



State of Hawai‘i

REQUEST FOR PROPOSALS
RFP NO. BOT 2023-005

**INDEPENDENT BOARD INVESTMENT CONSULTANT
FOR THE OFFICE OF HAWAIIAN AFFAIRS’
NATIVE HAWAIIAN TRUST FUND**

ISSUE DATE: August 25, 2022

DUE DATE: September 26, 2022, 2:00 p.m. HST

The Office of Hawaiian Affairs
560 N. Nimitz Highway, Suite 200
Honolulu, Hawai‘i 96817

Notice to Interested Parties: Offerors interested in submitting a proposal are encouraged to register your company by completing the Registration Form and submitting it to the OHA RFP Coordinator via email at proposals@oha.org. See Attachment 2 – RFP Registration Form.

Notice to Offerors

(Chapter 103D, Hawai‘i Revised Statutes)

REQUEST FOR PROPOSAL (“hereinafter “RFP”) No. BOT 2023-005

Notice is hereby given that pursuant to Chapter 103D, Hawaii Revised Statutes, as amended, (hereinafter “HRS”), the Office of Hawaiian Affairs (hereinafter “OHA”) will be accepting proposals from qualified firms to perform the services of an independent nondiscretionary investment consultant to assist the OHA Board of Trustees (hereinafter “BOT”) in overseeing the OHA investment management function, developing investment policy, strengthening the BOT’s knowledge, skill, and investment oversight responsibilities, and drafting and reviewing and assessing the execution of BOT-approved investment policy for the Native Hawaiian Trust Fund (“NHTF”).

This RFP may be downloaded from either the State Procurement Office (hereinafter “SPO”) website at <https://hiepro.ehawaii.gov> or the OHA website at www.oha.org/solicitations beginning Thursday, August 25, 2022.

Proposals shall be submitted no later than 2:00 p.m. Hawai‘i Standard Time (hereinafter “HST”), Monday, September 26, 2022. Proposals shall be submitted through the HiePRO website and/or via e-mail to proposals@oha.org. If submitting via e-mail, the official time will be that in which the e-mail is received by OHA.

The OHA reserves the right to reject any and all proposals and to accept any proposal in whole or in part when in the best interest of the OHA and the State. Questions relating to this solicitation shall be sent to proposals@oha.org.

OFFICE OF HAWAIIAN AFFAIRS
Carmen Hulu Lindsey
Chair, Board of Trustees

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Section 1 – Administrative Overview

I. Authority

In 1978, the Article XII of the State of Hawai‘i Constitutional Convention established the Office of Hawaiian Affairs (hereinafter “OHA”) to address the historical injustices and challenges arising out of those circumstances. Chapter 10 of the Hawai‘i Revised Statutes, as amended, outlines the OHA’s duties and purposes, including promoting and protecting the rights of Native Hawaiians.

The OHA is a semi-autonomous public agency of the State of Hawai‘i, with the legal mandate of bettering the conditions of Native Hawaiians. The OHA’s mission is “To mālama (protect) Hawai‘i’s people and environmental resources and the OHA’s assets toward ensuring the perpetuation of the culture, the enhancement of lifestyle, and the protection of entitlements of Native Hawaiians while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally.”

The OHA seeks to competitively procure and engage a qualified firm to perform the services of an independent nondiscretionary Board Consultant (“BC”) to assist the BOT in overseeing the OHA investment management function, developing investment policy, strengthening the BOT’s knowledge, skill, and investment oversight responsibilities, and drafting and reviewing/assessing the execution of BOT-approved investment policy for the NHTF. The BC will act solely on behalf of the BOT as described in further detail in this RFP. The BC will not provide advisory or investment services to the OHA Administration. The BC will evaluate the current investment program and make recommendation(s) that include, but are not limited to, restructuring the portfolio, updating policy and ongoing monitoring of the investment program on behalf of the BOT.

A determination has been made that the OHA is unable to secure these services through a low bid process. Factors included in the determination are: 1) price is not the primary consideration in determining an award; 2) the resulting contract may need to be other than a fixed price type; 3) the specifications for the services cannot be sufficiently described through low bid process; 4) oral or written discussion need to be conducted with Offerors concerning their proposals; 5) Offerors may need to revise their proposal, including price; and 6) the award needs to be based on a comparative evaluation in order to determine the most advantageous offering to the OHA. To that end, a low bid process is not practicable.

This RFP is issued under the provisions of Chapter 103D, HRS, as amended, and its companion administrative rules. Offerors are charged with presumptive knowledge of all requirements of the cited authorities. Submission of a valid executed proposal by any Offeror will constitute admission of such knowledge on the part of such Offeror.

II. RFP Organization

This RFP is organized into five (5) sections:

Section 1: Administrative Overview – Provides Offeror with an overview of the procurement and contracting process.

Section 2: Scope of Services – Provides Offeror with a general description of the tasks to be performed, delineates Offeror’s responsibilities, and defines deliverables as applicable.

Section 3: Proposal Form and Instruction – Describes the required format and content for the proposal.

Section 4: Proposal Evaluation & Award – Describes how proposals will be evaluated.

Section 5: Attachments

III. Contracting Office

The Contracting Office is responsible for overseeing the procurement and issuing the Contract resulting from this RFP. The Contracting Office is:

Office of Hawaiian Affairs
Procurement Services Program
560 North Nimitz Highway, Suite 200
Honolulu, Hawai‘i 96817 Telephone: 594-1888

The RFP Coordinator or his/her designated representative is listed below:

Christopher Stanley
Office of Hawaiian Affairs
Procurement Services Program
560 North Nimitz Highway, Suite 200
Honolulu, Hawai‘i 96817
Email: proposals@oha.org

The OHA reserves the right to change the RFP Coordinator without prior written notice.

The BOT is responsible for administering and monitoring the Contract. The designated Contract Administrator or his/her designated representative is responsible for monitoring the activities performed under the Contract and is identified as:

Board of Trustees, Committee on Resource Management Chair or Designee
Office of Hawaiian Affairs
560 North Nimitz Highway, Suite 200

Honolulu, Hawai'i 96817

Any changes to the OHA Contract Administrator or his/her designated representative will be provided in writing to the Offeror. The OHA reserves the right to make the changes to the OHA Contract Administrator.

Once the Offeror has received the Notice to Proceed, all communications regarding approvals, reports, and requests shall be directed to the OHA Contract Administrator.

IV. Terms and Acronyms

BAFO	Best and Final Offer
BOT	Board of Trustees
CEO	Chief Executive Officer
COGS	Certificate of Good Standing
CPO	OHA Chief Procurement Officer
DCCA	Department of Commerce and Consumer Affairs
FY	Fiscal Year
GET	General Excise Tax
HAR	Hawai'i Administrative Rules
HCE	Hawai'i Compliance Express
HOPA	Head of Purchasing Agency
HRS	Hawai'i Revised Statutes
HST	Hawai'i Standard Time
KP	Ka Pouhana/Chief Executive Officer
Kūkākūkā	Discussion
OHA	Office of Hawaiian Affairs
RFP	Request for Proposals
STATE	State of Hawai'i, including its department, agencies, and political subdivisions
SOP	Standard Operating Procedures
SPO	State Procurement Office
TMK	Tax Map Key
USPS	United States Postal Service

V. Procurement Timeline

Activity	Scheduled Dates
Release of Request for Proposals	Thursday, August 25, 2022
Pre-Proposal Conference	Monday, August 29, 2022
Due Date to Submit Questions	Wednesday, August 31, 2022
OHA's Response to Questions	Tuesday, September 6, 2022
Proposals Due Date/Time	Monday, September 26, 2022
Proposal Evaluations	September 27, 2022, to October 8, 2022

Offerors' Presentation/Discussion to CRM	Week of October 10-14, 2022
Best and Final Offer	Monday, October 17, 2022
Notice of Award	No later than October 31, 2022
Contract Start Date	Thursday, December 1, 2022

The OHA reserves the right to amend or revise the timetable without prior written notice when it is in the best interest of the OHA. The schedule represents the OHA's best estimate of the schedule that will be followed. All times indicated are HST. If a component of this schedule is delayed, the rest of the schedule may be shifted accordingly.

VI. Pre-Proposal Conference

Individuals or firms are strongly encouraged to attend the Pre-Proposal Conference that will be held on Monday, August 29, 2022, at 2:30 p.m. HST. Please RSVP by submitting the RFP Registration Form via email no later than 2:30 p.m. on Monday, August 29, 2022 (same day as the Conference).

VII. Submission of Questions

Offerors are encouraged to submit questions pertaining to this RFP. Questions must be submitted to the RFP Coordinator through the HiePRO website and/or by emailing proposals@oha.org no later than the "Due Date to Submit Questions" date, identified in Section 1, Item V. Procurement Timetable. All questions will be responded to in an addendum to this RFP and posted to the OHA's website and the SPO website no later than the date when the "OHA's Response to Questions" is identified in Section 1, Item V. Procurement Timetable.

The only official position of the OHA is that which is stated in writing and issued in this RFP and/or as addenda to this RFP. No other means of communication, whether oral or written, will be construed as a formal or official response or statement and may not be relied upon as such.

VIII. Submission of Sealed Proposal

- A. Form/Formats. Proposal forms and formats such as for the price proposal are included in Section 5 - Attachments to this RFP.
- B. Proposal Submittal. Proposals must be submitted via email to proposals@oha.org by the date and time designated in this RFP. Any proposals received after the designated date and time will be rejected.
- C. Pre-opening Modification or Withdrawal. All proposals may be modified or withdrawn prior to the deadline for submittal by written notice to modify or withdraw the proposal. All requests for modification will be sealed, accompanied by the actual modification to the proposals, and signed by an authorized signatory.

The written request must be submitted to proposals@oha.org. Modifications and/or withdrawals will be clearly marked as such and must be received by the OHA no later than 2:00 p.m. HST, Monday, September 26, 2022.

