



State of Hawai'i

REQUEST FOR PROPOSALS

OHA RFP NO. HFM 2017-12

FOR A

**HEDGE FUND MANAGER TO MANAGE
THE
NATIVE HAWAIIAN TRUST FUND**

ISSUED DATE: May 19, 2017

DUE DATE: July 14, 2017 12:00 Noon HST

The Office of Hawaiian Affairs
560 North 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 Interest Form and submitting it to OHA's Issuing Officer via email, mail and/or hand delivery. If you do not register your company, you will not receive an addendum, if any, and your offer may be rejected and not considered for award.

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Notice to Offerors

(Chapter 103D, Hawai'i Revised Statutes)

REQUEST FOR PROPOSALS RFP NO. HFM 2017-12 FOR HEDGE FUND MANAGER

Notice is hereby given that pursuant to Chapter 103D, Hawai'i Revised Statutes (hereinafter "HRS"), as amended, the Office of Hawaiian Affairs (hereinafter "OHA"), will be accepting sealed proposals for a hedge fund manager to manage the Native Hawaiian Trust Fund (hereinafter "NHTF").

This Request for Proposal (hereinafter "RFP") is provided to you for informational purposes. If you are interested in responding to this solicitation, you may download the RFP from the OHA website at www.oha.org/solicitation, SPO website <http://spo3.hawaii.gov/notices/notices> and/or pick up a copy at the OHA's Procurement Unit on O'ahu, located at 560 North Nimitz Highway, Suite 200, Honolulu, Hawai'i 96817, between the hours of 7:45 a.m. to 4:30 p.m. beginning **May 19, 2017**.

The OHA's Procurement Unit will conduct a Pre-Proposal Conference from 10:00 a.m. to 11:30 a.m. Hawai'i Standard Time (hereinafter "HST") on **Tuesday, June 6 2017**. The OHA strongly recommends that all interested Offerors attend. For those interested in attending via web conferencing, please contact the RFP Coordinator listed below no later than **12:00 Noon HST, Thursday, June 1, 2017**.

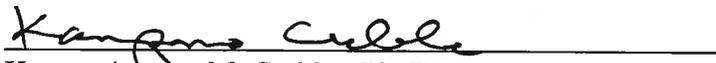
Sealed proposals will be received at the OHA's Reception Desk located at 560 North Nimitz Highway, Suite 200, Honolulu, Hawai'i, 96817, until **12:00 Noon HST, Friday, July 14, 2017**.

Any unsealed, electronic mail, and facsimile transmitted proposals shall not be accepted.

The official time for hand-delivered proposals shall be that which is recorded on the time stamp clock of the OHA. Deliveries by private mail services, such as Federal Express, shall be considered hand deliveries. All mail-in proposals delivered/postmarked by the United States Postal Service (hereinafter "USPS") must be received by the OHA Reception Desk on or before 12:00 Noon HST the day of the deadline.

The OHA reserves the right to reject any and all proposals and accept the proposals, in whole or part, without liability to the OHA, when it is determined to be the best interest of the OHA. Questions relating to this solicitation shall be directed to the RFP Coordinator, Charmaine Matsuura at (808) 594-0273.

OFFICE OF HAWAIIAN AFFAIRS



Kamana'opono M. Crabbe, Ph. D.

Ka Pouhana, Chief Executive Officer, Head of Purchasing Agency

INTEREST FORM

For

REQUEST FOR PROPOSALS RFP NO. HFM 2017-12 HEDGE FUND MANAGER TO MANAGE THE NATIVE HAWAIIAN TRUST FUND

INSTRUCTIONS: Please complete this form and leave original at the OHA's Procurement Unit where you picked up your RFP packet. A receipt containing important dates, times and information will be given you. If the RFP was downloaded from the OHA's website, please complete and e-mail or mail this form to the RFP Coordinator.

Read this packet carefully. If you have any questions, please call Charmaine Matsuura at (808) 594-0273.

Interest Form	Due by 12:00 Noon HST on Thursday, June 1, 2017
RSVP for Pre-Proposal Web Conference	Thursday, June 1, 2017 by 12:00 Noon, HST RFP Coordinator: Charmaine Matsuura at (808) 594-0273, email: charmainem@oha.org
Pre-Proposal Conference	Tuesday, June 6, 2017, from 10:00 a.m. to 11:30 a.m. HST. Location: OHA, 560 North Nimitz Highway, Suite 200, Honolulu, Hawai'i 96817
Sealed Proposal Deadline	Friday, July 14, 2017, by 12:00 Noon HST Submit at: OHA, 560 North Nimitz Highway, Suite 200, Honolulu, Hawai'i 96817

Date: _____

Company: _____

Address: _____

Contact Information

Business: _____ Cell: _____ Fax: _____

Email: _____

Name of Person Picking up Packet: _____ Print: _____

Signature: _____

SECTION 1

Introduction, Terms, Acronyms and Key Dates

1.1 Introduction

In 1978, a State of Hawai‘i Constitutional Convention created the OHA to address historical injustices and challenges arising out of those circumstances. The convention delegates envisioned an agency that provides a form of self-determination for Native Hawaiians and advocate for their overall well-being.

The OHA was established through Article XII of the State Constitution. Chapter 10 of the Hawai‘i Revised Statutes outlines the OHA’s duties and purposes, including promoting and protecting the rights of Native Hawaiians.

1.2 Authority

This RFP is issued under the provision of §103D, HRS, as amended, and its companion Chapter 3-122, Hawai‘i Administrative Rules (hereinafter “HAR”). All Offerors are charged with presumptive knowledge of all requirements of these cited authorities. Submission of a proposal shall constitute affirmation of such knowledge on the part of the Offeror.

1.3 RFP Organization

This RFP is organized into seven (7) sections:

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

Section 2: General Requirements – Provides the Offerors responsibilities as applicable.

Section 3: Scope of Work and Specifications – Provides Offerors with a general description of the tasks to be performed and defines the deliverables (as applicable).

Section 4: Proposal Format – Describes the required format and content for the proposal application.

Section 5: Evaluation Criteria – Describes how proposals will be evaluated.

Section 6: Contractor Selection and Contract Award – Describes how Contract will be awarded.

Section 7: Questionnaire – Regarding organization, business, investment philosophy, investment process and performance.

The Contract Administrator or his/her designated representative shall be responsible for overseeing the Contract(s) resulting from this RFP.

Ray Matsuura
 Investment Transaction Manager
 Office of Hawaiian Affairs
 560 North Nimitz Highway, Suite 200
 Honolulu, Hawai‘i 96817

Telephone: (808) 594-0130
 Email: raymondm@oha.org

1.6 Website References

The State Procurement Office (hereinafter “SPO”) website is www.spo.hawaii.gov. (Note: Website addresses may change from time to time. If a link is not active, try the State of Hawai‘i website at www.hawaii.gov).

	For	Go to
1	Tax Clearance Forms (Department of Taxation Website)	http://www.hawaii.gov/tax/ click “Forms”
2	Wages and Labor Law Compliance, Section 103-055, HRS (Hawai‘i State Legislature website)	http://www.capitol.hawaii.gov/ click “Bill Status and Documents” and “Browse the HRS Sections”
3	Department of Commerce and Consumer Affairs, Business Registration	http://www.hawaii.gov/dcca click “Business Registration”
4	Campaign Spending Commission	www.hawaii.gov/campaign
5	Hawai‘i Compliance Express	http://vendors.ehawaii.gov/hce/splash/welcom.html
6	SPO Forms	http://spo.hawaii.gov

1.7 RFP Schedule and Significant Dates

The schedule below represents the OHA’s best estimate of the schedule that will be followed. All times indicated is HST. If a component of this schedule, such as “Proposal Due Date/Time” is delayed, the rest of the schedule will likely be shifted by the same number of days. Any change to the RFP Schedule and significant dates shall be reflected and issued in an addendum. The OHA reserves the right to cancel any activity or modify the timetable at any time. The approximate schedule is as follows:

Release of Request for Proposals	May 19, 2017
Pre-Proposal Conference	June 6, 2017 – 10:00-11:30 a.m. HST
Due Date to Submit Questions	June 16, 2017
OHA’s Response to Questions	June 23, 2017
Proposals Due Date/Time	July 14, 2017 – 12:00 Noon HST
Proposal Evaluations	July 17, 2017 – August 16, 2017
Offerors’ Presentation/Discussion (if necessary)	TBD

Best and Final Offer (if necessary)	TBD
Notice of Award	August 2017
Contract Start Date	September 2017

1.8 Pre-Proposal Conference

The purpose of the Pre-Proposal Conference is to provide the Offerors an opportunity to be briefed on this procurement and to ask any questions about this procurement. Attendance to the Pre-Proposal Conference is not mandatory; however, the Offerors are encouraged to attend to gain a better understanding of the requirements of this RFP.

