceptable, potentially acceptable, or unacceptable.

5. The EC reserves the right to determine what is in the best interest of the State for purposes of reviewing and evaluating proposals submitted in response to the RFP. The EC shall conduct a comprehensive, fair, and impartial evaluation of proposals received in response to the RFP.

6. Proposals may be accepted on evaluation without discussion. However, if deemed necessary, prior to entering into discussions, a "priority list" of responsible Offerors submitting acceptable and potentially acceptable proposals shall be generated. The objective of these discussions is to clarify issues regarding the Offeror's proposal before the BAFO is requested.

7. If during discussions there is a need for any substantial clarification or change in the RFP, the RFP shall be amended by addenda. Addenda to the RFP shall be distributed only to priority listed Offerors who submitted acceptable or potentially acceptable proposals.

8. Following any discussions, priority listed Offerors shall submit their BAFO only if it is requested. The date and time to submit the BAFO shall be announced in an addendum to the priority listed Offerors. If the Offeror does not submit a notice of withdrawal or a BAFO, the Offeror's immediate previous offer shall be construed as its BAFO.

9. After receipt and evaluation of the BAFO, the EC shall make its recommendation to the SPO Procurement Officer. SPO shall issue a Notice of Award and a copy to the Offeror whose proposal is determined to be the most advantageous to the State taking into consideration the evaluation factors set forth in Section Four.

10. The contents of any proposal shall not be disclosed during the review, evaluation, discussion, or negotiation process.

11. Once Notice of Award is posted, all proposals, successful and unsuccessful, become available for public inspection. Those sections that the Offeror and the State agree are confidential and/or proprietary should be identified by the Offerors and shall be excluded from public access.

12. The RFP, any addenda issued, and the selected Offeror's proposal shall become part of the contract. All proposals shall become the property of the State of Hawaii.

5.8 PROPOSAL PREPARATION

1. The Offeror is requested to submit its offer using the 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, OF-1 *(see SECTION SIX, Attachment 1)*. Failure to do so may delay proper execution of the contract.

   The authorized signature on the Offer Form shall be an original signature in ink, which shall be required before an award, if any, can be made. The signed Offer Form shall indicate the Offeror's intent to be bound.

Note: Prior to award, if any, SPO shall notify the Offeror to submit the original, hard copy of the Offer Form that has the original signature.

2. The Offeror shall furnish on the Client References form (see SECTION SIX, *Attachment 2)* the client names, contact persons, titles, postal addresses, e-mail addresses, and telephone numbers of a minimum of three (3) companies for which the Offeror has performed loan servicing similar to those being requested in this RFP

   All work for these references must have been performed within the past two (2) years. At least one shall be with a government agency. The State reserves the right to contact any of the listed companies or agencies to inquire about Offeror's equipment and services.

3. An offer guaranty is NOT required for this RFP.

4. Work to be performed under this solicitation is a business activity taxable under Chapter 237, HRS, and vendors are advised that they are liable for the Hawaii General Excise tax (GET) at the current 4.712% rate and the applicable use tax at the current ½% rate. If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

5. For evaluation purposes, pursuant to HRS 103D-1008, the Offeror's tax-exempt price offer shall be increased by the applicable retail rate of general excise tax and the applicable use tax. Under no circumstance shall the dollar amount of the award include the aforementioned adjustment.

6. The Offeror shall submit one (1) original proposal marked "ORIGINAL" and five (5) copies of the original marked "COPY." It is imperative to note that the Offeror submit only one original and the required number of copies. Do not submit more than one original.

   The Offeror is encouraged to submit typewritten offers. If handwritten, it should be clearly printed. The Offeror is cautioned that illegible offers of any item(s) may be automatically rejected to avoid any errors in interpretation by the reviewers during the evaluation process.

7. Costs for developing the proposal are solely the responsibility of the Offeror, whether or not any award results from this solicitation. The State of Hawaii will not reimburse such costs.

8. All proposals become the property of the State of Hawaii.

9. Copies of the documents transmitted by Offerors via facsimile machine shall be limited to the modifications or withdrawal of an offer pursuant to HAR Section 3-122-16.07.