- D. Wages and Labor Law Compliance. Prior to entering into a Contract in excess of \$25,000, an Offeror will certify that it complies with section 103-55, HRS, as amended, entitled “Wages, hours, and working condition of employees of contractors performing services.” Section 103-55, HRS, provides that the services to be performed will be performed by employees paid at wages not less than wages paid to public officers and employees for similar work. Offerors are further advised that in the event of an increase in wages for public employees performing similar work during the period of the Contract, the Offeror will be obligated to provide such increased wages.

Offerors will complete and submit the attached Wage Certificate certifying that the services required will be performed pursuant to section 103-55, HRS. See Attachment 5 – Wage Certificate.

The Offeror will be further obligated to notify his/her employees performing work under this Contract regarding the provisions of section 103-55, HRS, and current wage rates for public employees performing similar work. The Offeror may meet this obligation by posting a written notice to this effect in the Offeror’s place of business in an area accessible to all employees.

Offerors are strongly encouraged to account for salary increases as posted by the State of Hawai‘i Department of Human Resources Development (hereinafter “DHRD”). The OHA will consider requests for increases as a result of wage increases to public officers and employees during the Contract period or any option period that is not published. At the release of this solicitation, the effective wages through July 1, 2024, for state employees performing similar work have been published by the DHRD.

If wages increase after the execution of the Contract, the Offeror may request an increase in Contract price in order to correspondingly increase the wages of the Offeror’s employees performing the work, including any increase in costs for benefits required by law that are automatically increased as a result of increased wages, such as federal old-age benefits, workers’ compensation, temporary disability insurance, unemployment insurance, and prepaid health insurance.

The Offeror will not be paid for any reimbursement of retroactive pay negotiated by the State. The Offeror’s request for the increase must meet the following criteria:

1. At the time of the offer, if the Offeror’s hourly wage rate is greater than the prevailing State wage, the Offeror’s requests for increase will not be considered.

2. At the time of the request, the Offeror must or must have provided documentation to show that it is in compliance with section 103-55, HRS (i.e., its employees are being paid no less than the known wage rates of a State position). Documentation will include the employee's payroll records and a statement that the employees are being utilized for this Contract.
3. Request for an increase must be made in writing to the OHA on a timely basis as follows:
 - a. Request for increase for the initial Contract period must be made as soon as practicable after the State wage agreements are made public. Approved requests will be retroactive to the date of increase for the State employees with adequate documentation that the Offeror provided its employees a wage increase.
 - b. To obtain the current wage information, download the information from the Department of Human Resources Development's website at the following address:

<https://dhrd.hawaii.gov/state-employees/classification-and-compensation/>

It is the sole responsibility of the Offeror to comply with section 103-55, HRS, as applicable.

- E. Confidential Information. If an Offeror believes that any portion of a proposal contains information that should be withheld as confidential, the Offeror will request in writing nondisclosure of such information and provide justification to support the designation of confidentiality. Such information will accompany the proposal, be clearly marked, and will be readily separable from the proposal documents to facilitate the eventual public inspection of the non-confidential section of the proposal documents. Note the price and the provisions of the minimum required services are not considered confidential and will not be withheld.

Offerors who choose to identify portions of their proposal as confidential will be responsible to ensure that the minimum services are not included. The OHA will not make any determination of confidentiality for the Offeror.

If the proposal is marked confidential in its entirety, the OHA Procurement Services Program will not make a determination of confidentiality and will refer any request for information to the OHA General Counsel and/or the State's Office of Information Practices.

- F. Exceptions. Offerors will list any exceptions taken to the terms, conditions, specifications, or other requirements listed herein. Offerors must reference the RFP section where the exception is taken and provide a description of the exception taken and any proposed alternative. The OHA will retain the right to grant exceptions to

discretionary policies. Request for exceptions from State, Federal, or local laws will not be approved.

IX. Discussions with Offerors Prior to Proposal Submissions

Discussion may be conducted with the Offeror to promote understanding of the OHA's requirements.

X. Opening of Proposals

The date and time recorded for the receipt of any proposals by the OHA, any modification to proposals, and withdrawals of proposals will be the date and time of receipt of the email by the OHA. All documents received will be held in a secure place by the OHA and will not be examined for evaluation purposes until the submittal deadline. The procurement file will be open to public inspection after a contract has been awarded and executed by all parties. Proposals will not be opened at a public proposal opening.

XI. Additional Materials and Documentation

Proposal samples or descriptive literature should not be submitted unless specifically requested within the RFP. Offerors may include up to five (5) pages of documentation, literature and samples or brochures of related services which demonstrate experiences to related services.

XII. RFP Amendments

The OHA reserves the right to amend this RFP at any time prior to the proposal submission deadline. Offerors will be notified of the availability of amendments through verbal or written communications. All amendments to this RFP will be posted to the SPO HIePRO website <https://hiepro.ehawaii.gov/sav-search.html> and to the OHA website www.oha.org/solicitations.

XIII. Additional Terms and Conditions

The OHA reserves the right to add terms and conditions during contract negotiation and discussions. These terms and conditions may be applicable to the scope of the RFP and will not affect the proposal evaluation.

XIV. Trade Secrets/Confidential Information

If an Offeror believes that any portion of their proposal contains information that should be withheld as confidential, the Offeror will provide a written request for nondisclosure of such information to be kept confidential and provide justification to support confidentiality. Such information will accompany the proposal, will be clearly marked, and will be readily separable from the proposal packet to facilitate eventual public

inspection of the non-confidential sections of the proposal packet. Note that price is not considered confidential and will not be withheld.

XV. Intellectual Property Rights

The OHA reserves the right to unlimited, irrevocable, worldwide, perpetual, royalty-free, non-exclusive licenses to use, modify, reproduce, perform, release, display, create derivative works from the work product, and to disclose the work product, and to transfer the intellectual property to third parties for the OHA's purposes.

The Offeror understands that the information obtained from these efforts is the sole property of the OHA, that any use of the information must be approved by the OHA Contract Administrator, and that any information and all materials used to complete the project will be returned to the OHA.

XVI. Cancellation of the Request for Proposals

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

XVII. Costs for Proposal Preparation and Verification

Any costs incurred by the Offeror in preparing or submitting a proposal are the Offeror's sole responsibility. Any cost incurred by the Offeror prior to the execution of a contract is not eligible for reimbursement.

Costs incurred in connection with the review, inspection and verification of information provided in the RFP will be the Offeror's sole responsibility.

Offerors will ensure that the OHA is provided with the written authorization(s) necessary to verify information provided in the Offeror's proposal.

XVIII. Mistakes in Proposals

While Offerors are bound by their proposals, circumstances may arise where a correction or withdrawal of a proposal is proper. An obvious mistake in a proposal may be corrected, withdrawn, or waived by the Offeror to the extent that it does not conflict with the best interest of the OHA or to the fair treatment of other Offerors. Mistakes in proposals will be handled as provided for in Section 3-122, HAR.

XIX. Rejection of Proposals

The OHA reserves the right to consider as acceptable and responsive only those proposals submitted in accordance with all requirements set forth in this RFP and which demonstrate an understanding of the problems involved and comply with the service

specifications. Any proposal offering any other set of terms and conditions contradictory to those included in this RFP may be rejected without further notice.

A proposal may be automatically rejected for any of the following reasons:

1. Cancellation of solicitations and rejection of offers (HAR §3-122-95);
2. Cancellation of solicitation (HAR §3-122-96);
3. Rejection of offers (HAR §3-122-97);
4. Reporting of anti-competitive practices (HAR §3-122-191 to §3-122-196);
5. Rejection for inadequate accounting system (HRS §103D-314(2));
6. Late proposals (HAR §3-122-16.08);
7. Proposal not responsive (HAR §3-122-97(b) and HAR §3-122-97(c)); and
8. Offer not responsible (HAR §3-122-97(b) and HAR §3-122-97(c)).

XX. Notice of Award

Any contract arising out of this solicitation is subject to the availability of funding and the approval by the Contract Administrator as to content, the OHA General Counsel as to form, to be signed and executed by the BOT Chair subject to the availability of funding.

The Offeror will receive a Notice of Award which will indicate that the Offeror has been selected to provide the services under this RFP.

No work is to be undertaken by the Offeror prior to the Contract commencement date. The OHA is not liable for any work, contract, costs, expenses, loss of profits, or any damage whatsoever incurred by the Offeror prior to the Contract commencement date as specified in the contract.

Pursuant to section 3-122-112, HAR, Responsibility of Offeror, the Offeror will produce documents to the Procurement Officer to demonstrate compliance with this section.

The Offeror receiving the award will be required to enter into a formal written Contract with the OHA. The General Conditions of the Contract are attached, and minimum service specification are included herein. See Attachment 7 – General Terms and Conditions.

XXI. Protests

Pursuant to sections 103D-701, HRS, as amended, and 3-126-4 HAR, an actual or prospective Offeror who is aggrieved in connection with the solicitation or award of a Contract may submit a protest. An actual or prospective Offeror may protest the solicitation or award of services only for a serious violation of procurement policies and operational procedures. Only the following matters may be protested:

1. A state purchasing agency's failure to follow procedures established by Chapter 103D, HRS, as amended.

2. A state purchasing agency's failure to follow any statute established by Chapter 103D, HRS, as amended.
3. A state purchasing agency's failure to follow any procedure, requirement, or evaluation criterion in a request for proposals issued by the state purchasing agency.

The Notice of Protest shall be emailed to proposals@oha.org and the Procurement Officer who is conducting the procurement as indicated below 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 will be submitted in writing prior to the date set for receipt of offers, a protest of an award or proposed award will be submitted within five (5) days after the posting of award of the Contract. Deliveries from other than USPS will be considered hand deliveries and considered submitted on the date of actual receipt by the OHA. Any notice of award letter(s), resulting from this solicitation will be posted on the Procurement Reporting System on the State Procurement Office website at <https://hands.ehawaii.gov/hands/opportunities> and the OHA website at www.oha.org/solicitations.

Procurement Officer	
Name:	Christopher Stanley
Title:	Procurement Manager
Address:	Office of Hawaiian Affairs 560 North Nimitz Highway, Suite 200 Honolulu, Hawai'i 96817

XXII. Availability of Funds

The award of a Contract and any allowed renewal or extension thereof, are subject to the availability and allotment of the OHA funds, State and/or Federal funds.