The Offerors are advised that anything discussed at the Pre-Proposal Conference does not change any part of this RFP. All changes and/or clarifications to this RFP shall be done in the form of an addendum.

The Pre-Proposal Conference will be held on:

Date: Tuesday, June 6, 2017
Time: 10:00 a.m. HST
Location: Office of Hawaiian Affairs
560 North Nimitz Highway, Suite 200
Honolulu, Hawai‘i 96817

To attend or participate in the web and teleconference conference, please contact the RFP Coordinator or his/her designee by 12:00 Noon HST, Thursday, June 1, 2017.

1.9 Submission of Questions

Offerors are encouraged to submit written questions pertaining to this RFP. Questions must be submitted in writing to the RFP Coordinator no later than the “Due Date to Submit Questions”, identified in paragraph 1.7 on page 3, in order to generate an official answer.

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

1.10 RFP Amendments

The OHA reserves the right to amend this RFP at any time prior to the proposal submission deadline. Interested Offerors will be notified of the availability of amendments through verbal or written communications. All amendments to this RFP will be posted to the OHA website www.oha.org/solicitations and SPO website <http://spo3.hawaii.gov/notices/notices>.

1.11 Cancellation of RFP

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.

1.12 Submission of Sealed Proposals

Sealed proposals must be received via hand delivery or the USPS by the date and time designated in the procurement timeline. See Section 1.7 RFP Schedule and Significant Dates. Any procurement packet received after the designated date and time shall be rejected. All proposals must be in the OHA's possession by the submittal time deadline to be considered responsive. **Electronic mail and facsimile transmissions of the proposal shall not be accepted.**

The proposal packet must be submitted in a sealed envelope and properly identified as a sealed proposal in response to this RFP. Any RFP proposal packet **not properly sealed shall be automatically rejected**. Each qualified Offeror may submit only one (1) sealed proposal in response to this solicitation. More than one (1) sealed proposal will not be accepted from any Offeror. There shall be no exceptions to these requirements.

1.13 Rejection of Proposals

The OHA reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in this RFP and which demonstrate an understanding of the challenges 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 one or more of the following reasons:

- 1) Cancellation of solicitation (HAR §3-122-95, HAR §3-122-96);
- 2) Rejection of an offer (HAR §3-122-97);
- 3) Reporting of anti-competitive practices (HAR §3-122-191, HAR §3-122-193, HAR §3-122-194, HAR §3-122-195);
- 4) Rejection for inadequate accounting system (HRS §103D-314(2));
- 5) Late proposals (HAR §3-122-16.08);
- 6) Inadequate response to request for proposals (HAR §3-122-95, HAR §3-122-96);
- 7) Proposal not responsive (HAR §3-122-97(1) and HAR §3-122-97(2)); and
- 8) Offer not responsible (HAR §3-122-97(2)).

1.14 Notice of Award

The award of a Contract and allowed renewal(s) or extension(s) thereof, is subject to the approval by the OHA's Ka Pouhana (hereinafter "KP"), Chief Executive Officer (hereinafter "CEO") and Head of Purchasing Agency (hereinafter "HOPA"), and subject to the availability of funding.

1.15 Debriefing

Pursuant to HAR §3-122-60, a non-selected Offeror may request a debriefing to understand the basis for award.

A written request for debriefing shall be made within three (3) working days after the posting of the award of the Contract. The Procurement Officer or designee shall hold the debriefing within seven (7) working days to the extent practicable from the receipt date of written request.

1.16 Protest Procedures

Pursuant to HRS §103D-701 and HAR §3-126-4, an actual or prospective Offeror who is aggrieved in connection with the solicitation or award of a Contract may submit a protest. Any protest shall be submitted in writing to the Procurement Officer at:

Head of Purchasing Agency	Procurement Officer
Name: Kamana‘opono M. Crabbe, Ph.D.	Name: Phyllis Ono-Evangelista
Title: Ka Pouhana, Chief Executive Officer, Head of Purchasing Agency	Title: Procurement Manager
Address: Office of Hawaiian Affairs 560 North Nimitz Highway, Suite 200 Honolulu, Hawai‘i 96817	Address: Office of Hawaiian Affairs 560 North Nimitz Highway, Suite 200 Honolulu, Hawai‘i 96817

A protest shall be submitted in writing within five (5) working days after the aggrieved person knows or should have known of the facts giving rise thereto; provided that a protest based upon the content of the solicitation shall be submitted in writing prior to the date set for receipt of offers. Further provided that a protest of an award or proposed award shall be submitted within five (5) working days after the posting of award or if requested, within five (5) working days after the Procurement Officer’s debriefing was completed.

1.17 Trade Secrets/Confidential Information

If an Offeror believes that any portion of their proposal contains information that should be withheld as confidential, the Offerors shall provide a written request for nondisclosure of designated proprietary data to be confidential and provide justification to support confidentiality. Such data shall accompany the proposal, shall be clearly marked, and shall 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.

1.18 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, and 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 and that any information, materials, etc. used to complete the project shall be returned to the OHA.

1.19 Offeror's Optional Services

The Offeror's optional services are defined as services and/or goods proposed by Offeror(s) that are not included in the "Scope of Work" of the RFP and would be considered enhancements thereof. Costs for the Offeror optional services selected by the OHA will be added to the total amount of Contract or be included in the Contract as an optional services item to be exercised by the OHA if and when elected.

1.20 Property of OHA

All proposals become the property of the OHA.

1.21 Proposal Objectives

One of the objectives of this RFP is to make proposal preparation easy and efficient while giving the Offerors ample opportunity to highlight their proposals. The evaluation process must also be manageable and effective.

Proposals shall be prepared in a straightforward and concise manner and in a format that is reasonably consistent and appropriate for the purpose. Emphasis will be on completeness, clarity, and content.

When an Offeror submits a proposal, it shall be considered a complete plan for accomplishing the tasks described in this RFP and any supplemental tasks the Offeror has identified as necessary to successfully complete the obligations outlined in this RFP.

The proposal shall describe in detail the Offeror's ability and availability of services to meet the goals and objectives of this RFP as stated in Section 3, Scope of Work and Specifications.

The Offeror shall submit a proposal that includes an overall strategy, timeline, and plan for the work proposed as well as expected results and possible shortfalls.

The notice of award, if any, resulting from this solicitation shall be posted on the OHA website: www.oha.org/solicitations and SPO website <http://spo3.hawaii.gov/notices/notices>.

END OF SECTION

SECTION 2

General Requirements

2.1 General Requirements

A. Furnishing Proof of Compliance

The Offeror(s) are advised that if awarded a Contract under this solicitation, the Offeror will be required to be in compliance with all laws and governing entities doing business in the STATE, including HRS §103D-310(c) and the following additional HRS Chapters:

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

B. Hawai'i Business or Compliant Non-Hawai'i Business

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

1. Be registered and incorporated or organized under the laws of the State of Hawai'i (hereinafter referred to as a "Hawai'i business").

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 shall 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. A successful Offeror's status as sole proprietor or other business entity and its business street address will be used to confirm that the successful Offeror is a Hawai'i business.

2. Be registered to do business in the State of Hawai'i (hereinafter referred to as a "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 shall submit a CERTIFICATE OF GOOD STANDING.

C. Certificate of Vendor Compliance

The successful Offeror(s) shall demonstrate compliance with the following:

1. Tax Clearance, Form A-6;
2. Department of Labor and Industrial Relations, Application for Certificate of Compliance, Form LIR#27; and
3. Certificate of Good Standing issued by the DCCA.

The successful Offeror(s) may demonstrate compliance of the above by using the Hawai'i Compliance Express ("HCE"). The HCE services allow businesses to register online through a simple wizard interface at:

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

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

Timely Registration on HCE. Vendors/contractors/service providers are advised to register on HCE soon as possible. If a vendor/contractor/service provider is not compliant on HCE at the time of award, an Offeror will not receive the award.

D. Funding Sources and Period of Availability

The source of funding for the OHA's Trust Funds, as stipulated in the OHA's Annual Budget for Fiscal Year ("FY") 2018, is from July 1, 2017 to June 30, 2018. The award of this Contract is subject to the availability of these funds. Any and all supplemental agreement(s) for additional funds shall be subject to the availability of funds.

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

- Allowed Not allowed

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

- Single Multiple Single & Multiple

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

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

H. Contract Terms

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

Maximum length of Contract: interest of the OHA
Not to exceed sixty (60) months

I. Conditions for Contract Extensions

The Contract for the proposed services may be extended without the necessity of re-procuring, subject to appropriation and availability of the OHA funds, continued need for the services, and the OHA's determination of satisfactory performance of the contracted organization, unless the Contract was terminated.