5.9 SUBMISSION OF PROPOSAL

The submission of a proposal shall constitute an incontrovertible representation by the Offeror of compliance with every requirement of this RFP, and that the RFP documents are sufficient in scope and detail to indicate and convey reasonable understanding of all terms and conditions of performance of the work.

Before submitting a proposal each Offeror must:

1. Examine the solicitation documents thoroughly. Solicitation documents include this RFP, any attachments, plans referred to herein, and any other relevant documentation; and

2. 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.

Proposals shall be received at the Department of Hawaiian Home Lands, 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707, no later than the date and time stated in Section 1.3 RFP SCHEDULE AND KEY DATES, as amended. Timely receipt of proposals shall be evidenced by the date and time registered by the Department of Hawaiian Home Lands time stamp clock. Proposals received after the deadline shall be returned unopened.

5.10 PRICING

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

5.11 ECONOMY OF PRESENTATION

Proposal shall be prepared in a straightforward and concise manner, and shall describe the supplier's offering(s) and capabilities in a format that is reasonably consistent and appropriate to the purpose. Emphasis shall be on completeness and clarity of content. If any additional information is required by the State regarding any aspect of the Offeror's proposal, it shall be provided within three (3) business days.

5.12 CONFIDENTIAL INFORMATION

If a person believes that any portion of a proposal, offer, specification, protest, or correspondence contains information that should be withheld as confidential, then the Procurement Officer named on the cover of this RFP should be so advised in writing. Price is not considered confidential and will not be withheld.

The Offeror shall request in writing nondisclosure of designated trade secrets or other proprietary data to be confidential. Such data shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the nonconfidential portion of the proposal.

Pursuant to HAR Section 3-122-58, the head of the purchasing agency or designee shall consult with the Attorney General and make a written determination in

accordance with HRS Chapter 92F. 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 HRS Section 92F-42.

5.13 QUESTIONS PRIOR TO PROPOSAL DUE DATE

All questions shall be submitted in writing and directed to the Contract Administrator, Kamana'o Mills, at (808) 620-9500, facsimile (808) 620-9529. DHHL will respond to written questions by the due date indicated in Section 1.4 RFP SCHEDULE AND KEY DATES.

5.14 CANCELLATION OF RFP AND PROPOSAL REJECTION

The State reserves the right to cancel this RFP and to reject any and all proposals in whole or in part when it is determined to be in the best interest of the State, pursuant to HAR Section 3-122-96 through 3-122-97.

The State shall not be liable for any costs, expenses, loss of profits or damages whatsoever, incurred by the Offeror in the event this RFP is cancelled or a proposal is rejected.

5.15 PROPOSAL OPENING

Proposals shall be opened at the date, time and place specified in Section 1.3 RFP SCHEDULE AND KEY DATES, or as amended. Proposals shall not be opened publicly but shall be opened in the presence of two or more procurement officials. All proposals and other material submitted by Offerors become the property of the State and may be returned only at the State's option. The register of proposals and Offeror's proposals shall be open to public inspection after all parties sign the contract.

5.16 EXCEPTIONS

The Offeror shall list any exceptions taken to the terms, conditions, specifications, or other requirements listed herein. The Offeror shall reference the RFP section where exception is taken, a description of the exception taken, and the proposed alternative, if any. Absent any exception, Offeror represents compliance with every requirement of this RFP.

The Offeror shall not submit their organization's terms and conditions, standard contracts, or other agreements. General references to such items or attempts at complete substitution of such items may result in disqualification of the Offeror's proposal. Offerors are encouraged to submit specific alternate language to the State's terms and conditions if such changes are desired.

5.17 EVALUATION OF PROPOSALS

An evaluation committee of at least three (3) DHHL employees selected by the Procurement Officer shall evaluate proposals. Evaluation will be based solely on the evaluation criteria set out in SECTION FOUR of this RFP.

Proposals shall be classified initially as acceptable, potentially acceptable, or unacceptable. Discussions, presentations and/or demonstrations may be conducted with Offerors who submit proposals determined to be acceptable or potentially acceptable of being selected for award, but proposals may be accepted on the basis of initial offers received. Therefore, each initial offer should contain the Offeror's best terms.