XXIII. Monitoring and Evaluation

The Offeror's performance under the Contract will be monitored and evaluated by the OHA Contract Administrator or his/her designated representative, the OHA auditor, and/or other designated representatives.

Failure to comply with all material terms of the Contract may be cause for suspension or termination as provided in the General Conditions. The Offeror may be required to submit additional written reports, including a corrective action plan, in response to monitoring conducted by the OHA. These additional reports will not be considered a change to the scope of work and will continue for a duration of time as deemed necessary by the OHA.

XXIV. General and Special Conditions of Contract

The General Conditions that will be imposed contractually are included as an attachment. See Attachment 7 – General Terms and Conditions.

Special Conditions may be imposed by the OHA. The OHA reserves the right to make appropriate modifications to the quantity of items or reporting requirements contingent upon unforeseen conditions.

XXV. Cost Principles

The OHA will utilize standard cost principles from section 3-123, HAR, which are available on the SPO website. Nothing in this section will be construed to create an exemption from any cost principle arising under State and Federal laws.

XXVI. Campaign Contributions by State and County Contractor Prohibited

If awarded a Contract in response to this solicitation, the Offeror agrees to comply with Chapter 11, §11-355, HRS, which states that campaign contributions are prohibited from a State and County government Contractor during the term of the Contract if the Contract is paid with funds appropriate by the legislative body between the execution of the Contract through the completion of the Contract.

(END OF SECTION)

Section 2 – Scope of Services

I. NHTF Overview

Under the HRS Chapter 10, OHA’s BOT may collect, receive, deposit, withdraw, and invest money and property to further the mission of OHA. On May 29, 2003, the OHA’s Board of Trustees adopted the initial Native Hawaiian Trust Fund Investment Policy Statement, as updated September 27, 2012, and was most recently amended in August 2021 for the Hawai‘i direct investment allocation. The OHA’s BOT maintains responsibility for setting the investment policy guidelines, asset allocation constraints, and monitoring the advisors to ensure they act prudently and follow the investment policy.

In 2020, OHA enacted a new 15-year strategic plan for 2020 through 2035 entitled *Mana I Maui Ola* (Strength to Wellbeing). Our strategic plan is built upon three foundations that have the power to affect the wellbeing of Native Hawaiians: (1) ‘Ohana (family), (2) Mo‘omeheu (culture), and (3) ‘Āina (land and water). The OHA is building off these foundations to bring the OHA’s vision statement to life: *Ho‘oulu Lāhui Aloha* (To Raise a Beloved Lāhui). To raise a *Lāhui Aloha*, Native Hawaiians need to operate under principles of self-determination, and its related accountabilities, in each of our strategic directions of educational pathways, health outcomes, quality housing and economic stability.

The OHA’s NHTF was established in 1981 to account for the OHA’s portion of revenues derived from ceded lands held in public trust. In 1993, the State of Hawai‘i agreed to pay the OHA approximately \$135 million in back revenues on ceded lands, including interest. The amount received, formed the basis of the trust fund’s corpus. The NHTF has been since managed by an in-house investment management function, supported by an investment advisory committee and 3rd party money managers, advisors, and consultants.

During the 2022 Hawai‘i state legislative session, SB2021 SD1 HD2 CD1 passed and was signed into law as Act 226 (2022) by Governor David Ige. Act 226 increased the annual Public Land Trust (“PLT”) amount from \$15.1MM to \$21.5MM, appropriated \$64,000,000 to the OHA as a portion of back due PLT revenues, and formed a working group. In July 2022, the BOT: A) Approved the inclusion of the interim annual share of the income and proceeds of the public land trust amount of \$21,500,000 in the biennium budgeting process in accordance with the Budget Management Policy beginning in fiscal year 2022-2023; B) Approved the investment of the \$64,000,000 general revenues appropriation, for a portion of the income and proceeds from the public land trust, into the Native Hawaiian Trust Fund, consistent with the Investment Policy and related asset allocation; and C) Activated planning and other activities in preparation for implementation of the working group further described in Section 3 of Act 226 (2022) in calendar year 2023.

The sources of funding for the OHA include State of Hawai‘i general fund appropriations, public land trust payments, net income from commercial properties, federal grants, and miscellaneous other income. In addition, a significant portion of the operational funding comes from withdrawals made from the Native Hawaiian Trust Fund (NHTF). The goal of the NHTF is to provide investment returns to advance the OHA’s mission in perpetuity. In this regard, the BOT established both an investment and a spending policy, Appendices A and B, respectively. Generally, the investment policy targets the growth of the NHTF at least inflation plus five percent annually, while the spending policy limits the amount of withdrawals that can be made from the fund in any given fiscal year. Withdrawals are limited to up to five (5) percent of the NHTF’s 20-quarter rolling average market value, as defined, to ensure that resources held within the trust are available for future spending. The beneficiary needs for services is closely tied to the local economy, while the NHTF source of funding, is closely tied to the national economy. Refer to Appendix C for the NHTF flash report as of June 30, 2022.

Commercial property operations for the OHA began in 2012, 30 acres in Kaka‘ako Makai, on the island of O‘ahu, was given to the OHA in settlement of \$200,000,000 in back public land trust revenues owed to the OHA by the State of Hawai‘i, and activities related to the effort can be found on the OHA website: <https://www.oha.org/kakaakomakai2021/>. Also in 2012, the OHA acquired the five-acre commercial property formerly known as the Gentry Pacific Design Center, renamed it Nā Lama Kukui (“NLK”) and relocated its headquarters to the 560 N. Nimitz Highway location. Fully leased, the retail activities of NLK can be found at <https://nlkcenter.com/shops/>, and the OHA recently opened its offices to beneficiaries and the general public after a two-year closure due to COVID-19 <https://www.oha.org/>. Almost 10 years later, in 2021, the OHA announced the \$47,000,000 acquisition of two properties, one at 500 N. Nimitz Highway and the other at 501 Sumner Street, both adjacent to NLK (collectively “Iwilei Properties”).

The BOT’s in-progress policy work includes, but is not limited to: creation of an Endowment policy, including the value of financial assets and commercial properties of approximately \$428,000,000 (as of June 30, 2022) and \$280,000,000, respectively; updating the Spending Policy; reviewing and harmonizing existing policies—Investment, Economic Development, Debt Management, including considerations for direct investments in Hawai‘i; and migrating policies into the BOT approved policy framework. The Resource Management Division, with the assistance of the OHA’s Administration, including its CEO and CFO, is responsible for the operational management of the NHTF, pending any future governance changes, approved and implemented by the BOT. The NHTF serves as a perpetual trust and provides financial resources for the OHA’s various beneficiary programs, initiatives, and operational expenses.

II. NHTF Investment Management Need

To meet the long-term goals of NHTF, the OHA needs an experienced independent nondiscretionary BC to enable development, maintenance, and oversight of the OHA's financial investment portfolio to ensure compliance with the OHA's investment policies.

The BC shall perform functional activities to assist the BOT in all aspects of oversight for the investment function, including processes and procedures to maximize long-term total returns while assuming appropriate levels of risks. This includes developing and updating related policies, analyzing the performance of the OHA's portfolio and investment advisors, identifying problems and opportunities, working with the OHA's investment consultants, Outsourced Chief Investment Officer (“OCIO”), service providers, and fund managers on asset allocation recommendations, providing internal investment reports, and making recommendations on investment policy, structure, and opportunities when appropriate. The BC function includes recommendations to the Chairs of the Committee on Resource Management (“CRM”) and BOT, whose responsibilities center on overall fiduciary responsibility for all the assets of the OHA, including managing and approving investment policy, asset allocation, benchmarks, risk budget, guidelines, and manager(s) selection.

It is essential that the BC serve as a sage and loyal advisor/consultant to the CRM and BOT. The BC business interest should be to serve as a fiduciary without conflicts of interest that arise from competing business lines and management of assets for consideration in the NHTF.

III. NHTF Asset Allocation Targets, Benchmarks, Primary Objectives

At present, the following table represents the NHTF asset allocation targets, benchmarks and primary objectives as further detailed in Appendix A, Table 5.1 Asset Allocation:

Asset Class Portfolios	Maximum	Minimum	Strategic Target	Benchmark Index	Primary Objective
Traditional Asset Classes					
Traditional Global Equities	55%	22%	42%	MSCI ACWI	Growth
Traditional Global Fixed Income	22%	11%	18%	Bloomberg US Aggregate	Income
Traditional Global Real Assets	11%	0%	5%	US TIPS +3%	Inflation Hedge
Total Traditional Assets	88%	33%	65%		
Alternative Asset Classes					
Hedge Funds	19.2%	6.4%	13%	3-Month T-Bills +4%	Volatility Management
Private Markets*	25.6%	0%	19%	MSCI ACWI +3%	Growth

Asset Class Portfolios	Maximum	Minimum	Strategic Target	Benchmark Index	Primary Objective
Total Alternative Assets	44.8%	6.4%	32%		
Enhanced Liquidity Account					
Enhanced Liquidity	10%	0%	3%	1-3 Year Treasury	Liquidity
Total Financial Assets			100%		
Hawai'i Direct Investments					
Hawai'i Direct Investments	No Target			CPI +5%	Total Return
*The Private Market allocation will consist of the previous Non-Marketable Equity, Credit, and Real Assets & Opportunistic portfolios					

From current policy (Appendix A): “The Strategic Targets for the Asset Classes listed in the table above multiplied by the benchmarks recommended by the Consultant and approved by the CEO constitute the Policy Portfolio.”