The option to extend the service will be offered in writing by the OHA prior to the expiration of the Contract. No supplementary agreement shall be binding upon the OHA until the supplemental agreement has been fully and properly executed by all parties thereto prior to the start date of the supplemental agreement. The contracted organization shall not provide any services until the supplemental agreement is fully and properly executed.

The Contract resulting from this RFP is intended to commence in September 2017 and expire twelve (12) months later, subject to the availability of funds. Unless terminated, the Contract may be extended by a written amendment signed by both parties for up to twelve (12) months each time when in the best interest of the OHA, not to exceed a maximum period of sixty (60) months. The amount of money to be contracted under this Contract may be adjusted at the beginning of each extension period and shall be subject to appropriation and availability of funds.

When the interest of the OHA or the Contractor so require, the OHA or the Contractor may terminate the Contract for convenience by providing forty-five (45) calendar days prior written notice to the other party.

J. Additional Services and Fees

For services not described in the Contract, the Contractor and the OHA shall negotiate for additional needed services and fees which may arise during the course of the Contract. All agreements shall be in writing, executed by all parties, and shall be attached to the Contract as an amendment to expire at the same time as the original Contract or subsequent extension period.

K. Other Financial Related Materials - Accounting System

To determine the adequacy of an interested Offeror's accounting system, as described under the administrative rules, the Offeror shall submit a copy of their most recent financial audit as part of the proposal application.

L. Laws, Rules, Ordinances and Regulations

Reference to Federal, State, City, and County laws, ordinances, rules and regulations, and standard specifications shall include any amendments thereto in effect as of the date in this RFP.

2.2 Insurance

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

A. Commercial General Liability Insurance

Commercial general liability insurance coverage against claims for bodily injury and property damage arising out of all operations, activities, or contractual liability by the successful Offeror, its employees, and subcontractors during the term of the Contract.

This insurance shall include the following coverage and limits specified or required by any applicable law:

1. Bodily injury and property damage coverage with a minimum of \$1,000,000 per occurrence;
2. Personal and advertising injury of \$1,000,000 per occurrence; and
3. With an aggregated limit of \$2,000,000.

The commercial general liability policy shall be written on an occurrence basis and the policy shall provide legal defense costs and expenses in addition to the limits of liability stated above. The successful Offeror shall be responsible for payment of any deductible applicable to this policy.

B. Automobile Liability Insurance

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

C. Workmen's Compensation Coverage

The policy shall include coverage required by the State of Hawai'i and include Part B coverage as follows: Employers Liability with limits of \$100,000 for each accident, \$500,000 disease policy limit, and \$100,000 disease policy limit per employee.

D. The Certificate of Insurance shall contain the following clauses:

1. "Added insured – State of Hawai'i, the OHA, its Trustees, OHA's employees, representatives and agents."

2. "It is agreed that any insurance maintained by OHA shall apply in excess of, and not contribute with, insurance provided by this policy."

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

2.3 HRS §97: Limitations of Lobbying Activities

Per HRS §97-1(7): "Lobbying means communicating directly or through an agent, or soliciting others to communicate, with any official in the legislative or executive branch, for the purpose of attempting to influence legislative or administrative action or a ballot issue".

Per HRS §97-5: "No lobbyist shall accept or agree to accept any payment in any way contingent upon the defeat, enactment, or outcome of any proposed legislative or administrative action".

Therefore, anytime the Offeror, whose time is spent researching data or information specific to the testimony to be provided, drafting and providing testimony or participates in discussions with legislators or government employees or officials in support or opposition of any pending legislation, is not allocable to State Contracts and cannot be charged to the OHA for the purposes of the contracted services. The time spent in such lobbying activities must be cost-allocated and cannot be paid for by the State and/or the OHA's funds. Such activities are clearly not within the scope of the Contract, nor are they allowed to be within the scope.

2.4 Wages, Hours, and Working Conditions

All Offerors for service Contracts shall comply with Section §103-55, HRS, which provides as follows:

Wages, hours, and working conditions of employees of the Offeror supplying services: Before any prospective Offeror is entitled to submit any offer for the performance of any Contract to supply services in excess of \$25,000 to any governmental agency, Offeror shall certify that the services to be performed shall be performed under the following conditions:

Wages: The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work.

Compliance with labor laws: All applicable laws of the Federal and State governments relating to workers compensation, unemployment compensation, payment of wages, and safety shall be fully complied with.

No Contract to perform services for any governmental contracting agency in excess of \$25,000 shall be granted unless all the conditions of this section are met. Failure to comply with the conditions of this section during the period of Contract to perform services shall result in cancellation of the Contract, unless such noncompliance is corrected within a reasonable period as determined by the Procurement Officer. Final payment of a Contract or release of bonds or both shall not be made unless the Procurement Officer has determined that the noncompliance has been corrected.

It shall be the duty of the governmental contracting agency awarding the Contract to perform services in excess of \$25,000 to enforce this section.

This section shall apply to all Contracts to perform services in excess of \$25,000, including Contracts to supply ambulance service and janitorial service.

This section shall not apply to:

- (1) Managerial, supervisory, or clerical personnel.
- (2) Contracts for supplies, materials, or printing.
- (3) Contracts for utility services.
- (4) Contracts to perform personal services under paragraphs (2), (3), (12), and (15) of Section 76-16, paragraphs (7), (8), and (9) of Section 46-33, and paragraphs (7), (8), and (12) of Section 76-77, HRS.
- (5) Contracts for professional services.
- (6) Contracts to operate refreshment concessions in public parks, or to provide food services to educational institutions.
- (7) Contracts with nonprofit institutions.

2.5 Economy of Presentation

Proposals shall be prepared in a straightforward and concise manner, and describe the offering(s) and capabilities in a format that is reasonably consistent and appropriate to the purpose. Emphasis shall be on completeness and clarity of content. If any additional information is required by the OHA regarding any aspect of the Offeror's proposal, it shall be provided within seven (7) business days after request.

2.6 Oral Presentation

Respondents to this RFP may be required to make an oral presentation of their proposal to ensure a thorough and mutual understanding. The OHA shall schedule the time and location for these presentations (if required) which occurs normally within ten (10) days following the proposals due date.

Failure to provide an oral presentation (if required) of their proposal to the OHA will result in the Offeror's proposal being rejected without further consideration.

2.7 Offeror's Authority to Submit an Offer

The OHA shall not participate in determinations regarding an Offeror's authority to sell a product or service. If there is a question or doubt regarding an Offeror's right or ability to obtain and sell a product or service, the Offeror shall resolve that question prior to submitting an offer.

2.8 Proposal Preparation Costs

All costs incurred by the Offeror in preparing or submitting a proposal shall be the Offeror's sole responsibility whether or not any award results from this RFP. The OHA shall not reimburse such costs.

2.9 Tax Liability

Work to be performed under this solicitation is a business activity taxable under HRS Chapter 237, and if applicable, taxable under HRS Chapter 238. The Contractor is advised that they are liable for the Hawai'i General Excise Tax (hereinafter "GET") at the current 4.712% for sales made on O'ahu, and at the 4.167% rate for the islands of Hawai'i, Maui, Moloka'i, and Kaua'i. If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, the Offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

The Offeror shall submit its current Federal I.D. No. and Hawai'i Get License I.D. number in the space provided on Attachment 1 - Offer Form, page OF-1, thereby attesting that the Offeror is doing business in the State and that the Offeror will pay such taxes on all sales made to the OHA.

END OF SECTION

SECTION 3

Scope of Work and Specifications

3.1 Background

The OHA Investment Transactions Program is responsible for the management, oversight, and investment of the NHTF under the direction of the OHA's Board of Trustees (hereinafter "BOT") and KP/CEO/HOPA. The NHTF serves as a perpetual trust and provides financial resources for the OHA's various programs, initiatives, and operational expenses.

The OHA's NHTF, also known as the Public Land Trust Fund, 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.

3.2 Overview, Purpose and Need

The OHA is seeking proposals from qualified Hedge Fund Managers to work with the OHA BOT and Investment Transaction Program. At a minimum, the Offeror shall provide (1) oversight and strategic guidance for the OHA's BOT, KP/CEO/HOPA and investment staff, (2) recommendations or evaluations to the BOT, KP/CEO/HOPA and the OHA staff. These services shall assist the BOT, KP/CEO/HOPA and the OHA staff in the prudent management of the NHTF.

The objective of the NHTF is to achieve a five percent (5%) annual real return adjusted for inflation and after all fees and expenses on a long term basis in order to sustain the beneficiaries in perpetuity. The Advisor should employ strategies which consistently add value to the established strategic benchmark index performance on a net of fees basis.