Prior to discussions, presentations and/or demonstrations, if any, a priority list consisting of responsive, responsible Offerors classified as acceptable or potentially acceptable shall be generated.

If during discussions, presentations and/or demonstrations there is a need for any substantial clarification or change in the RFP, the RFP shall be amended by an addendum to incorporate such clarification or change. Addenda to the RFP shall be distributed only to priority-listed Offerors. Priority-listed Offerors shall be permitted to submit best and final offers in the form of new proposals or to amended proposals. The date and time for priority-listed Offerors to submit best and final offers are indicated in Section 1.3 RFP SCHEDULE AND KEY DATES. If a priority-listed Offeror does not submit a notice of withdrawal or another best and final offer, the priority-listed Offeror's immediate previous offer will be construed as the best and final offer.

5.18 OFFER ACCEPTANCE PERIOD

DHHL's acceptance of offer, if any, will be made within ninety (90) calendar days after the opening of proposals. Prices quoted by the Offeror shall remain firm for the ninety (90) day period.

5.19 AWARD

1. Method of Award. Award, if any, shall be made to the responsible and responsive Offeror whose proposal is determined to be the most advantageous to DHHL taking into consideration the evaluation criteria set out in this RFP.

2. Responsibility of Lowest Responsive Offeror. Reference HRS Chapter 103D-310(c). If compliance documents have not been submitted to DHHL prior to award, the lowest responsive Offeror shall produce documents to the procurement officer to demonstrate compliance with this section.

3. HRS Chapter 237 Tax Clearance Required for Award. Instructions are as follows:

   Pursuant to HRS Chapter 103D-328, lowest responsive Offeror shall be required to submit a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and Internal Revenue Service (IRS).
   The certificate shall have an original green certified copy stamp and shall be valid for six (6) months from the most recent approval stamp date on the certificate. It must be valid on the date it is received by the DHHL.

The tax clearance certificate shall be obtained on the State of Hawaii DOTAX TAX CLEARANCE APPLICATION Form A-6 (Rev. 2003) which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website (Forms & Information):
http://www.hawaii.gov/tax/a1_1alphalist.htm

DOTAX Forms by Fax/Mail: 808-587-7572
1-800-222-7572

The application for the clearance is the responsibility of the Offeror and must be submitted directly to the DOTAX or IRS and not to the DHHL. However, the tax clearance certificate shall be submitted to the DHHL.

4. HRS Chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) Requirements for Award. Instructions are as follows:

Pursuant to HRS Chapter 103D-310(c) the lowest responsive Offeror shall be required to submit a certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by the DHHL. A photocopy of the certificate is acceptable to the DHHL.

The certificate of compliance shall be obtained on the State of Hawaii, the DLIR APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH HAR SECTION 3-122-112, Form LIR#27 which is available at http://dlir.state.hi.us/labor/formsall.shtml or at the neighbor island the DLIR District Offices. The DLIR will return the form to the Offeror who in turn shall submit it to the DHHL.

The application for the certificate is the responsibility of the Offeror and must be submitted directly to the DLIR and not to the DHHL. However, the certificate shall be submitted to the DHHL.

5. Compliance with HRS Chapter 103D-310(c) for an Entity Doing Business in the State. The lowest responsive Offeror shall be required to submit a certificate of good standing (Certificate) issued by the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division (BREG). The certificate is valid for six (6) months from date of issue and must be valid on the date it is received by the DHHL. A photocopy of the certificate is acceptable to DHHL.

To obtain the certificate, the Offeror must first be registered with the BREG. A sole proprietorship, however, is not required to register with the BREG, and therefore not required to submit the certificate.

Online business registration and the certificate are available at www.BusinessRegistrations.com. To register or obtain the certification by phone, call 808-586-2727 (M-F 7:45 to 4:30 HST). Offerors are advised that there are costs associated with registering and obtaining the certificate.