At present, the following table regroups the Asset Classes by primary objective as further detailed in Appendix A, Table 5.1 Asset Allocation:

Asset Class Portfolios	Maximum	Minimum	Strategic Target
Growth			
Traditional Global Equities	55%	22%	42%
Private Markets	25.6%	0%	19%
Total Growth	80.6%	22%	61%
Income			
Traditional Global Fixed Income	22%	11%	18%
Total Income	22%	11%	18%
Volatility Management			
Hedge Funds	19.2%	6.4%	13%
Inflation Hedge			
Traditional Global Real Assets	11%	0%	5%
Total Inflation Hedge	11%	0%	5%

Liquidity			
Enhanced Liquidity	10%	0%	3%
Hawai'i Direct Investments			
Hawai'i Direct Investments	No Target		

From current policy (Appendix A): “All Hawai‘i Direct Investments are excluded from the discretionary Manager-of-Managers framework. The OHA staff with the assistance of the 3rd party consultants and advisors, have been responsible for the due diligence, performance monitoring and reporting of such investments. For Hawai‘i commercial real estate, OHA chooses to utilize internal management of the assets. Management shall formulate and implement an overall strategy incorporating both economic and cultural focus. Internal management will also leverage the expertise of OHA’s Real Estate Advisory Committee and external real estate consultant.

Private Market investments are accomplished outside of the discretionary Advisor framework as the Advisors do not have investment discretion over these assets. Approved Non-Marketable Alternatives Providers has provided OHA staff and the current 3rd party consultants and advisors with sufficient information and analyses to evaluate their investment recommendations. The information may include Manager due diligence reports and portfolio analytics so that the CEO can make an informed decision relating to the investment. It is recognized that there may be underinvestment or overinvestment in these illiquid asset classes due to the timing of capital calls and distributions.”

IV. Independent Nondiscretionary Board Investment Consultant for the OHA NHTF – Scope of Work

A. General

The OHA desires to retain an independent nondiscretionary Board Investment Consultant (“BC”) to be a fiduciary and assist the BOT in overseeing the OHA investment management functions, developing investment policy, strengthening the BOT’s knowledge, skill, and investment oversight responsibilities, and to review and assess the execution of BOT-approved investment policy for ongoing management of the NHTF. The BC will act solely on behalf of the BOT as described in further detail in this RFP. The BC will not provide advisory or investment services to the OHA Administration. The BC will evaluate the current investment program and make recommendation(s) that include but are not limited to reviewing and assessing the current investment program (including investment governance, policies, procedures), restructuring the portfolio, and other directed actions.

The BC is expected to: Help the OHA BOT make informed decisions and assist the BOT in exercising effective fiduciary oversight of the System’s investment program; Serve in a fiduciary capacity to the Board; and provide independent and objective advice to the Board in a proactive manner.

B. BC Studies and Services

The role of the BC will be to advise the BOT with respect to the NHTF's asset allocation/policy portfolio, benchmarks, targets, and objectives; and assess the performance of the overall portfolio and its individual elements. It is expected that the selected independent nondiscretionary BC will perform the following services, while maintaining a constructive relationship with the OHA's Administration and third-party service providers:

1. **Initial NHTF Assessment and Study.** Conduct an initial assessment and study of the NHTF as it relates to historical performance, asset allocation, management and related fees; with an update of such an assessment every two years thereafter;
2. **Review of NHTF Past Investment Activities.** Review past investment activities with the objective of expressing an independent opinion on whether the activities carried out by the OHA's Administration: Followed all applicable policies, procedures and federal and state laws regulations and rules; were aligned with market best practices; and were executed in the best interest of the NHTF;
3. **Initial Review of Existing Investment Policy, Including Asset Allocation.** Review the existing Investment Policy, including the current asset allocation and provide suggested enhancements; and whenever required, assist in the development and/or update of the policy;
4. **Initial Review of Existing Spending Policy.** Review the existing Spending Policy, including its integrated implementation with existing policies (i.e., Investment Policy, Debt Management Policy, Economic Development Policy), and provide suggested enhancements; and whenever required, assist in the development and/or update of the policy;
5. **Policy Review, Drafting and Updates.** Bi-annually review Investment, Spending and other identified policies by the BOT or CRM; draft, modify and/or update new or existing policy(ies) as directed by the BOT;
6. **Ongoing Investment Advice & Analysis.** Provide ongoing expert advice and analysis regarding the OHA investment program structure and the management of its assets relative to achieving the OHA's investment goals and objectives;
7. **Ongoing Macro Investment Perspective.** Provide an ongoing macro investment perspective ongoing financial market commentary and any associated positive and/or negative impacts on the OHA investment program structure and asset management activities;
8. **Provide and/or Coordinate Continuing Investment Education.** Provide applicable education to the BOT on investment industry trends and public fund investment best practices to ensure the BOT is knowledgeable on developments in the marketplace.

C. BC Client Service Expectations, including Education

1. Attend a minimum of four (4) CRM meetings (virtually or in person) each quarter and one annually in person;
2. Attend telephone and/or video meetings, as requested;
3. Coordinate effectively with the BOT, 3rd party investment managers, and the asset custodian(s);
4. Respond to inquiries by the BOT between meetings in a timely manner;
5. Report significant changes in the BC's ownership, organizational structure, personnel, and other areas that may be relevant to the OHA on a timely basis;
6. Obtain information from 3rd party investment managers and partners for the NHTF to comply with regulatory and/or other requirements; and
7. Provide to and/or coordinate education for the BOT, as required or needed.

D. Other BC Services

1. Propose appropriate custodial arrangements and in collaboration with the OHA Administration assist with -searches for, evaluation and selection of custodians and vendors, as required;
2. Provide other services by request and that are agreed as typically provided in independent nondiscretionary board investment consultant relationships for institutions of a similar size and complexity to the OHA and the NHTF; and
3. Carry out any other duties or provide any other services that may be specified in, or required by, the OHA's contract.

V. General Requirements

A. Qualifying Requirements

1. The Offeror will comply with section HRS §103D-601, as amended, entitled "Cost Principles Rules Required".
2. The Offeror must have no outstanding balances owing to the OHA. Exception may be granted by the CEO of the OHA for debts recently acquired and for debts for which a repayment plan has been approved by the CEO of the OHA.
3. Offerors are advised that if awarded a Contract, the Offeror must furnish proof of compliance with the requirements of Section §3-122-112, HAR.
 - a. Chapter 237, General Excise Tax Law;
 - b. Chapter 383, Hawai'i Employment Security Law;
 - c. Chapter 386, Workers' Compensation Law;
 - d. Chapter 392, Temporary Disability Insurance;

- e. Chapter 393, Prepaid Health Care Act; and
 - f. Certificate of Good Standing (hereinafter “COGS”) for entities doing business in the State.
4. Be registered and incorporated or organized under the laws of the State of Hawai‘i (hereinafter “Hawai‘i business”).

The Offeror(s) will be one (1) of the following:

- a. Hawai‘i business: A business entity referred to as a “Hawai‘i business” is registered and incorporated or organized under the laws of the State of Hawai‘i. As evidence of compliance, the Offeror will submit a CERTIFICATE OF GOOD STANDING issued by the Department of Commerce and Consumer Affairs Business Registration Division (hereinafter “DCCA”). A Hawai‘i business doing business as a sole proprietorship is not required to register with the DCCA, and therefore not required to submit the certificate. An Offeror’s status as sole proprietor or other business entity and its business street address will be used to confirm that the Offeror is a Hawai‘i business.
- b. Be registered to do business in the State of Hawai‘i (hereinafter “compliant non-Hawai‘i business”).

Compliant non-Hawai‘i business: A business entity referred to as a “compliant non-Hawai‘i business,” is not incorporated or organized under the laws of the State of Hawai‘i, but is registered to do business in the State. As evidence of compliance, the Offeror will submit a CERTIFICATE OF GOOD STANDING.

5. Business Office

The Offeror will have, at a minimum, a telephone number and electronic mail address from which it conducts business and be accessible by telephone from 8:00 a.m. to 5:00 p.m., HST, for meetings, teleconferences, video conferences, concerns or requests that need immediate attention. An answering service is not acceptable. An office location, telephone number and electronic mail address will be identified in the Offerors’ proposal.

6. Certificate of Eligibility

The Offeror will demonstrate compliance with the following:

- a. Tax Clearance Form A-6;
- b. Department of Labor and Industrial Relation, Applications for Certificate of Compliance Form LIR#27; and

- c. Certificate of Good Standing issued by the DCCA and the Hawaii Compliance Express (hereinafter “HCE”), which allows businesses to register online through a simple wizard interface at:

<https://vendors.ehawaii.gov/hce/splash/welcome.html>

The HCE provides the applicant with a “Certificate of Vendor Compliance” with current compliance status as of the issuance date, accepted for both contracting purposes and final payment. Business that elect to use the new HCE services will be required to pay an annual fee of \$12.00 to the Hawai‘i Information Consortium, LLC (hereinafter “HIC”).

7. Indemnification

The Offeror will defend, indemnify, and hold harmless the State of Hawai‘i, the OHA, its elected and appointed officials, officers, agents and employees, from and against all liability, loss, damage, cost, and expense, including attorneys’ fees, and all claims, suits, and demands arising out of or resulting from the acts or omission of the Offeror or the Offeror’s officers, employees, agents or subcontractors.

8. Insurance Requirements

To be eligible for award, the Offeror agrees to acquire insurance from an insurance carrier or carriers licensed to conduct business. Prior to the Contract start date, the Offeror shall furnish to the Contracting Office a valid certificate(s) of insurance as evidence of the existence of the following insurance coverage in the amount not less than the amounts specified. The insurance must be maintained in full force and effect throughout the entire performance period. Failure to maintain the required insurance is considered a material default of the Contract.

<u>Coverage</u>	<u>Limits</u>
Commercial General Liability (including personal injury, death, and property damage)	\$2,000,000 per occurrence; \$2,000,000 general aggregate per policy year; \$2,000,000 product and completed operations aggregate limit per policy year.
Personal and Advertising Injury	\$1,000,000 each occurrence.
Umbrella Liability	\$2,000,000 aggregate.

Automobile Insurance covering all owned, non-owned, and hired automobiles

Bodily injury liability limits of \$1,000,000 each person and \$1,000,000 per accident; property damage liability limits of \$1,000,000 per accident. Or \$2,000,000 combined single limit.