3.3 Timeframe

The selected Offeror will have twelve (12) months from the notice to proceed to complete the scope of work. Maximum length of Contract is sixty (60) months.

3.4 Scope of Work

The Offeror shall provide the following key responsibilities of the Investment Advisor that shall include, but may not be limited to the following:

- A. Invest the assets of the Trust Fund within the constraints of OHA's Investment Policy Statement;
- B. Provide monthly performance reporting and account reconciliation;

- C. Provide quarterly presentation to the Board of Trustees (hereinafter “BOT”);
- D. Host annual on-site due diligence meetings;
- E. Communicate with the OHA staff and Consultant on a monthly basis regarding actions taken or any material issues and/or changes warranting attention;
- F. Vote proxies of invested companies, unless otherwise directed by OHA;
- G. Negotiate the best fee arrangement possible with vendors for the benefit of the Trust Fund; and
- H. Present in person reports to the BOT annually, or as requested.

3.5 Specifications

The Offeror shall provide the following information about your organization, business and investment philosophy, investment process and performance that shall include, but may not be limited to the following:

A. Organization

1. Organizational Background

a. Firm Identification that shall include, but may not be limited to, the following:

- 1) Name of Firm;
- 2) Type of Firm;
- 3) Headquarters Address; and
- 4) Address of Servicing Office.

b. Primary Contact Identification that shall include, but may not be limited to, the following:

- 1) Name;
- 2) Title;
- 3) Telephone Number; and
- 4) E-Mail address.

- c. Please provide the names of your legal/accounting advisors and audit firm.
- d. History and Structure that shall include, but may not be limited to, the following:
 - 1) Year founded;
 - 2) Please describe your organizational structure and provide an organizational chart of the corporation (holding company and subsidiaries);
 - 3) Number of owners and distribution of ownership;
 - 4) Relationship of owners to firm;
 - 5) Please describe the history of your firm (including any prior working experiences the founders and/or key investment personnel may have had together);
 - 6) Please explain any previous changes to your organizational structure and/or distribution of ownership;
 - 7) Please describe any anticipated changes to your organizational structure and the reason(s) for those changes;
 - 8) Please list any affiliate companies;
 - 9) Does the Firm engage in any major business other than asset management? If yes, please explain;
 - 10) Please provide a name of all products managed by the firm along with a brief description; and
 - 11) Do the principals responsible for managing the portfolio have any other portfolio management responsibilities that will create conflicts or require substantial amounts of professional time?
- e. Please provide an organizational chart that breaks down your firm's employees by function, as applicable, (i.e., investment committee, manager research, manager sourcing, sector specialization, operational and back office due diligence, legal and regulatory due diligence, IT, marketing, etc.).
- f. Please list any investment professionals who have joined or left the **firm** during the last 5 years (include name, title, role, and dates). For those who have left the firm, please include the circumstances for their departure (i.e., termination, resignation, retirement). What percentage of your entire staff does this represent?

Table 1

STAFFING									
	2012			2013			2014		
	Total	Gained	Lost	Total	Gained	Lost	Total	Gained	Lost
PM's									
Analysts									
Marketing/Sales									
Client Service									
Risk Management									
Other									
STAFFING									
	2015			2016			Q1 2017		
	Total	Gained	Lost	Total	Gained	Lost	Total	Gained	Lost
PM's									
Analysts									
Marketing/Sales									
Client Service									
Risk Management									
Other									

- g. Name of Chief Executive Officer and Chief Investment Officer.
- h. Is the firm registered as an investment advisor with the SEC? If yes, please include a copy of the ADV.
- i. Please list any other applicable regulatory authorities
- j. Has the SEC ever audited your firm? Has your firm, principals or employees ever been sanctioned by the SEC? If yes explain.
- k. Fund structure: List names of products and strategy for each product, including the target return/standard deviation for each product.
- l. Do you have a master feeder structure?
- m. Are your funds 3c1, 3c7?
- n. Do you have any Registered Investment Company structures (RICs).

- o. Are any of your funds exchanges listed? If so, where?
 - p. Does your firm qualify as an investment manager under §3(38) of ERISA?
 - q. Will your firm accept fiduciary responsibility for the assets committed to its discretion?
 - r. In the case of the vehicle for the proposed product, would this vehicle be able to accept ERISA assets?
 - s. Is the firm a Qualified Professional Asset Manager (QPAM)?
 - t. Has the firm, its parent organization, subsidiaries, affiliates or any key personnel been subject to any litigation or legal proceedings related to investment operations during the past five years? If yes, please explain.
 - u. Please indicate the face amount of insurance that the firm carries with respect to:
 - 1) Errors and omissions;
 - 2) Fiduciary liability; and
 - 3) Fidelity bonding.
 - v. Are any arrangements maintained whereby your firm or any individual within the firm pays referral fees, finders fees, soft dollars or other similar consideration or benefits to consultants, brokers or any other third party? If yes, please explain.
 - w. Please disclose any potential conflicts of interest and how they can be addressed and avoided (i.e. affiliation with broker/dealers, investment banks, etc.).
 - x. Please indicate if any senior personnel during the past 10 years have been subject to (i) any action, proceeding or governmental regulatory or self-regulatory investigation that claimed or alleged fraud, misrepresentation or violation of any federal, state, or securities law, rule or regulation (including the rules or regulations of any self-regulatory organization), or violation of any law listed in section 411(a) of ERISA (ii) any settlement of consents, or (iii) sanctions or threatened sanctions by any legal, regulator, or administrative organization, including any self-regulatory agency.
2. Breakdown of Assets and Accounts
- a. Please provide the following information on the **TOTAL** assets under management (\$) for your organization:

Table 2

Category	2011 (\$)	2012 (\$)	2013 (\$)	2014 (\$)	2015 (\$)	2016 (\$)
Tax-Exempt						
Taxable						
Other						
Total						

b. Please provide the following information on the **TAXABLE** and **TAX-EXEMPT** assets under management (\$):

Table 3A

Asset Class	2011 (\$)	2012 (\$)	2013 (\$)	2014 (\$)	2015 (\$)	2016 (\$)
Equity						
Fixed Income						
Commodities						
Currencies						
Hedge Funds						
Total						

For the proposed product: Please adjust the sub-asset class headings as needed and define any new asset class inputted.

Table 3B

Sub-Asset Class	2011 (\$)	2012 (\$)	2013 (\$)	2014 (\$)	2015 (\$)	2016 (\$)
Fixed Income Sub-Asset:						
Corporate Credit						
Structured Credit						
EMD						
Equity Sub-Asset:						
Etc.						

Total:						

c. Client Make up:

- 1) Please provide the following information on the **TAX-EXEMPT** assets under management (\$):

Table 4

Firm-wide Tax-Exempt Assets	2011		2012		2013		2014		2015		2016	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Taft-Hartley												
Public												
Corporate												
Endowment/Foundation												
Fund of Funds												
Other												
Total												

- 2) What is the approximate annual client turnover?
- 3) Note the five largest clients by AUM size.
- 4) How much of your assets under management are from your principals and employees?

- d. Please list the number of **TAX-EXEMPT** accounts (#) and assets (\$) gained/lost over the past 5 years for the **PROPOSED PRODUCT**:

Table 5

	Gained		Lost	
	#	\$	#	\$
Q1 2017				
2016				
2015				
2014				
2003				
2012				

- e. For the **PROPOSED PRODUCT**, please provide the following breakdown:

Table 6

Proposed Product	2011 (\$)	2012 (\$)	2013 (\$)	2014 (\$)	2015 (\$)	2016 (\$)
Separately Managed						
Commingled						
Mutual Fund						
Other						
Total						

- f. Does the firm/employees have any assets invested in the Fund? Explain in detail the financial commitment of the firm to this vehicle.
- g. Please discuss the growth of the firm including projected growth of employees and target growth of assets, client relationships and a timeline with regards to these goals.
- h. What is the optimal asset size the firm can manage without changing the investment philosophy or process? Be sure to discuss:
- 1) How did the firm come to this conclusion?
 - 2) How is the firm planning to control the growth in new assets?

3) How is the firm planning to control the growth in the number of new accounts?

3. Investment Team

a. Please complete the table below for **all** investment professionals responsible for managing the proposed product:

Table 7

Name	Title, Role	Years in role	Years working on product	Years with firm	Works solely on product? (Y/N)	Other products worked on	Role in other products worked on

- b. For the investment professionals listed above, please provide short biographies, including past work experience, years of total investment experience, and degrees and professional designations. Who is the person heading the team, or portfolio manager primarily responsible for the proposed product?
- c. Who is responsible for generating new ideas? Who is responsible for monitoring current names in the portfolio? If an investment professional(s) does both, approximately what percentage of his/her time is spent on each?
- d. Are responsibilities broken down by sector, sub-sector, strategy, fundamental/quantitative analysis, etc.? If so, list each investment professional’s main area of responsibility. Please detail how each investment professional is qualified to evaluate the sector, sub-sector or strategy covered.
- e. Who is ultimately responsible for buy decisions? If team based, do certain members have “veto power”?
- f. Who is ultimately responsible for sell decisions? If team based, do certain members have “veto power”?