6. Final Payment Requirements. The vendor is required to submit a tax clearance certificate for final payment on the contract. A tax clearance certificate, not over two months old with an original green certified copy stamp must accompany the invoice for final payment on the contract.

   In addition to the tax clearance certificate, an original "Certification of Compliance for Final Payment" (SPO Form-22) will be required for final payment. A copy of the Form is available at www.spo.hawaii.gov. Select the "Forms for Vendors/Contractors" menu.

7. Hawaii Compliance Express. Alternately, instead of separately applying for these paper certificates at the various state agencies, contractors 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 the issuance date. The "Certificate of Vendor Compliance" indicating that vendor's status is compliant with the purposes and final payment. Vendors that elect to use the new HCE services will be required to pay annual fee of $12.00 to the Hawaii Information Consortium, LLC (HIC). Vendors choosing not to participate in the HCE program will be required to provide the paper certificates as instructed in the prior sections.

8. Timely Submission of All Certificates. The above certificates should be applied for and submitted to DHHL as soon as possible. If a valid certificate is not submitted on a timely basis for award of a contract, an Offeror otherwise responsive and responsible may not receive the award.

5.20 PROPOSAL AS A PART OF THE CONTRACT

The proposal, all or part of it, if awarded, this RFP and the successful proposal may be incorporated into the contract.

5.21 CONTRACT EXECUTION AND TERM OF CONTRACT

The successful Offeror will be required to enter into a formal written contract. No performance or payment bond is required for this contract.

5.22 NOTICE TO PROCEED

Upon execution of the contract, a Notice to Proceed will be issued. The one-year period of the contract shall commence on the date indicated in the Notice to Proceed.

5.23 CONTRACT MODIFICATION - UNANTICIPATED AMENDMENTS

During the course of the contract, selected Offeror may be required to perform additional work. That work will be within the general scope of the initial contract.

When additional work is required, the Contract Administrator will provide the selected Offeror a written description of the additional work and request the selected Offeror to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work.

The contract may be modified only by written document signed by the Procurement Officer and the selected Offeror's personnel authorized to sign contracts on behalf of the selected Offeror.

The selected Offeror will not commence additional work until the Contract Administrator has secured the required DHHL approvals necessary for the amendment and an executed written contract amendment has been issued.

5.24 SUBCONTRACTING

No work or services shall be subcontracted or assigned without the prior written approval of DHHL. No subcontract shall under any circumstances relieve the Contractor of his/her obligations and liability under this contract with DHHL. All persons engaged in performing the work covered by the contract shall be considered employees of the selected Offeror.

5.25 RE-EXECUTION OF WORK

The selected Offeror shall re-execute any work that fails to conform to requirements of the contract which appear during the course of the work, and shall immediately remedy any defects due to faulty workmanship by the selected Offeror.

5.26 LIQUIDATED DAMAGES

Liquidated damages are fixed at the sum of TWENTY-FIVE ($25.00) per day for any violation of the selected Offeror in failing to perform in whole or in part any of its obligations hereunder.

5.27 CONTRACT INVALIDATION

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

5.28 INVOICING

Payment shall be made to the selected Offeror upon certification by DHHL that the selected Offeror has satisfactorily performed the required services.

5.29 PAYMENT

HRS Section 103-10 provides that the State shall have thirty (30) calendar days from receipt of invoice or satisfactory delivery of goods or performance of services 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 bid submitted with a condition requiring interest payments greater than that allowed by HRS Section 103-10, as amended.

5.30 NON-DISCRIMINATION

The selected Offeror shall comply with all applicable federal and State laws prohibiting discrimination against any person on the grounds of race, color, national origin, religion, creed, sex, age, sexual orientation, marital status, handicap or arrest and court records in employment and any condition of employment with the selected Offeror or in participation in the benefits of any program or activity funded in whole or in part by DHHL.

5.31 ADDITIONS, AMENDMENTS AND CLARIFICATIONS

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

2. The solicitation may be cancelled or the offers may be rejected, in whole or in part, when in the best interest of the purchasing agency, as provided in HAR 3-122-95 through 3-122-97.