Workers Compensation as required by laws of the State of Hawai‘i

Insurance to include Employer’s Liability. Such coverage shall apply to all employees of the Offeror and (in case any sub-contractor fails to provide adequate similar protection for all its employees) to all employees of sub-contractors

Professional Liability (Errors and Omissions)

\$1,000,000 per claim
\$2,000,000 annual aggregate

- a. The State of Hawai‘i, the OHA, its elected and appointed officials, employees, and volunteers shall be named added as additional insured with respect to occurrences during or in connection with the performance of this contract. Before the effective date of this contract, the Offeror agrees to provide the OHA with certificate(s) of insurance necessary to satisfy the OHA that the insurance provision of this contract have been complied with and to keep such certificate(s) on deposit with the OHA during the entire term of this contract. The minimum insurance required shall be in full compliance with the Hawai‘i Insurance Code throughout the entire term of the contract, including supplemental contracts, and shall be written by a company authorized to do business in the State of Hawai‘i and rated no less than an AM Best rating of A- VIII. The Offeror and its carriers agree to waive their rights of subrogation with respect to any claims covered, or which should have been covered, by valid and collectible insurance, including any deductibles or self-insurance maintained thereunder. Upon request by the OHA, the Offeror shall furnish a copy of the policy or policies that satisfy the insurance requirements of this Contract.
- b. Failure of the Offeror to provide and keep in force such insurance shall be regarded as a material default under this contract, entitling the OHA to exercise any or all the remedies provided in this contract for default of the Offeror.
- c. The procuring of such required policy or policies of insurance shall not be construed to limit the Offeror’s liability hereunder or to fulfill the indemnification provisions and requirements of this Contract. Notwithstanding said policy or policies of insurance, the Offeror shall be obliged for the full and total amount of damage, injury, or loss cause by negligence or neglect connected with this Contract.

- d. To satisfy the minimum coverage limits required by this Contract, the Offeror may use an umbrella policy in addition to the mandatory insurance policies (e.g, general liability insurance, automobile Insurance, and workers' compensation) provided that the OHA approves, and the umbrella policy follows the underlying coverage forms.
- e. The Offeror shall notify the OHA in writing of any cancellation or substantive change in insurance at least thirty (30) calendar days prior to the effective date of such cancellation or change.
- f. The OHA is a self-insured semi-autonomous state agency. The Offeror's insurance shall be primary. Any insurance maintained by the State of Hawai'i and the OHA shall apply in excess of, and shall not contribute to insurance provided by the Offeror.
- g. Other Additional Insurance

The Offeror may, at its own expense, obtain additional insurance coverage for further protection subject to the OHA's approval. Request for approval will include a description of the additional insurance coverage, the amount of the premium, and justification for additional insurance.

9. Minority/Women Business Participation (hereinafter "MBE/WBE")

Whenever possible, the Offeror awarded the contract agrees to subcontract with minority owned business enterprises and/or women owned business enterprises certified as such as recognized.

10. Using Best Effort to Fulfill Minority/Women Business Participation

In the event that the OHA has reasonable belief that the Offeror will not use its best efforts to meet the MBE/WBE participation goal, the OHA reserves the right to cancel the Contract in whole or in part. Best efforts may be established by demonstrating that the Offeror already is or is working towards being certified as an MBE/WBE or has contracted or solicited bid/quotes from subcontractors that are certified as MBE/WBE through the Small Business Administration.

11. Non-Discrimination

The 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 Offeror or in participation in the benefits of any program or activity funded in whole or in part by the State.

12. Conflicts of Interest – Promise of Reciprocity

The Offeror represents that neither the Offeror nor any employee or agent of the Offeror presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the Offeror's performance of the contract.

13. Conflicts of Interest – Relationships

Offeror will not be a BOT member, executive officer, director, or other staff of the OHA. Offeror will not be a member of the immediate family of a BOT, executive officer, director, or other staff of the OHA.

14. Campaign Contributions

If funds for this contract have been appropriated by a legislative body, the Offeror is required to comply with HRS section 11-355, which states that campaign contributions are prohibited from a state and county government contractor during the term of the contract if the then contractor is paid with funds appropriated by a legislative body between the execution of the contract through the completion of the contract.

B. Type of Contract

1. The Offeror will be required to execute a contract for goods and services based on competitive sealed proposals.

The contract will be on a reimbursement basis. All costs incurred must be supported by verifiable evidence that payment was made (e.g. invoices and/or receipts). No profit or administrative mark-up will be allowed on project reimbursable expenses, including, without limitation, postage, supplies, and travel.

Subsequent to the award and within ten (10) days after the prescribed forms are presented for signature, the Offeror will execute and deliver to the OHA a contract in such number of copies as required by the OHA.

The Offeror will be required to enter into a formal written contract with the OHA in accordance with the laws, rules and regulations of the State of Hawai'i. The stated requirement appearing elsewhere in this RFP will be incorporated and will become part of the terms and conditions of the contract.

By submission of a proposal, the Offeror warrants and represents that they have read and are familiar with the contractual and service requirements set forth in the

RFP and its attachments, the provisions of which are expressly incorporated into this RFP by reference.

All proposals will become the property of the OHA. The Offeror’s proposal will be incorporated in the resulting contract by reference.

2. Subcontracting

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

3. Contract Modification

The contract may be modified only by a written supplemental contract signed by the OHA and the authorized signatory designated to sign contracts on behalf of the Offeror as designated in a corporate resolution, if applicable.

4. Additional Services and Fees

The Offeror and the OHA will negotiate for additional needed services and fees for work not described in the contract by which may arise during the course of the contract. Any agreement will be in writing, executed by all parties, and shall be attached to the contract as a contract amendment to expire at the same time as the original contract or subsequent period.

5. Laws, Rules, Ordinances and Regulations

Reference to Federal, State, City and County laws, ordinances, rules and regulations and standard specifications will include any amendment thereto effective as of the date of the RFP.

6. Bonds

No performance or payment bond is required.

C. Multiple or Alternate Proposals (Refer to HAR §3-122-4)

- Allowed Not allowed

D. Single or Multiple Contract to be Awarded (Refer to HRS §103D-322)

- Single Multiple Single & Multiple

E. Single or Multi-Term Contract to be Awarded (Refer to HRS §103D-315)

- Single term (2 years or less) Multi-term (more than 2 years)

Initial term of contract: Twelve (12) months

Length of each extension: Up to Twelve (12) months, may be less than Twelve (12) months when it is in the best interest of the OHA

Maximum Length of Contract: Not to exceed Sixty (60) months

F. Condition for Contract Extensions

The initial period will commence on the contract start date. The following conditions must be met for an extension:

1. The Offeror experienced cost savings and has unexpended funds available that can be used to provide additional goods and services; or
2. The OHA determines there is an ongoing need for the services and has funds to extend services not to exceed thirty-six (36) months. Contract extensions will be awarded as agreed upon in the primary contract. Exceptions will be granted upon satisfactory justification such as increase in cost of goods or services; and
3. A supplemental contract must be executed prior to expiration of the primary contract; and
4. The Offeror must obtain the OHA's approval in writing.

The option to extend the contract will be at the sole discretion of the OHA. The contract will be extended at the same rates as proposed in the original proposal unless price adjustments are negotiated. Submission of a proposal constitutes acknowledgement by the Offeror that the Offeror is able and willing to contract for services for the duration of the contract period. If the Offeror is unwilling or unable to fulfill the scope of services described in the contract, the OHA reserves the right to assign the costs of re-procurement to any payment owed under the contract. These costs may include without limitations reproduction costs, staff time, and postage.

The Offeror will provide the requested insurance information and a completed wage certificate. The Offeror will pay the State of Hawai'i general excise tax and all other applicable taxes.

G. Contract price adjustments (other than wage rate increases)

Each proposal offered will be firm for a twenty-four (24) month period upon issuance of the Notice to Proceed.

Contract price adjustments will be limited to liability and/or automobile insurance. The following conditions must be met for the OHA to consider a price adjustment:

1. The Offeror provides adequate documentation of price increase(s), such as an insurance policy statement;
2. The increase will not exceed five percent (5%) of the original price for each budget line item; and
3. The request for increase must be reasonable and there must be sufficient funding available to support the increase.

VI. Contract Monitoring and Remedies

A. Monitoring

1. The satisfactory provision of goods and services will be monitored by the OHA Contract Administrator. Performance will be monitored on an ongoing basis by the OHA through desk monitoring and/or other methods by the OHA Contract Administrator and his/her designated representative(s).
2. Should the Offeror fail to comply with the requirements of the contract, the OHA may request a written corrective action plan, a timeline for implementation, and the responsible parties to the OHA. The OHA will monitor the Offeror for implementation of the corrective action plan. The OHA reserves the right to request regular or additional report(s) on progress towards compliance with the contract and the corrective action plan.
3. Should the Offeror continue to fail to comply with the requirements of the contract, the OHA reserves the right to engage the services of another to perform the services to remedy the defect or failure and to deduct such costs from monies due to the Offeror or to directly assess the Offeror.
4. In the event the Offeror fails, refuses, or neglects to perform the services in accordance with the requirements of this RFP and the contract, the OHA reserves the right to purchase in the open market corresponding services and to deduct this cost from the monies due or that may thereafter become due to the Offeror. If monies due to the Offeror is insufficient for this purpose, the Offeror shall pay the difference upon demand by the OHA. The OHA may also utilize all other remedies provided under the contract and/or as permitted by law.
5. In the event the Offeror is not performing the required services as contracted, the OHA reserves the right to extend the contract for intervals of less than twelve (12) months. During this time, the OHA will monitor the Offeror's performance and/or improvement and the implementation of its corrective action plan to determine whether the OHA will continue to contract with the Offeror.

B. Termination

The OHA reserves the right to terminate the contract without penalty for cause or convenience as provided in the General Conditions. See Attachment 7 – General Terms and Conditions.