- g. Who is responsible for ensuring that the portfolio is in compliance with internal and client guidelines?
- h. Other than those named above, who else would work on the proposed product, and in what capacity?
- i. What measures are in place to minimize the turnover of investment professionals? For each investment professional listed in question 2, please provide the details of any employment contracts or compensation incentives.
- j. To what extent are the investments professionals listed in question 2 investing personal wealth in the proposed product. Please describe whether these investments are voluntary or involuntary and how the frequency and amount of contributions are determined.
- k. Please provide a list of all hedge funds, funds of hedge funds, registered investment companies and private investment vehicles with which the firm's senior investment personnel have been affiliated since January 1, 2006. Please provide performance data for all such funds and companies. Have any portfolio funds been terminated (or closed to investors) due to poor performance (e.g., loss carryforwards, or failure to achieve high water marks)?

B. Investment Philosophy/Process

1. Investment Structure

Please briefly answer the following:

- a. What is the name of the proposed fund?
- b. What is the fund's inception date?
- c. What is the fund's current size (\$M)?
- d. What is the fund's overall capacity?
- e. Please provide a brief overview of the legal structure of the fund.
- f. What is the minimum investment for the fund?
- g. How often can contributions be made to the fund?
- h. Please explain the withdrawal options for clients in detail. How often can withdrawals be made? What conditions or limitations are there on any withdrawals? Is there a delayed payment of withdrawals? Is there a lock-up period? Are there restrictions on the withdrawal of general partners' investments?

- i. Does the fund take ERISA assets?
 - j. Are there any capacity constraints for ERISA assets? If so, please define.
 - k. Will this investment generate any UBTI? Please explain in detail.
 - l. Is the fund eligible for tax-exempt clients?
 - m. Is it possible that cashouts to the client upon withdrawal would ever be in a form other than cash?
 - n. Will the client be given an opportunity to withdraw its investment immediately (i.e., without waiting for monthly, quarterly or year-end reports or withdrawal dates) if there are serious negative changes in investment performance (such as sharp losses), modifications in investment strategy or style, changes in key investment personnel, changes in key underlying managers, withdrawal of assets by the sponsor or senior personnel, or upon the occurrence of any other material adverse event?
 - o. What amount and percentage of the proposed product is expected to be comprised of ERISA investments? Apart from ERISA funds, what percentage of the investors are high net worth individuals and what percentage are institutions? Discuss the amounts invested in the fund of funds by the sponsor and senior investment personnel.
2. Investment Philosophy and Process
- a. Please provide a copy of the Offering Memorandum and Subscription Agreement for the proposed product.
 - b. Briefly describe (in one page or less) your investment philosophy, strategy, process, and procedures for portfolio construction and risk control, that shall include, but may not be limited to, the following:
 - 1) What is your philosophy for choosing securities?
 - 2) In what types of strategies do you invest?
 - 3) What types of investment characteristics do you seek, and what types do you absolutely avoid?
 - 4) Qualitative and quantitative securities evaluation processes?
 - 5) What is your securities selection value added?
 - c. What is the fund's target return?
 - d. What is the fund's target volatility?
 - e. What is the fund's benchmark and why?

- f. What is the average number of positions in the portfolio?
- g. To what extent is your product's investment process top-down or bottom-up oriented? Please explain and provide the following:

Table 8

Contribution to Process	Contribution %
Bottom up	%
Top Down	%
Total	100%

- h. If applicable: For the proposed product, please provide the expected contribution (%) to total alpha from each of the following factors:

Table 9

Sources of Alpha	Contribution %
Security Selection	%
Sector Selection	%
Yield Curve	%
Duration	
Etc.	%
Total	100%

- i. How does your firm measure and control the following factors:
 - 1) Credit/Default Risk;
 - 2) Event Risk;
 - 3) Tracking Error Risk;
 - 4) Yield Curve/Interest Rate Risk;
 - 5) Call ability; and
 - 6) Other (Please specify).
- j. Security selection: What universe are securities selected from? What pricing sources are used for these securities?
- k. To what extent do you depend on third-party, consultative (forensic accountants, private investigators, etc.) or "Street" research

- l. Do you employ any sub-managers to whom you allocate capital. If so, who, in what amounts, and what are your redemption rights?
- m. Please describe your buy and sell criteria.
- n. What is the average length of holding period for an investment idea
- o. What are the reasons that you terminate an investment idea?
- p. Please describe your firm's trading capabilities.
- q. Portfolio limits: What steps does your firm take to ensure that the portfolio will be sufficiently diversified? Please describe any limits on the value of holdings in an individual sector, strategy, issue and credit rating.
- r. Provide 2-3 sample securities trades depicting the strategy employed, and your research or other value added
- s. Please describe what environment and market conditions would favor the product's strategy. Why do you believe that your strategy will be successful going forward? Please provide research or evidence to support your belief.

C. Please provide the following for the proposed product. If more appropriate, please attach a detailed historical monthly or quarterly asset allocation since inception of the product. See Attachment 3 – OHA Hedge Search Data Appendix.

1. Portfolio Construction, Monitoring and Risk Control
 - a. Describe your portfolio construction philosophy.
 - b. What is your portfolio construction value added?
 - c. To what extent do you attempt to manage the portfolio for market neutrality or directionality?
 - d. Please provide a pie chart that describes the hedge fund strategy allocations across your products.
 - e. Are there any hedged strategies in which you do not invest? If so, why?
 - f. How is risk defined and measured?
 - g. How is currency exposure managed?
 - h. Do you employ derivatives? Do you use them as a primary investment vehicle for generating returns? If so, please describe, including any firm policy limiting the use of derivatives. Do you employ models to calculate the fair value of derivatives?

- i. If derivatives are used to hedge risk in the portfolio, how is the effectiveness of hedging activity evaluated? What procedures are in place to ensure that the hedge is unwound when the underlying investment is sold?
- j. How do you define leverage? To what extent is leverage utilized? What are the leverage caps? Explain how you calculate and control leverage in the presence of derivatives.

Provide current cash and notional leverage as of the most recent quarter, and how has this ranged since inception?

- k. Please describe how your firm manages illiquidity risk within the proposed product and the strategy for managing the portfolio during a key illiquidity event or a prolonged period of illiquidity.
- l. Who authorizes margin and collateral movement for financing and derivative activity?
- m. Please describe how hedging techniques (through the use of derivative or other instruments) are utilized to control risk in the portfolio.
- n. Summarize the investment guidelines by which your fund operates:
 - 1) What are the strategy or sector limitations?
 - 2) What are the security weighting limitations?
 - 3) What are the maximum leverage guidelines and why? How does the fund insure that unauthorized leverage is not utilized?
 - 4) Is the fund limited to specializing in only specific types of investments/strategies?
 - 5) What other guidelines and limitations are used to ensure proper diversification of the fund?
- o. What controls (or other mechanisms) are in place at both the fund and underlying manager level to prevent (i) potential conflicts of interest and (ii) potential violations of the ERISA “plan asset” rules (i.e., by exceeding the 25% limit if the general partner will not serve as an ERISA fiduciary)?
- p. Please provide firms and amounts that provide your cash leverage, and if you have any term leverage please identify counterparty, amount and term.
- q. What is the current notional credit default swap exposure for each of your funds and across your firm in total?

- r. Do you currently have “side pocket” investments or the ability to create them?
- s. Do you have internal and external auditors that test your compliance with guidelines?
- t. Do you have any investment in illiquid or private securities? If so, what percent of your portfolio do they represent and what kind of investments (industries, securities types, liquidity features) are they?
- u. Re-weighting mechanics: What are the qualitative and quantitative factors and processes that contribute to your re-weighting among securities and strategies in your portfolios?
- v. Please describe an investment environment or situation where this product would not be successful. Please provide an actual or hypothetical example.
- w. Are there investments or other risks disclosed in the investment documentation that should be brought to the client’s attention, or otherwise highlighted?
- x. Please provide a sample portfolio as of the most recent quarter for the proposed product that shall include, but may not be limited to, the following:
 - 1) Sub-Strategy breakdown (if applicable);
 - 2) Sub-Sector breakdown;
 - 3) Current Long/Short/Net/Gross Exposure; and
 - 4) Current number of positions in the portfolio.
- y. Risk Management:
 - 1) What are the roles and responsibilities of your key risk management, trading and back office personnel?
 - 2) Fraud Protection: Describe the due diligence procedures that you conduct in the evaluation of your own employees.
 - 3) What are your securities pricing policies?
 - 4) What are the parameters you use for managing risk, as it pertains to: leverage, holding illiquid securities, derivatives, trading procedures, money handling, fraud risk, counter party risk, and regulation?
- z. Investment protection against long-tailed risks
 - 1) What are the key portfolio risks that you evaluate to avoid large losses?
 - 2) Please describe your stress testing techniques.