3. All material given to or made available to the selected Offeror by virtue of this contract, which is identified as proprietary or confidential information, will be safeguarded by the selected Offeror and shall not be disclosed to any individual or organization without the prior written approval of DHHL.

   All information, data or other material provided by the Offeror or the selected Offeror to the State shall be subject to the Uniform Information Practices Act, HRS Chapter 92F. The Offeror shall designate in writing to the Procurement Officer those portions of its unpriced offer or any subsequent submittal that are trade secrets or other proprietary data that the Offeror desires to remain confidential, subject to HAR 3-122-58, in the case of an RFP. The Offeror shall state in its written communication to the Procurement Officer, the reason(s) for designating the material as confidential, for example, trade secrets. The Offeror shall submit the material designated as confidential in such manner that the material is readily separable from the offer in order to facilitate inspection of the non-confidential portion of the offer.

   Price is not confidential and will not be withheld.

   If a request is made to inspect the confidential material, the inspection shall be subject to written determination by the Department of the Attorney General in accordance with HRS Chapter 92F. If it is determined that the material designated as confidential is subject to disclosure, the material shall be open to public inspection, unless the Offeror protests under HAR 3-126. If the request to inspect the confidential material is denied, the decision may be appealed to the Office of Information Practices in accordance with HRS 92F-15.5.

4. No person performing work under this Agreement, including any subcontractor, employee or agency of the selected Offeror, shall engage in any discrimination that is prohibited by any applicable federal, state or county law.

5. The selected Offeror and any subcontractors shall maintain the books and records that relate to the Agreement and any cost or pricing data for three (3) years from the date of final payment under the Agreement.

6. Prospective Offeror must be capable of performing the work for which offers are being called. Either before or after the deadline for an offer, the purchasing agency may require the Offeror to submit answers to questions regarding facilities, equipment, experience, personnel, financial status or any other factors relating to the ability of the Offeror to furnish satisfactorily the services being solicited by DHHL. Any such inquiries shall be made and replied to in writing; replies shall be submitted over the signatures of the person who signs the offer. Any Offeror who refuses to answer such inquiries will be considered non-responsive.

7. An Offeror may submit only one offer in response to a solicitation. If an Offeror submits more than one offer in response to a solicitation, then all such offers shall be rejected. Similarly, an Offeror may submit only one offer for each line item (if any) of a solicitation. If an Offeror submits more than one offer per line item, then all offers for that line item shall be rejected.

5.32 PROTEST

A protest of an award or proposed award 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 dates after the posting of award of the contract.

The notice of award, if any, resulting from this solicitation shall be posted on the Procurement Reporting System, which is available on the SPO website: http://www.hawaii.gov/spo2/source/.

Any protest pursuant to, HRS Section 103D-701, and HAR Section 3-126-3, shall be submitted in writing to the Procurement Officer, Department of Hawaiian Home Lands, 91-5420 Kapolei Parkway, Kapolei, Hawaii, 96707.

SECTION SIX

ATTACHMENTS

Attachment 1:	OFFER FORM, OF-1
Attachment 2:	CLIENT REFERENCES
Attachment 3:	COST SUMMARY
Attachment 4:	PREFERRED REPORT FORMAT

ATTACHMENT 1

OFFER FORM OF-1
LOAN SERVICING PROGRAM
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
RFP-10-HHL-005

Procurement Officer
Department of Hawaiian Home Lands
State of Hawaii
91-5420 Kapolei Parkway
Kapolei, Hawaii 96707

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Purpose and Scope of Services and Special Provisions attached hereto, and in the General Terms and Conditions dated April 15, 2009 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.