- C. The OHA Contract Administrator shall act as the contract monitor and principal liaison between the Contractor and the OHA. The OHA Contract Administrator shall assist in resolving policy questions expediting decisions and the review of the work performed.
- D. The Offeror shall comply with applicable safety, hygiene, and physical distancing guidance from the Centers for Disease Control and Prevention (CDC), as well as with State, county, industry, and regulatory practices for safety, hygiene, and physical distancing, including standards and requirements adopted and issued by Hawaii Department of Health (DOH) or required by State and county emergency orders, rules, or proclamations related to COVID-19 (novel coronavirus).
- E. No person shall enter an OHA worksite if they have: (i) a fever, cough, shortness of breath or difficulty breathing, or other symptoms of respiratory illness or of COVID-19 as set forth by the CDC; (ii) had close contact with a person who has or is suspected to have COVID-19; or (iii) traveled outside of Hawai‘i in the past ten (10) days and have not satisfied the negative test exception to the mandatory self-quarantine period, subject to any subsequent out-of-state travel restrictions imposed through Statewide or county emergency orders, rules, or proclamations related to COVID-19 (novel coronavirus).

VII. Qualifications and Requirements

A. Specific Qualifications and Requirements

1. The Offeror requirements shall include, but not be limited to, the following: Minimum ten (10) years of advisory/working experience with an endowment, foundation, retirement system, corporate pension fund, or investment organizations with assets above one billion dollars.
2. The Offeror shall have investment knowledge, management, and administrative experience across all financial asset classes, with a preference for alternative asset classes including but not limited to private equity, real estate, and hedge funds.
3. Demonstrated understanding and experience of building a performance-driven investment portfolio, function, and organization.
4. The Offeror shall demonstrate expertise and experience in investment and portfolio management, as well as proficiencies in selection, utilization and

management of 3rd party professional service providers (e.g., consultants, financial advisors, industry subject matter experts, actuaries).

5. The Offeror shall provide documented knowledge and proficiency to perform high-level investment analysis, including due diligence and portfolio construction and shall include, but may not be limited to, the following:
 - a. Possess the ability to analyze and deconstruct complicated financial statements and financial projections.
 - b. Understand debt and/or equity structures and cost of capital factors in the evaluation of alternative financial models.
 - c. Have existing relationships with investment managers and organizations; and the ability to effectively communicate and work with them.

6. The Offeror should describe:
 - a. Its general observation about the OHA's current portfolio size, including the rationale from the Offeror about the utilization of mutual (commingled funds) or separately managed accounts.
 - b. Asset Allocation & Spending Policy Development
 - (i) Its experience of non-traditional investment asset classes such as hedge funds, real assets, private equity, and venture capital; and
 - (ii) Experience(s) and approach in developing Investment Policy and Spending Policy Statements, including detailing how direct investments can be addressed given the current policy.
 - c. Investment Research, Evaluation, Management, Termination, Data Systems
 - (i) The resources dedicated to investment research and monitoring, including identifying the name(s) of each individual, the asset classes covered and percentage of time. If no dedicated group, indicate the individual(s) that are involved in the investment research and their role in the process(es);
 - (ii) The Offeror's investment evaluation process(es);
 - (iii) Address whether the Offeror sells any of its research to outside organizations such as other investment consulting firms or investment managers? If so, how are conflict(s) of interest addressed;
 - (iv) Qualitative factors when researching investment management organizations, including how qualitative problems at investment management organizations are identified; how is historical investment performance used in the evaluation of investment organizations; how is a performance composite validated; and how are qualitative factors addressed in the evaluation process;

- (v) Describe the performance attribution analysis services that are proposed to be provided, in reviewing investment compliance with investment objectives and guidelines.
- (vi) Without revealing individual or organization identifying details, describe the circumstances under which the Offeror placed an investment organization on “watch”, including the dollar amount under management, general description of the portfolio composition; and determinative elements (quantitative and qualitative) of establishing, removing or continuing on the “watch” status;
- (vii) Without revealing individual or organization identifying details, describe the circumstances under which the Offeror placed an investment organization on “watch”, including the dollar amount under management, general description of the portfolio composition; and determinative elements (quantitative and qualitative) of establishing, removing or continuing on the “watch” status;

B. Offeror References

Each Offeror shall provide at least three (3) professional references, including the name, address, telephone number and e-mail of the company or agency and a person to be the contact reference. Reference information should also include a description of the engagement, major deliverables, the role of the Offeror, number of professional staff and related hours of the engagement. The references must be within the preceding five (5) years and with similar deliverables and/or services as detailed in the Scope of Work.

C. Administrative Requirements

1. The Offeror shall designate a contact person who will be responsible for project oversight and ensure contract performance. The contact person will be able to respond to the OHA’s inquiries, complaints and/or problems within one (1) working day.
2. The OHA Contract Administrator may send a monitoring report to the Offeror’s contact person. The monitoring report will document any discrepancies or contract violation(s) for correction within the designated time period provided.
3. The Offeror will ensure adequate and appropriate representation and response to invitations at regular meetings with the OHA CRM and/or the BOT. At this time, the OHA anticipates virtual meetings with the Offeror’s contact person who will be responsible for oversight of contract performance. Additional virtual meetings may be required by the OHA as necessary. All other meeting(s) or work, other than virtual and which may involve travel (e.g., air, ground, lodging), will need prior approval by the Contract Administrator.

D. Personnel

1. All personnel will be considered employees or agents of the Offeror.
2. The Offeror shall describe how it ensures that all personnel meet the minimum qualifications, including licensing and experience requirements.
3. The Offeror should identify personnel that hold the following preferred education and/or industry designation(s) accompanied with demonstrated, commensurate experiences: CFA, CAIA, or MBA.
4. The Offeror will ensure that all personnel meet the minimum qualifications, including State licensing laws and experience requirements. The current wage rates and position class specification for personnel are available at the following addresses:

<https://dhrd.hawaii.gov/state-employees/classification-and-compensation/>

Note - for this RFP, the Hawaii State Employees' Retirement System should be used as a comparison.

5. All staff training such as training required to ensure that the minimum services are provided in compliance with State, Federal, and/or County laws, ordinances, rules, and regulations, and will be the responsibility of the Offeror.
6. The Offeror will be solely responsible for the behavior and conduct of its employees or agents while on the OHA property. Supervision will be the responsibility of the Offeror.
7. The Offeror will ensure the confidentiality of all information, documents, or materials viewed or discussed. The Offeror's personnel will not disclose confidential information to the general public without the expressed written consent of the OHA by either policy, rules or letter. The Offeror's personnel shall complete and sign the OHA non-disclosure agreement prior to execution of the contract.
8. During the performance of this contract, the Offeror agrees not to discriminate against any employee or applicant for employment. The Offeror will take affirmative action to ensure equal treatment of its employees. Such actions will include, without limitation, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Offeror will insert provisions similar to the foregoing in all subcontracts.

9. The Offeror agrees to remove any of its employees from services to the OHA upon written request by the OHA Contract Administrator. At the request of the OHA, the Offeror will remove forthwith and will not employ in any portion of the work, any person who, in the opinion of the OHA, does not perform his/her duties and responsibilities in a proper and skillful manner, is intoxicated, disorderly, abusive, or unable to demonstrate tact and diplomacy in dealing with the BOT, the OHA Administration and/or the general public, including beneficiaries.

E. Reporting Requirements

The Offeror will be responsible for the timely submission of reports as requested by the OHA, including without limitation, the following:

1. Quarterly or as needed not to be more than monthly status report of process activities and related deliverables to the BOT as stated in the Scope of Work, Item IV. in a format such that the Contract Administrator can review before forwarding to the OHA's BOT; and
2. Monthly reconciliation of the Contract amount, billings, payments, statement of work and/or other subsequently agreed upon work, within the monthly status report.

F. Payment Invoices & Payments

1. Invoices issued under the resultant contract should be consistent with Section 3 – Proposal Format and Instructions. The Offeror, now Contractor, will submit invoices for payment listing dates of services performed with an itemized breakdown of expenses and costs. Invoices for reimbursable expenses as agreed to and specified in the contract must include original invoice(s) for said expenses. The OHA will reimburse the Offeror pre-approved reimbursable expenses as agreed to in the contract (e.g., travel).
2. The OHA will have thirty (30) calendar days after receipt of invoice and satisfactory delivery of goods or performance of the services to make payment. For this reason, the OHA will reject any proposal submitted with a condition requiring payment within a shorter period.
3. The OHA will reimburse the Offeror for all salaries, wages, related taxes, other related administrative expenses, and reimbursable expenses as agreed to in the contract.
4. The Offeror, now Contractor, will submit invoices for payment listing dates of services performed with an itemized breakdown of expenses and costs. Invoices for reimbursable expenses as agreed to and specified in the contract must include original invoice(s) for said expenses.

5. The Offeror, now Contractor, will clearly indicate any adjustment made to the billing statement for work not performed.
6. The Offeror, now Contractor, shall submit original invoices:
 - a. By electronic mail to (a) invoices@oha.org and (b) to the email address of the Contract Administrator for this Contract or
 - b. By U.S. postal mail to:

Office of Hawaiian Affairs
Attn: Financial Services
560 North Nimitz Highway, Suite 200
Honolulu, Hawai'i 96817
7. The Offeror, now Contractor, is expected to participate in Automated Clearing House (hereinafter "ACH") payment processing in order to expedite payments and to reduce the OHA's paper-based processing (e.g., cutting and handling of paper-based checks). In finalizing the resultant Contract, the OHA's Accounting Department, through the OHA Contract Administrator or designee, will provide the needed documents for execution.
8. All invoices shall reference the Contract number assigned to the contract. Payments will be processed upon confirmation by the OHA Contract Administrator that the Offeror has satisfactorily performed as specified in the contract.

(END OF SECTION)

Section 3 – Proposal Format and Instructions

I. General Instructions for Completing Forms

When an Offeror submits a proposal, it will be considered a complete plan for accomplishing the tasks identified in this RFP. The Offerors' proposal must demonstrate an understanding of and the ability to meet and perform all contractual requirements listed in this RFP.

The submission of a proposal will constitute the Offeror's indisputable representation of compliance with every requirement of the RFP and that the RFP documents are sufficient in scope and detail to indicate and convey a reasonable understanding of all terms and conditions of performance of the work to the Offeror.

All Offerors shall submit their proposal via email to proposals@oha.org.

Before submitting a proposal, each Offeror must:

1. Thoroughly examine the solicitation documents. Solicitation documents include this RFP, any attachments, plans referred to therein, and any other relevant documentation.
2. Be familiar with Federal, State, and County laws, ordinances, rules, and regulations that may in any manner affect cost, progress, or performance of the work.