- 3) What are the key considerations in the construction of the portfolios for your products that are used to avoid losses?
- 4) What systems do you use for risk management?
- 5) Please provide a current sample risk report for each of your funds.
- 6) Please provide a current security-level portfolio for each fund.
- 7) What degree of risk-level or security-level transparency do you receive provide to your investors and with what frequency?

aa. Trading

- 1) Please describe the process you conduct to enter, execute, settle and reconcile a trade?
- 2) What is the average annual portfolio turnover?
- 3) What amount do you spend annually in commissions?
- 4) What is the average commission rate that you pay?
- 5) Do you have any soft dollar or other fee sharing arrangements in place, other than your stated fund fees?

D. Performance

1. Investment Performance

- a. Please provide net of fees, time-weighted quarterly rates of return for the proposed fixed income product. Please specify your methodology for constructing the composite and include the number of accounts and total market value.

Table 10

	Quarter ending				
	3/31	6/30	9/30	12/31	Annual
1997					
1998					
1999					
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					

- b. Please indicate whether these performance results are presented in accordance with Global Investment Performance Standards (hereinafter “GIPS”). If so, have they been verified by an independent party? If not, provide complete disclosure of all areas of non-compliance. In addition, include with your proposal an Independent Audit Certification of submitted performance results if available.
- c. Please supply the following information with respect to the performance figures supplied above:
 - 1) What percentage of the total assets in the product does the composite represent?
 - 2) What was the performance of the best and worst performing accounts in the composite over 1, 3, 5 and 10 years?

Table 11

	Best	Worst
1 year	%	%
3 years	%	%
5 years	%	%
10 years	%	%

2. Client Service and Reporting

- a. Would you be willing to prepare the following reporting to clients:
 - 1) Monthly: Verification of market value (reconciliation with master custodial bank), verification of performance (reconciliation with master custodial bank)
 - 2) Quarterly: Investment performance vs. benchmark, rationale for performance results, portfolio characteristics vs. benchmark, market outlook (narrative)
 - 3) Anytime: Changes in product, changes in management/ownership, company news/announcements, claims or investigations, any material adverse event
- b. How often does the firm conduct client presentations for performance updates?
- c. What information will you provide regularly to the investment consultant and the client about the holdings in the fund? Will all such reports be sufficiently clear to allow Segal Rogerscasey and the client to properly monitor the fund? How frequently will they be furnished (monthly? quarterly? Sooner, in the case of a materially adverse event?).
- d. Will the independent auditors of the fund be willing to address their report to the client, and include within their audited report a reconciliation of the client's individual capital account?
- e. Does the client have the right to contest the valuations used, and to have reasonable access to the books and records of the fund of funds?

E. Fees

1. Investment Vehicle and Fees

- a. Is your firm able to manage assets under the terms of ERISA and will your firm be willing to accept fiduciary responsibility for these assets? In the case of a commingled vehicle for the proposed product, would this commingled fund be able to accept ERISA assets?
- b. Please list ALL of the investment vehicle(s) that are available for the **PROPOSED PRODUCT** (e.g., mutual fund, commingled fund, or separately managed account).
- c. Which vehicle are you proposing for this account?
- d. Please list the minimum account size and provide the fee schedule for the proposed product/vehicle. Include any hurdle rate, incentive/performance based fee, entry/exit fee, insurance fee, or high watermark applicable.
- e. Please list the minimum account size and provide the fee schedules for the other vehicles available for this product.
- f. What are your initial investment lock-up requirements and early liquidity penalties?
- g. Thereafter, how often do you provide investors with liquidity windows and with what kind of advance notice?
- h. What are your gating provisions?
- i. At what level of assets do you plan on closing this product? Please explain any differences in expected closing levels between the various vehicles available for this product.
- j. Does the commingled fund or mutual fund participate in securities lending? If yes, please respond to the following questions that shall include, but may not be limited to, the following:
 - 1) General
 - a) Does the commingled fund or mutual fund participate in securities lending?
 - b) Does the investment manager have the ability to suspend securities lending activities?
 - c) Does the investment manager have the ability to modify the current securities lending agreement?

- d) At what amount or percentage is the securities lending capped?
- e) What risk controls are in place to govern and monitor securities lending?
- f) Are there any securities in the portfolio exempt from the securities lending program?
- g) For clients looking to transition assets from one manager to another, what is the process for ensuring securities are returned prior to transition?

2) Collateral

- a) Please identify the nature of collateral currently permitted under the securities lending agreement.
- b) What risk controls and investment guidelines govern the collateral pool?
- c) In the last five years, have you undertaken a review of, or made any changes to, the list of collateral permitted under the agreement?
- d) If non-cash collateral is allowed, what forms of securities are acceptable as collateral? Does the investment manager have the ability to restrict the form of acceptable collateral?

END OF SECTION

SECTION 4

Proposal Format

4.1 General Instructions for Completing Applications

A. Submission

When an Offeror submits a proposal, it shall be considered a complete plan for accomplishing the tasks identified in this RFP. The Offeror's 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 shall 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.

An Offeror shall submit one (1) original proposal, marked "ORIGINAL", four (4) copies of the original marked "COPY", and one (1) cd and/or flash drive containing the submitted proposal in a portable document form ("pdf"). It is imperative that an Offeror submit only one (1) original with the required number of copies. The outer envelope or packaging of the proposals shall be **sealed and clearly marked with the RFP number** and title, the Offeror's name, address, email address and telephone number.

All corrections to a proposal shall be initialed in ink by the person signing the proposal for the Offeror. Any illegible or otherwise unrecognizable corrections or initials may cause the rejection of the proposal.

Before submitting a proposal, each Offeror must:

1. Thoroughly examine the solicitation documents. Solicitation documents include this RFP, any attachments, plans referred to herein, 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 shall be submitted to the OHA in the prescribed format outlined in this RFP. A written response is required for each item unless indicated otherwise. No supplemental literature, brochures, or other unsolicited information should be included in the proposal packet.

4.2 The Proposal Application Sections

- A. The proposal forms shall be completed and submitted to the OHA by the required due date and time and in the form prescribed by the OHA. Electronic mail and facsimile transmissions shall not be accepted.
- B. The Offerors shall submit their proposals under the Offeror's exact legal name that is registered with the State of Hawai'i DCCA and shall indicate this is its exact legal name. Failure to do so may delay proper execution of the Contract.
- C. The Offeror's authorized signature shall be an original signature in ink. If the proposal is unsigned or the affixed signature is a facsimile or a photocopy, the proposal shall be automatically rejected. If the proposal is not signed by an authorized representative as submitted on the corporate resolution, the proposal shall be automatically rejected.
- D. A proposal security deposit is not required for this RFP.
- E. Proposal shall be typed on plain, white, letter-size paper with one-inch margins on all sides in twelve (12) point font and printed on one (1) side only.
- F. Proposals shall be submitted on white, 8 ½" x 11" paper and shall be bound by a spiral binding. **Do not submit proposals in a three (3)-ring binder.** Submission of a proposal in this manner is disfavored by the OHA.
- G. Tabbing of sections is required.
- H. Documents that require submission on 11" x17" paper to be legible is allowable.
- I. The numerical outline for the application, the titles/subtitles, and the Offeror name and RFP identification information on the top right hand of the corner of each page should be included.
- J. Consecutive page numbering of the proposal application should begin with page one (1) and end with the last numbered page of the complete proposal.
- K. Other supporting documents may be submitted in an Appendix, including visual aids, to further explain specific points in the proposal; if used, they should be referenced.

4.3 Required Review

Before submitting a proposal, each Offeror shall thoroughly and carefully examine this RFP, any attachment, addendum, and other relevant document, to ensure Offeror understands the requirements of this RFP. The Offeror shall also become familiar with State, Federal, and County laws, statutes, ordinances, rules, and regulations that may in any manner affect cost, progress, or performance of the work required.

Should the Offeror(s) find defects and questionable or objectionable items in this RFP, the Offeror(s) shall notify the OHA's Procurement Unit in writing prior to the deadline for written questions specified in this RFP. See Section 1.7 RFP Schedule and Significant Dates. This will allow the issuance of any necessary corrections and/or amendments to this RFP by addendum, and mitigate reliance of a defective solicitation and exposure of proposal(s) upon which award could not be made.

