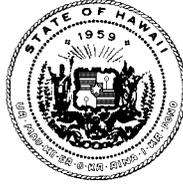


LINDA LINGLE
GOVERNOR



LILLIAN B. KOLLER, ESQ.
DIRECTOR

HENRY OLIVA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
810 Richards Street, Suite 400
Honolulu, Hawaii 96813

March 29, 2010

MEMORANDUM

TO: Purchase of Services Applicants

FROM: Amy Tsark, Acting Administrator
Social Services Division

SUBJECT: Addendum For Requests For Proposals (RFP) HMS 301-60 Molokai Integrated Services System Issued March 9, 2010

Attached for your information is the addendum for the above referenced RFP issued by the Social Services Division of the Department of Human Services (DHS). The addendum is being issued to revise the RFP and provide clarification.

The addendum includes revisions to the RFP, as well as questions we have received from applicants and the Department's responses in accordance with Section 1, item VII, of the RFP pertaining to the submission of questions.

If you have further questions about the RFP, please contact the person designated in part II.F of Section 2 of the RFP. Thank you for your interest in this procurement.

Attachments

**DEPARTMENT OF HUMAN SERVICES
SOCIAL SERVICES DIVISION**

**Addendum For RFP No. HMS 301-60
Molokai Integrated Services System
Issued March 9, 2010**

REVISIONS

Section 5 Attachments:

1. Attachment A (Proposal Application Checklist) has been revised as follows:

The item entitled "Lobbying" listed in the first column on the left near the bottom of the Checklist under "Federal Certifications" **is required**. Please submit this completed form with your proposal.

2. Attachment G (Special Conditions) page 4, item #9 entitled "Federal Audit Requirement" has been revised as follows:

Remove the first sentence that reads: *The PROVIDER spending Three Hundred Thousand (\$300,000) or more per year in federal financial assistance shall be subject to federal audit requirements under Office of Management and Budget (OMB) Circular A-133, "Audits of State, Local Governments, and Nonprofit Organizations."* and replace with the following sentence: *The PROVIDER spending Five Hundred Thousand (\$500,000) or more per year in federal financial assistance shall be subject to federal audit requirements under Office of Management and Budget (OMB) Circular A-133, "Audits of State, Local Governments, and Nonprofit Organizations."*

QUESTIONS AND ANSWERS

1. **What is the definition of "administrative costs"?**

Administrative costs are mentioned in Section 3 (Proposal Application Instructions) and Section 4 (Proposal Evaluation). Administrative costs (also referred to as indirect costs) is defined in the document available on the SPO website entitled "Cost Principles On Purchases Of Health And Human Services." Please see page 1-2 of the RFP, II Website Reference.

2. **Will the Department's contract payments be made as quarterly advances?**

The Department has not made a definitive decision concerning how fiscal year 2011 payments to the contracted providers will be made. The Department is reviewing all viable options including making quarterly advance payments to the contracted providers and/or making payments in arrears after service is rendered. Tentatively, the Department plans to pay using a combination of both methods. The Department reserves the right to modify the payment structure and method as needed throughout the term of the contract period.

3. **Can contract funds be used to purchase or lease motor vehicles?**

Applicants may at their discretion, include a motor vehicle purchase or lease in their budget when they submit their proposal. All proposals will be evaluated in accordance with the RFP.

Funding for a motor vehicle may be approved for contracts. The Department's approval may be based on the available contract funding, all applicable funding regulations and best practices as well as all other relevant factors. The Department hopes to arrive at a decision before the start of contract services.