Proposals will be submitted to the OHA in the prescribed format outlined in this RFP. A written response is required for each item unless indicated otherwise.

Offerors may attach to their proposal supplemental literature, brochures, or other information, which may demonstrate related experience in the proposal package.

II. Proposal Forms

- A. The proposal forms will be completed and submitted to the OHA by the required due date and time and in the form prescribed by the OHA.
- B. Offerors will submit their proposals under the Offeror's exact legal name that is registered with the State of Hawai'i Department of Commerce and Consumer Affairs and will indicate that this is its exact legal name. Failure to do so may delay proper execution of the contract.
- C. If the proposal is not signed by an authorized signatory as shown on the corporate resolution, the proposal will be automatically rejected.

- D. A proposal security deposit is not required for this RFP.
- E. The numerical outline for the application, the titles and/or subtitles, and the Offeror name and RFP identification information on the top right-hand corner of each page should be included.
- F. Consecutive page numbering of the proposal application should begin with page one (1) and end with the last numbered page of the complete proposal. **For this RFP, the body of the Offeror’s proposal is limited to no more than 25 pages (back and front) or 50 single-sided pages.**
- G. Other supporting documents may be submitted in an Appendix, including visual aids, to further explain specific points in the proposal. If used, appendices should be referenced in the body of the Offeror’s proposal and is not included in the 50-page limitation referenced above. The OHA recommends the Offeror focus on the content, completeness, and comprehensiveness of its response in the main body of its proposal as there will be no consideration advantage for voluminous, extraneous and/or excessive appendices.

III. Offeror Proposal

A. Cover Letter

A Cover Letter will be included in the proposal. See Attachment 3 – Sample Cover Letter. The Cover Letter shall include the following requirements:

1. Be printed on official business letterhead;
2. Signature by an authorized signatory;
3. The following statement:

“The undersigned has carefully read and understands the terms and conditions specified in the RFP BOT 2023-005 and in the General Conditions, and hereby submits the following Proposal 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 their Proposal, 1) he/she is declaring his/her Proposal is not in violation of Chapter 84, Hawai‘i Revised Statutes, concerning prohibited State Contracts, 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion, and 3) he/she hereby authorizes the Office of Hawaiian Affairs to verify information provided in this Proposal.”;

4. The exact legal name and address of the Offeror;

5. Contact person's name, telephone number and e-mail address;
6. A statement indicating that the Offeror is a corporation or other legal entity and the taxpayer identification number of the legal entity; and
7. A statement that the Offeror is or will be registered to do business in Hawai'i and has or will obtain a State General Excise Tax license before the start of the work.

B. Offer Form OF-1 and OF-2

Pricing shall be submitted on Offer Form. See Attachment 6 – Offer Form OF-1 and OF-2. The price shall be the all-inclusive cost, including the general excise tax, to the OHA. No other costs shall be honored. Any unit price shall be inclusive.

C. Acknowledgement of Addendum

By completing the Acknowledgement of Addenda form, the Offeror will acknowledge and confirm that all addenda to this RFP issued by the OHA have been received by the Offeror. See Attachment 4 - Acknowledgement of Addenda. If no addendum has been received, the Offeror will check the appropriate box on the form.

D. Experience and Capability***

The OHA is requiring that the Offeror have a minimum of ten (10) years of experience on projects of similar size and nature.

1. Organization Overview

Please provide the Offeror's contact information, including a contact name, title, mailing address, e-mail address, phone number, and firm's website address. Also provide the number and locations of offices and the contact information for the consulting team member(s) located in the State of Hawai'i, Island of O'ahu, City and County of Honolulu. If not located in the State of Hawai'i or on the Island of O'ahu, please describe how the Offeror will meet the requirements of the scope of services.

2. Necessary Skills and Experience

The Offeror will demonstrate that it has the necessary skills, abilities, knowledge, and experience relating to the delivery of the proposed services. The Offeror will also provide a listing of verifiable experiences with projects or contracts related to the services that were provided to a government agency or private entity within the last ten (10) years. Identify the name of the client, the nature and duration of the engagement, and primary accomplishments.

3. Provide a list of companies or governmental organizations to which your proposed team is/are currently providing services. If this list does not include at least five (5) entities, then provide the names of the entities for which similar services were provided. For each entity include:
 - a. Term of your contract (beginning and ending dates);
 - b. Brief description of the scope of work; and
 - c. Name, address, and telephone number of the individual who administered your contract(s).

4. Professional References

The Offeror will provide a list of professional references for the last [number of years] years, including contact (e.g., e-mail, telephone contact, mailing address) information for similar type work, description of the engagement and major deliverables, role of the contractor and number of hours of engagement.

5. Quality Assurance, Evaluation and Resolution

The Offeror will describe its quality assurance and evaluation plans for the proposed services, including methodology. Evaluation plans must include client surveys as appropriate. The Offeror will also describe its issue escalation and resolution process as it relates to the scope of and completion of the scope of work and/or if there are disagreements between the OHA and the Offeror.

6. Coordination of Services

The Offeror will demonstrate the capability to coordinate services with other agencies and resources in the community.

7. Past Performance

The OHA reserves the right to verify the documented experience directly with the owner/contact person as submitted in the proposal. Only information that is submitted directly to the OHA in the proposal package will be considered unless the OHA seeks additional information during the RFP evaluation process. The OHA reserves the right to review and consider past performance the Offeror may have had with the OHA.

- E. Organization and Resourcing

1. Proposed Resourcing

This section will describe the staff necessary and the specific times available to ensure the performance of work in an accurate and timely manner. Resource titles, qualifications, and expected responsibilities are to be included in the

response. Detail the proposed team's capacity to successfully plan, implement and develop the proposed work. The Offeror is expected to clearly articulate resourcing that are in-house employees, 3rd party sub-contractors and/or other arrangements. The OHA will only execute one contract with the Offeror, and it is the Offeror's responsibility to manage its personnel and 3rd party sub-contractors.

2. Resource Qualifications, Including Staff

This section will provide the minimum qualifications including the experience of the Offeror's resources, including staff assigned to the Contract. Describe the knowledge and experience of the Offeror's proposed resourcing, including the day-to-day management of the resources. In the body of the proposal, include a brief biography of each resource (e.g., professional, administrative, 3rd party) who would be assigned to the engagement, including credentials, industry experience and role within the firm, and identifying the primary point of contact for the engagement. Resumes and relevant professional background/experience of each key staff position should be included as an appendix.

The OHA expects that those staffing resources proposed in the Offeror's response will be the resources assigned to the engagement. New or re-assignments to the OHA engagement must be discussed and approved by the OHA before the start of the assignment; the OHA will not be responsible for, nor obligated to pay any amount for work performed by non-approved resources.

3. Supervision and Training

The Offeror will describe its ability to supervise, train and provide content and administrative direction relative to the fulfillment of the scope of services in the RFP and Offeror's response.

4. Organization Chart

The Offeror will provide an organization chart of the resources, position and/or function of each resource/staff and line of responsibility/supervision, including position title, name, and full or part-time or sub-contractor status. If applicable, a supporting organization chart(s) may be included to articulate specific streams of work and activities requiring specialized statements of work (e.g., actuaries, subject matter expertise).

F. Service Delivery

This section will include a detailed discussion of the following:

1. The Offeror's approach to applicable services, activities and management requirements from Section 2, Item IV. Scope of Work including, but may not be

limited to, phases, work plans for all service activities, and tasks to be completed, and related work assignments/responsibilities.

2. How the Offeror’s approach is the most advantageous in terms of meeting the scope of work, cost effectiveness, and reliability.

G. Financial Capacity

This section will state the Offeror’s status of current projects and the financial capacity. Given the state of the Offeror’s current workload and work in progress, provide information as to the financial capacity to provide the scope of services required by the RFP. Given the nature of the scope of services required by the RFP, the OHA does not intend to provide any deposits or advances to the Contractor, nor provide or sign documents related to promissory notes, loans, guarantees, lines of credit or other financing related documents.

H. Price Proposal

The Offeror, understanding the need and in being responsive to the RFP, will provide a two-part price proposal:

1. **Part 1 – Flat Fixed Fee Monthly Amount.** The Offeror should consider all professional services hours, administrative overhead (e.g., billing, photocopy), monthly status report preparation, OHA BOT and CRM virtual meeting attendance time (at least four a year, once a quarter), and services within the RFP described services unless separately identified via a statement of work process described in Part 2 below to be included in the flat fixed fee monthly amount (FFFMA). The Offeror should consider the Part 1 Price Proposal to be the amount to be utilized in the first twenty-four (24) months of the contract. The OHA expects that any changes to the proposed amount will be addressed in the Contract extension process, if appropriate, for a subsequent twelve (12) month period.

FFFMA	Description of Items from the RFP Included in the Flat Fixed Fee Monthly Amount
\$X,XXX	[From the scope of services section, detail the activities covered in the FFFMA]

2. **Part 2 – Investment Consultant Statement of Work Process Scope, Rates per Hour by Resource Type**

There may be studies, projects, or other discrete activities that the Offeror proposes to be priced via a statement of work process, with the applicable scope of work, conditions, parameters, limitations, activities toward deliverables, deliverable, team member assignments, rates, estimated hours of the engagement,

time period, billing parameters (by deliverable vs. hours expended), billing parameters and other conditions.

Partner - \$XXX/hour; Manager – XXX/hour; Associate - \$XXX/hour; Other - \$XXX/hour

Description of Items from the RFP to be Completed via Statement of Work and Rate	
Example: Initial NHTF Assessment and Study	
Partner – XXX Hours x \$XXX rate per hour =	\$XX,XXX
Manager – XXX Hours x \$XXX rate per hours =	\$XX,XXX
Associate – XXX Hours x \$XXX rate per hour =	\$XX,XXX
Other – XXX Hours x \$XXX rate per hour =	\$XX,XXX
Total Hours: _____	Total \$XX,XXX

I. Cost Reimbursement for All Costs Related to Personnel

The cost reimbursement pricing structure reflects a “not to exceed purchase arrangement” in which the OHA pays the Offeror for budgeted costs that are actually incurred in delivering the services specified in the Contract, up to a state maximum obligation. Cost reimbursement will include, without limitation, personnel salaries, wages, medical benefits, payroll taxes and other expenses such as liability insurance, airfare, lodging, and transportation. The Offeror will be required to submit invoices detailing the amount(s) to be reimbursed.