4.4 Proposal Forms

To be considered responsive, the Offeror's proposal shall respond to and include all items specified in this RFP and any subsequent addendum. Any proposal offering any other set of terms and conditions that conflict with the terms and conditions provided in this RFP or in any subsequent addendum may be rejected without further consideration.

- A. Offer Form, Page OF-1. Offer Form, OF-1 is required to be completed using the Offeror's exact legal name as registered with the DCCA, if applicable, in the appropriate space on Offer Form, OF-1 (Section 8, Attachment 1). Failure to do so may delay proper execution of the Contract.

The Offeror's authorized signature on the Offer Form, OF-1 shall be an original signature in ink, which shall be required before an award, if any, can be made. The submission of the proposal shall indicate the Offeror's intent to be bound.

- B. Offer Form, Page OF-2. Pricing shall be submitted on Offer Form OF-2 (Section 8, Attachment 2). The price shall be the all-inclusive cost, including the GET, to the State. No other costs will be honored. Any unit prices shall be inclusive.

4.5 Proposal Contents

Proposals must:

- A. Include a cover letter to confirm that the Offeror shall comply with the requirements, provisions, terms, and conditions specified in this RFP.
- B. Include a signed Offer Form OF-1 with the complete name and address of the Offeror's firm and the name, mailing address, telephone number, and fax number of the person the OHA should contact regarding the Offeror's proposal. See Section 8, Attachment 1, Offer Form OF-1, for a copy of the form. Include a completed Offer Form OF-2. See Section 8, Attachment 2, Offer Form OF-2, for a copy of the form
- C. If subcontractor(s) will be used, append a statement to the cover letter from each subcontractor, signed by an individual authorized to legally bind the subcontractor and stating:
1. The general scope of work to be performed by the subcontractor; and
 2. The subcontractor's willingness to perform for the indicated.

- D. Provide all of the information requested in this RFP in the order specified.
- E. Be organized into sections, following the exact format using all titles, subtitles, and numbering, with tabs separating each section described below. Each section must be tabbed and pages must be numbered.

4.6 Proposal Requirements

A. Mandatory Administrative Requirements

1. Offer Forms OF-1;
2. Offer Form OF-2;
3. Cover Letter in the form of a standard a business letter and submitted on the Offeror's official business letterhead and signed by a duly authorized representative;
4. Table of Contents;
5. Tabbing of Sections; and
6. Executive Summary – provides a program overview.

B. Proposal Requirements

1. Response to Section 3.5 Specifications;
2. Letters of Recommendations – a minimum of two (2) for lead and each subcontractor;
3. Most recent financial statement of all firms in the Offeror's team;
4. HCE Certificate of Vendor Compliance for all firms in Offeror's team (as stated in Section 2.1); and
5. Proof of registration and licensing with the Commodity Futures Trading Commission.

4.7 Receipt and Register of Proposals

Proposals will be received and receipt verified by two (2) or more procurement officers on or after the date and time specified in Section 1, or as amended.

The register of proposals and proposals of the Offeror(s) shall be open to public inspection upon posting of award pursuant to section §103D-701, HRS.

4.8 Best and Final Offer

If the OHA determines a Best and Final Offer (hereinafter “BAFO”) is necessary, it shall request one (1) from the Offeror. Any BAFO received after the deadline or not received shall not be considered.

4.9 Modification Prior to Submittal Deadline or Withdrawal of Offers

The Offeror may modify or withdraw a proposal before the proposal due date and time.

Any change, addition, deletion of attachment(s) or data entry of an Offer may be made prior to the deadline for submittal of offers.

4.10 Mistakes in Proposals

Mistakes shall not be corrected after award of Contract.

When the Procurement Officer knows or has reason to conclude before award that a mistake has been made, the Procurement Officer should request the Offeror to confirm the proposal. If the Offeror alleges mistake, the proposal may be corrected or withdrawn pursuant to this section.

Once discussions are commenced or after BAFO are requested, any priority-listed Offeror may freely correct any mistake by modifying or withdrawing the proposal until the time and date set for receipt of best and final offers.

If discussions are not held, or if the BAFO upon which award will be made have been received, mistakes shall be corrected to the intended correct offer whenever the mistake and the intended correct offer are clearly evident on the face of the proposal, in which event the proposal may not be withdrawn.

If discussions are not held, or if the BAFO upon which award will be made have been received, an Offeror alleging a material mistake of fact which makes a proposal non-responsive may be permitted to withdraw the proposal if: the mistake is clearly evident on the face of the proposal but the intended correct offer is not; or the Offeror submits evidence which clearly and convincingly demonstrates that a mistake was made.

Technical irregularities are matters of form rather than substance evident from the proposal document, or insignificant mistakes that can be waived or corrected without prejudice to other Offerors; that is, when there is no effect on price, quality, or quantity. If discussions are not held or if best and final offers upon which award will be made have been received, the Procurement Officer may waive such irregularities or allow an Offeror to correct them if either is in the best interest of the OHA. Examples include the failure of an Offeror to: return the number of signed proposals required by the request for proposals; sign the proposal, but only if the unsigned proposal is accompanied by other material indicating the Offeror’s intent to be bound; or to acknowledge receipt of an amendment to the request for

proposal, but only if it is clear from the proposal that the Offeror received the amendment and intended to be bound by its terms; or the amendment involved had no effect on price, quality or quantity.

END OF SECTION

SECTION 5

Evaluation Criteria

5.1 Evaluation of Proposals

An evaluation committee approved by the OHA's Ka Pouhana/CEO/HOPA 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 will be composed of individuals with experience in, knowledge of, and program responsibility for the requirements identified in this RFP.

Prior to holding any discussion, a priority list shall be generated consisting of offers determined to be acceptable or potentially acceptable. However, proposals may be accepted without such discussions.

If numerous acceptable and potentially acceptable proposals are submitted, the evaluation committee may limit the priority list to the three (3) highest ranked, responsible Offerors.

5.2 Initial Evaluation

Proposals shall be classified initially as acceptable, potentially acceptable, or unacceptable. The proposals that do meet the mandatory requirements will be evaluated and scored in accordance with the criteria, Section 5.4 – Evaluation Sections, by members of an Evaluation Committee.

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 fewer than three (3) acceptable or potentially acceptable proposals, the OHA shall not be required to hold discussions with the Offerors who submitted unacceptable proposals.

Discussion may be conducted with priority listed successful 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 clarify issues regarding the Offeror's proposal before the best and final offer, if necessary.

5.3 Minimum Administrative Requirements Check

The OHA shall conduct an initial review to ensure that all proposals meet the minimum threshold requirements. Proposals shall be reviewed to ensure submittal of all required attachments, certifications, forms, and narrative sections. Mandatory requirements are determined by a pass or no pass criteria. Any proposals received by the OHA that do not include all of the mandatory requirements listed below, shall be deemed unacceptable and

shall not pass. Statements which indicate that mandatory certifications will be submitted upon Contract award shall be unacceptable.

A. Mandatory Requirements for this RFP:

1. Offer Forms OF-1;
2. Offer Form OF-2;
3. Cover Letter in the form of a standard a business letter and submitted on the Offeror’s official business letterhead and signed by an authorized representative;
4. Table of Contents;
5. Tabbing of Sections; and
6. Executive Summary.

B. Verification each section submitted

1. Response to Section 3.5 Specifications;
2. Letters of Recommendations - two (2) minimal for lead and each subcontractor;
3. Most Recent Financial Statement of all firms in the Offeror’s team; and
4. HCE Certificate of Vendor Compliance for all firms in the Offeror’s team (as stated in Section 2.1).