Date: _____

Telephone No.: _____
Fax No.: _____
e-mail Address: _____

Payment address, if other than street address at right:

_____

_____

Hawaii General Excise Tax Lic. I.D. No.:
_____

Social Security or Federal I.D. No.:
_____

Respectfully submitted,

_____
Exact Legal Name of Offeror

_____
Authorized Signature (Original)

_____
Title

_____
Street Address

_____
City, State, Zip Code

If Offeror shown above is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

_____

Offeror is: ____ Individual ____ Partnership ____ Corporation ____ Joint Venture

State of incorporation: Hawaii _____ *Other _____

*If "other", is corporate seal available in Hawaii? ____ Yes ___ No

ATTACHMENT 2

CLIENT REFERENCES
NO. RFP-10-HHL-005

Refer to *Section Five*, ***SPECIAL PROVISIONS***, 5.8 Proposal Preparation

1. Client Name: _____

   Contact Person: _____

   Title: _____

   Postal Address: _____

   _____

   E-mail Address: _____

   Telephone No.: _____

2. Client Name: _____

   Contact Person: _____

   Title: _____

   Postal Address: _____

   _____

   E-mail Address: _____

   Telephone No.: _____

3. Client Name: _____

   Contact Person: _____

   Title: _____

   Postal Address: _____

   _____

   E-mail Address: _____

   Telephone No.: _____

ATTACHMENT 3

COST SUMMARY
NO. RFP-10-HHL-005

Total contract cost for accomplishing the development and delivery of the services.

$ _____

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

Offeror _____
Name of Company

ATTACHMENT 4

PREFERRED REPORT FORMAT
NO. RFP-10-HHL-005

LNAUDET file specifications

(These are the minimum fields required. Any other pertinent fields that are added by the financial institution shall be included at the end of the record. The file shall be a comma-delimited text file.)

LAST NAME	X(25)
FIRST NAME	X(20)
SUFFIX	X(3)
SS#	9(9)
LOAN#	9(5)
TRANSACTION DATE	MM/DD/CCYY
REFERENCE	X(15)
PAYMENT DATE	MM/DD/CCYY
AMOUNT PAID	S9(7)V99
INTEREST PD/YR	S9(5)V99
CURRENT PRINCIPAL	S9(6)V99
CURRENT INTEREST	S9(5)V99
CURRENT INSURANCE	S9(5)V99
CURRENT OTHER	S9(5)V99
PAYMENT SOURCE	X(01)
BALANCE PRINCIPAL	S9(7)V99
BALANCE INTEREST	S9(7)V99
BALANCE INSURANCE	S9(7)V99
BALANCE LATE FEE	S9(7)V99
BALANCE TOTAL	S9(7)V99
CURRENT AGING	S9(6)V99
30-DAY AGING	S9(6)V99
60-DAY AGING	S9(6)V99
90-DAY AGING	S9(6)V99
120+DAY AGING	S9(7)V99
RECEIPT#	9(7)
TRANSACTION TYPE	9(2)
FUND	9(3)
ACCOUNT	9(3)
AREA	9(3)
LOT#	X(7)
PRINT STATEMENT FLAG	X(3)
LOAN PURPOSE	X(3)
BILLING FREQUENCY	X(1)
NEXT DUE	MM/CCYY
BALANCE ESCROW	S9(7)V99
BALANCE SUSPENSE	S9(7)V99

ATTACHMENT 4

LNAUDIT file specifications (continued)

(These are the minimum fields required. Any other pertinent fields that are added by the financial institution shall be included at the end of the record. The file shall be a comma-delimited text file.)

SS#	9(9)
LAST NAME	X(25)
FIRST NAME	X(20)
SUFFIX	X(3)
STREET	X(35)
CITY	X(35)
STATE	X(2)
ZIP	9(5)
LOAN#	9(5)
BALANCE PRINCIPAL	S9(7)V99
BALANCE INTEREST	S9(7)V99
BALANCE INSURANCE	S9(7)V99
BALANCE LATE FEE	S9(7)V99
CURRENT AGING	S9(6)V99
30-DAY AGING	S9(6)V99
60-DAY AGING	S9(6)V99
90-DAY AGING	S9(6)V99
120+DAY AGING	S9(7)V99
LOT#	X(7)
FUND	9(3)
ACCT	9(3)
AREA	9(3)
PRINT STATEMENT FLAG	X(3)
LOAN PURPOSE	X(3)
LAST PAYMENT	MM/DD/CCYY
INTEREST PD/YR	S9(5)V99
BALANCE ESCROW	S9(7)V99
BALANCE SUSPENSE	S9(7)V99