J. Commitment to Section 2 Requirement

This section shall describe the Offeror’s approach to furthering the OHA’s commitment to fulfill MBE/WBE on page 20, Section 2. Item II.A.10., Using Best Effort to Fulfill Minority/Women Business Participation.

(END OF SECTION)

Section 4 – Proposal Evaluation & Award

I. Proposal Evaluation

An RFP evaluation committee, approved by the OHA’s Chief Procurement Officer or designee, will evaluate all responsive and responsible proposals. The evaluation of such proposals will be based solely on the evaluation criteria set out in this RFP. The evaluation committee’s primary responsibility will be to review the technical aspects of the proposal submitted. The price proposal review will be conducted by the evaluation committee chairperson. The review criteria will be as follows:

Evaluation Categories		
Section 1- Experience and Capability	Possible Points	25 Maximum Points
<ul style="list-style-type: none"> • Up to 10 points will be awarded based on the Offeror’s proposal which clearly and concisely demonstrate prior experience related to the management of portfolios similar to NHTF. 	10	
<ul style="list-style-type: none"> • Up to 10 points will be awarded based on the Offeror’s proposal which clearly and concisely demonstrate prior experience and investment knowledge across all asset classes, with emphasis on alternative investments - hedge funds, real estate, and private equity. 	10	
<ul style="list-style-type: none"> • Up to 5 points will be awarded based on the Offeror’s proposal which clearly and concisely demonstrates Offeror’s understanding and awareness that the OHA falls under the Hawai‘i State policies and the procedures it must adhere to. 	5	
Section 2 – Service Plan	Possible Points	30 Maximum Points
<ul style="list-style-type: none"> • Up to 10 points will be awarded based on the Offeror’s proposal which clearly and concisely demonstrate how it will meet the goals and objectives related to the scope of work and how the proposed service is designed to meet the problem(s) and/or need(s) identified in the service specifications. 	10	
<ul style="list-style-type: none"> • Up to 10 points will be awarded based on the Offeror’s proposal which clearly and concisely at minimum ties all the elements of Section 2, Scope of Services. 	10	
<ul style="list-style-type: none"> • Up to 5 points will be awarded based on the Offeror’s proposal which clearly and concisely demonstrates an intricate knowledge of portfolio management and global financial markets. 	5	

Evaluation Categories		
<ul style="list-style-type: none"> Up to 5 points will be awarded based on the Offeror's proposal which clearly and concisely demonstrate a thorough understanding of the purpose and scope of the RFP. 	5	
Section 3 – Price Proposal	Possible Points	30 Maximum Points
<ul style="list-style-type: none"> Up to 15 points will be awarded based on the Offeror's Part 1 – pricing proposal, including its responsiveness and comprehensiveness to the requirements of the RFP 	15	
<ul style="list-style-type: none"> Up to 10 points will be awarded based on the Offeror's Part 2 – statement of work proposals, including its responsiveness and comprehensiveness to the requirements of the RFP 	15	
Section 4 – Staffing Qualifications and Organization	Possible Points	15 Maximum Points
<ul style="list-style-type: none"> Up to 10 points will be awarded based on the Offeror's proposal which clearly and concisely provide the qualifications (including experience) for staff assigned to the program and has the resumes and relevant professional background/experience of each staff, including staff to manage the day-to-day operations, including the organizational chart. 	10	
<ul style="list-style-type: none"> Up to 5 points will be awarded based on the Offeror's proposal which clearly and concisely include their most recent financial statements and their Certificate of Vendor Compliance. 	5	
TOTAL POINTS	100 Possible Points	100 Maximum Points

Each proposal will be classified initially as acceptable, potentially acceptable, or unacceptable. If numerous acceptable and potentially acceptable proposals are submitted, the evaluation committee may rank the proposals and limit the priority list to three (3) responsive and responsible Offerors who submitted the highest-ranked proposals. If there are less than three (3) acceptable or potentially acceptable proposals, the OHA will not be required to hold discussion with these Offerors who submitted unacceptable proposals.

II. Mandatory Requirements

The OHA will conduct an initial review to ensure that all proposals meet the minimum threshold requirements. Each proposal will be reviewed to ensure submittal of all required attachments, certifications, forms, and narrative sections.

Statements which indicate that mandatory certification will be submitted upon Contract award will be unacceptable.

III. Financial/Price Proposal Review

The financial/price proposal review will be evaluated for financial and contractual acceptability and reasonableness of the price proposal. The proposal with the lowest cost factor will receive the highest available rating allocated to cost. Each proposal that has a higher cost factor than the lowest will be assigned a lower rating for cost.

The points allocated to higher priced proposals must be equal to the lowest proposal price multiplied by the maximum points available for price, divided by the higher proposal price as follows:

$$\frac{\text{Price of the lowest price proposal}}{\text{Price of the proposal being rated}}$$

In determining whether a proposal is responsive, the OHA will evaluate the costs and supporting documentation against realistic operational expenses.

The OHA will also review the most recent audited financial statements of the Offeror.

IV. Technical Review

The Offeror's proposal will be in the form prescribed by this solicitation and will contain a response to each of the areas identified that affects the evaluation factors for award.

A. The technical proposal will be evaluated to determine if the Offeror possesses the capability to successfully perform the requirements of the solicitation. The proposal criteria are:

1. Experience and Capability;
2. Personnel and Staffing;
3. Service Delivery;
4. Financial Capacity and Pricing; and
5. Commitment to Section 2/Other Requirements.

B. Proposals will be evaluated for technical and contractual acceptability. Proposals will be prepared in accordance with the instructions given in the RFP and will meet all requirements set forth in this RFP.

- C. All proposals will be reviewed for reasonableness. All Offerors whose offer are not within the competitive range will be notified that their proposals are unacceptable, negotiations and/or discussions with them are not contemplated, and any revisions to their proposals will not be considered.
- D. Award will be made to the responsible Offeror whose proposal conforms to the solicitation and will be most advantageous to the OHA considering price and other factors as indicated below.

Pursuant to section 3-122-59, HAR, if for a given request for proposal there is only one (1) responsive and responsible Offeror submitting an acceptable proposal, an award may be made to the single Offeror, or rejected, if conditions in section 3-122-59(a)(1) are not met, and new requests for proposal may be solicited or the procurement may be cancelled.

- E. The OHA reserves the right to award a Contract on the basis of the initial offers received without discussion. Offers are solicited on an "all or none" basis.

Failure to submit offers for all items and quantities listed will be cause for rejection. Proposals should be submitted initially on the most favorable terms from a price and technical standpoint, which the Offeror can submit to the OHA.

All proposals submitted will be evaluated on the basis of the evaluation criteria listed herein. Proposals will conform to all terms and conditions contained in the RFP. Proposals which do not conform to all requirements expressed in this solicitation may be rejected without further evaluation, deliberation or discussion.

- F. Any notice of award letter(s), resulting from this solicitation shall be posted on the Procurement Reporting System on the State Procurement Office website at <https://hands.ehawaii.gov/hands/opportunities> and the OHA website at www.oha.org/solicitations.
- G. Past Performance. The OHA may evaluate the quality of each Offeror's past performance. The assessment of an Offeror's past performance will be used as one means of evaluating the credibility of the Offeror's approach to work accomplishment. A record of marginal or unacceptable past performance may be an indication that the promises made by the Offeror are less than reliable. Such an indication will be reflected in the OHA's overall assessment of the Offeror's proposal. However, a record of acceptable or even excellent past performance will not result in a favorable assessment of an otherwise unacceptable technical proposal.

In investigating an Offeror's past performance, the OHA may consider information in the Offeror's proposal and information obtained from other sources, including past and present clients and their employees; other government agencies, including state and local agencies, consumer protection organizations and better business bureaus;

former subcontractors; and others. Evaluation of past performance is a subjective assessment based on a consideration of all relevant facts and circumstances. The OHA may seek to determine whether the Offeror has consistently demonstrated a commitment to client satisfaction and timely delivery of quality goods and services at fair and reasonable prices.

The OHA's conclusions about the overall quality of the Offeror's past performance may be influential in determining the relative merits of the Offeror's proposal and in selecting the Offeror whose proposal is considered most advantageous to the OHA.

Past performance includes the Offeror's record of conforming to specifications and to standards of good workmanship; the Offeror's adherence to contract schedules, including the administrative aspects of performance, the Offeror's control of costs, including costs incurred for changes in the scope of services; the Offeror's reputation for reasonable and cooperative behavior and commitment to clients satisfaction; and, generally, the Offeror's business-like concern for the interests of the client.

V. Discussions - Kūkākūkā

Discussions may be conducted with priority listed Offerors who submit proposals determined to be acceptable or potentially acceptable of being selected for award, but proposals may be accepted without discussions. The objective of these discussions is to: 1) promote understanding of the requirements set forth in the RFP and the Offeror's proposal; and 2) facilitate arriving at a contract that will provide the best value to the OHA, taking into consideration the evaluation factors set forth in this RFP. Any discussion is not intended to require an award of contract by the OHA.

(END OF SECTION)

Section 5 – Attachments

Attachment 1 - Proposal Submittal Checklist

Attachment 2 – RFP Registration Form

Attachment 3 – Sample Cover Letter

Attachment 4 - Acknowledgement of Addenda

Attachment 5 – Wage Certificate

Attachment 6 – Offer Form OF-1 and OF-2

Attachment 7 – General Terms and Conditions

Attachment 8 - 2022-2023 Hawaii State Government Observed Holidays

Appendix A - OHA Native Hawaiian Trust Fund Investment Policy Statement (8.12.2021)

Appendix B - NH Trust Fund Spending Policy, AS IS

Appendix C - FLASH_ OHA Native Hawaiian Trust Fund June 2022(20309612.1)