5.4 Evaluation Sections

Category	Maximum Points
Organization	25
Investment Philosophy/Process	25
Operations	15
Performance	25
Fees	10
Total	100

Section 1- Organization	Possible Points	25 Maximum Points
<ul style="list-style-type: none"> • Up to 10 points will be awarded on the Offeror’s proposal which clearly and concisely provided the organization’s chart, background, history, and structure. 	10	

<ul style="list-style-type: none"> Up to 5 points will be awarded on the Offeror's proposal which clearly and concisely provided the organization's total, taxable and tax-exempt assets under management (\$). 	5	
<ul style="list-style-type: none"> Up to 5 points will be awarded on the Offeror's proposal which clearly and concisely completed the table for their investment team that will be responsible for managing the proposed product and provided their experience. 	5	
<ul style="list-style-type: none"> Up to 5 points will be awarded on the Offeror's proposal which clearly and concisely provided an overview of the named proposed fund which includes withdrawal options, and ERISA assets 	5	
Section 2 – Investment Philosophy/Process	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 demonstrated the organization's investment philosophy, strategy, process and procedures that is appropriate, efficient, practical, thoughtful, and innovative. 	10	
<ul style="list-style-type: none"> Up to 10 points will be awarded based on the Offeror's proposal which clearly and concisely demonstrated the proposed product's investment process, limitations, and what type of environment and market conditions that would be favorable to the product. 	15	
Section 3 – Operations (Portfolio Construction, Monitoring and Risk Control)	Possible Points	15 Maximum Points
<ul style="list-style-type: none"> Up to 2.5 points will be awarded based on how the Offeror clearly and concisely described their portfolio construction philosophy and value. 	2.5	
<ul style="list-style-type: none"> Up to 2.5 points will be awarded based on how the Offeror clearly and concisely described how their organization utilizes derivatives, leverages and hedging techniques, how they manage liquidity risk, and investment guidelines. 	2.5	
<ul style="list-style-type: none"> Up to 5 points will be awarded based on how the Offeror clearly and concisely described their roles, responsibilities, protection, policies and parameters in risk management. 	5	

<ul style="list-style-type: none"> Up to 2.5 points will be awarded based on how the Offeror clearly and concisely described their investment protection against long-tailed risks. 	2.5	
<ul style="list-style-type: none"> Up to 2.5 points will be awarded based on how the Offeror clearly and concisely described their trading process that shall include, but may not be limited to, the following: commission rates (how much is spent annually, average rate), annual portfolio turnover and any soft dollar or other fee sharing arrangements. 	2.5	
Section 4 - Performance	Possible Points	25 Maximum Points
<ul style="list-style-type: none"> Up to 15 points will be awarded based on how the Offeror clearly and concisely provided net of fees, time-weighted quarterly rates of return for the proposed fixed income project. 	15	
<ul style="list-style-type: none"> Up to 5 points will be awarded based on how the Offeror clearly and concisely demonstrated the performance results in accordance with Global Investment Performance Standards. 	5	
<ul style="list-style-type: none"> Up to 5 points will be awarded based on how the Offeror clearly and concisely described their reporting services to the OHA and BOT. 	5	
Section 5 - Fees	Possible Points	10 Maximum Points
<ul style="list-style-type: none"> Up to 10 points will be awarded based on how the Offeror clearly and concisely provided a complete fee schedule for the proposed product. 	10	
<ul style="list-style-type: none"> TOTAL POINTS 	100	100 Maximum Points

5.5 Financial/Price Proposal Review

The financial/price proposal review will be evaluated for financial and contractual acceptability and for reasonableness of the price proposal. The proposal with the lowest cost

factor shall receive the highest available rating allocated to cost. Each proposal that has a higher cost factor than the lowest must have a lower rating for cost.

The points allocated higher 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:

$$\frac{\text{Price of the lowest price proposal} \times 10}{\text{Price of the proposal being rated}}$$

In determining whether a proposal is responsive, the OHA will evaluate the costs and its supporting documentation against realistic operational expenses. The OHA will also review the most recent audited statements of the Offeror.

5.6 Technical Review

The Offeror's proposal shall be in the form prescribed by this solicitation and shall 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 technical criteria are shown below:
 1. Organization;
 2. Investment Philosophy/Process;
 3. Operations;
 4. Performance; and
 5. Fees.
- B. Proposals will be evaluated for technical and contractual acceptability. Proposals shall be prepared in accordance with the instructions given in the RFP and shall meet all requirements set forth in this RFP.
- C. Pursuant to section 3-122-112, HAR, Responsibility of Offerors, the Successful Offeror shall produce documents to demonstrate compliance with this section.
- D. 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 in the management plan. 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 customers 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 customer 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 Successful 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 customer satisfaction; and, generally, the Offeror's business-like concern for the interests of the client.

5.7 Evaluation Criteria

The evaluation criteria and the associated points are listed in Section 5.4 Evaluation Section. The award will be made to the most responsible and responsive Offeror whose proposal is determined to be the most advantageous to the OHA based on the evaluation section.

5.8 Kūkākūkā (Discussion with Priority Listed Offerors)

The OHA may invite priority listed Offerors to discuss their proposals to ensure thorough, mutual understanding. The OHA, in its sole discretion, shall schedule the time and location for these discussions, generally within the timeframe indicated in this RFP schedule and significant dates. The OHA may also conduct discussions with priority listed Offerors to clarify issues regarding the proposal before requesting Best and Final Offers (BAFO), if the OHA determines a BAFO is necessary.

5.9 Method of Award

All proposals submitted will be evaluated on the basis of the evaluation criteria listed in Section 5.4 Evaluation Section. Proposals shall conform to all terms and conditions contained in the Request for Proposals. Proposals which do not conform to all requirements expressed in this solicitation may be rejected without further evaluation, deliberation or discussion.

- A. All proposals will be reviewed for reasonableness. Offerors who are not within the competitive range will be notified that their proposals are unacceptable, negotiations/discussions are not contemplated, and any revisions of their proposals will not be considered.
- B. Award will be made to the responsive and responsible Offeror whose proposal is determined to be the most advantageous to the OHA taking into consideration price and the evaluation criteria set out in this RFP.

Pursuant to chapter 3-122-59, HAR, if there is only one responsible Offeror submitting an acceptable proposal, an award may be made to the single Offeror, rejected and new requests for proposals may be solicited if certain conditions are not met; the proposed procurement may be cancelled, or an alternative procurement method may be conducted.

- C. 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 shall be cause for rejection. Proposals should be submitted initially on the most favorable terms of a price and technical standpoint which the Offeror can submit to the OHA.

5.10 Final Evaluation and Award

The Evaluation Committee shall re-evaluate and re-score the Priority List considering original proposal, Kūkākūkā, and any subsequent BAFO, if any. The final evaluation will be based on the same criteria as the initial evaluation. The Offeror with the highest score and represents the greatest value and benefit to OHA and its beneficiaries will be selected to receive the award. The RFP Coordinator will notify all other Offerors in writing that a different Offeror has been selected.

END OF SECTION

SECTION 6

Contractor Selection and Contract Award

6.1 Award of Contract

Method of Award. Award will be made to the responsible and responsive Offeror whose proposal is determined to be the most advantageous to the OHA based on the evaluation criteria set forth in the RFP. If a vendor/contractor/service provider is not compliant on HCE at the time of award, an Offeror will not receive the award.

6.2 Proposal as Part of the Contract

This RFP and all or part of the successful proposal may be incorporated into the Contract.

6.3 Public Examination of Proposals

Except for confidential portions, the proposals shall be made available for public inspection upon posting of award pursuant to HRS §103D-701.

If a person is denied access to a OHA procurement record, the person may appeal the denial to the office of information practices in accordance with HRS §92F-42(12).

6.4 Debriefing

Pursuant to HAR §3-122-60, a non-selected Offeror may request a debriefing to understand the basis for the award.

A written request for debriefing shall be made within three (3) working days after the posting of the award of the Contract. The Procurement Officer or designee shall hold the debriefing within seven (7) working days to the extent practicable from the receipt date of the written request.

Any protest by the requestor following a debriefing, shall be filed within five (5) working days, as specified in HRS §103D-303(h).

6.5 Approvals

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

6.6 Contract Execution

The Contractor receiving award shall enter into a formal written Contract in the form as in Exhibit A. No performance or payment bond is required for this Contract.

No work is to be undertaken by the Contractor prior to the effective date of Contract. The OHA is not liable for any work, Contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the official starting date.

If an option to extend is mutually agreed upon, the Contractor shall be required to execute a supplement to the Contract for the additional extension period.

6.7 Monitoring and Evaluation

The Successful Offeror(s) performance under the Contract will be monitored and evaluated by the Contract Administrator or his/her designated representative, the OHA's auditors, 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 included as Exhibit B in this RFP. The Offeror(s) may be required to submit additional written reports, including a corrective action plan, in response to monitoring conducted by the OHA. These additional reports shall not be considered a change to the scope of work and shall continue for the duration of time as deemed necessary by the OHA.

When interest of the OHA or the Contractor so require, the OHA or the Contractor may terminate the Contract for convenience by providing forty-five (45) calendar days prior written notice to the other party.

6.8 Payment

Contract payment may be made on a quarterly basis or as determined by negotiation with the Successful Offeror.

6.9 Contract Invalidation

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

END OF SECTION

SECTION 7

Attachments and Exhibits

Attachment 1:	OFFER FORM, OF-1
Attachment 2:	OFFER FORM, OF-2
Attachment 3:	OHA HEDGE SEARCH DATA APPENDIX
Exhibit A:	SAMPLE CONTRACT
Exhibit B:	GENERAL CONDITIONS