2018 WAM/EDU/GVO Briefing Testimony Instructions

Please be prepared to answer questions relating to:

A. The Student Bus Transportation Services Contract for the Island of Maui and Kauaʻi;
B. The list of bidders to the RFP;
C. Scoring sheets related to the award; and their content;
D. The timeline of events; to include at which point all routes were fully staffed; also whether routes were consolidated and/or eliminated during the contract implementation period;
E. Contracts awarded;
F. Members of the committee that scored the proposals;
G. Provide information on the rational of restoring the routes of West Maui prior to that of Central Maui;
H. Further protests to the Maui School Bus contract; and
I. Any other information related to this topic.

Requested Materials

A. Provide a status report of all actions taken as a result of the recommendations made by the State Auditor in Getting on Board: Follow-Up on Recommendations Made in Report No. 12-07, *Management Audit of the Department of* Education's School Bus Transportation Services

Requested Materials for Maui and Kauaʻi School Bus Transportation Services

A. Provide a copy of the public notice.
B. Provide a copy of the Student Bus Transportation Services Contracts.
C. Provide a copy of the Request for Proposal.
D. Provide a copy of the invitation for bids.
E. Provide a list of all bidders to the RFP.
F. Provide a copy of the scoring sheet and results.
G. Provide copies of the all protest documents.
H. Provide a copy of all contracts awarded including addendums, if applicable.

Solicitation Number: RFP-D17-001

ID: 7395
Posted by: Patrick Oyadomari

Department: Department of Education
County/Island(s): Maui
Category (Select One): Goods & Services
Publication Date: 07/20/2016
Due Date: 10/05/2016 - 14:00PM HST
Solicitation Number: RFP-D17-001
Description: STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF MAUI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)
Contact Name: Christian Butt, Section Administrator
Phone Number: 808-784-5012
E-mail Address: christian_butt@notes.k12.hi.us
Comments: Addendum No. 1 (8/5/16)
Addendum No. 2 (8/26/16)
Addendum No. 3 (9/22/16)
IFB/RFP/RFI, Professional Svcs., etc. documents: 2016-17-maui-rfp_final.pdf
addendum-1-maui-rfp.pdf
addendum-2-maui-rfp.pdf
addendum-3-rfp-d17-001.pdf

Pre-Bid / Pre-Proposal / Orientation Conference

Conference Scheduled: Yes

Date/Time: 07/26/2016 - 09:00AM

Address: McKinley School for Adults (Rm 110), 634 Pensacola Street

City: Honolulu

Zip Code: 96814

Additional Info: Attendance at this conference is MANDATORY for any proponent intending to submit a proposal. Attendance can be in-person or via teleconference.

Addenda

Amended: Yes

Date Last Amended: 09/22/2016

Submission Date: 07/20/2016 - 02:06PM
Last Modified: 09/22/2016 - 01:34PM

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Solicitation Number: RFP-D17-002

ID: 7394
Posted by: Patrick Oyadomari

Department: Department of Education
County/Island(s): Kauai
Category (Select One): Goods & Services
Publication Date: 07/20/2016
Due Date: 10/05/2016 - 14:00PM HST
Solicitation Number: RFP-D17-002
Description: STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF KAUAI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)
Contact Name: Christian Butt, Section Administrator
Phone Number: 808-784-5012
E-mail Address: christian_butt@notes.k12.hi.us
Comments: Addendum No. 1 (8/5/16)
Addendum No. 2 (8/26/16)
Addendum No. 3 (9/22/16)
IFB/RFP/RFI, Professional Svcs., etc. documents: 2016-17-kauai-rfp_final.pdf
addendum-1-kauai-rfp.pdf
addendum-2-kauai-rfp.pdf
addendum-3-rfp-d17-002.pdf

Pre-Bid / Pre-Proposal / Orientation Conference

Conference Scheduled: Yes

Date/Time: 07/26/2016 - 09:00AM

Address: McKinley School for Adults (Rm 110), 634 Pensacola Street

City: Honolulu

Zip Code: 96814

Additional Info: Attendance at this conference is MANDATORY for any proponent intending to submit a proposal. Attendance can be in-person or via teleconference.

Addenda

Amended: Yes

Date Last Amended: 09/22/2016

Submission Date: 07/20/2016 - 02:02PM
Last Modified: 09/22/2016 - 01:36PM

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DEPARTMENT OF EDUCATION

STUDENT TRANSPORTATION SERVICES BRANCH

Contract No. COF1004

AWARDED PURSUANT TO

REQUEST FOR PROPOSALS RFP D17-001

WITH

ROBERT'S HAWAII SCHOOL BUS, INC.

TO

PROVIDE STUDENT BUS TRANSPORTATION SERVICES

FOR

CLUSTER 1 – MAKAWAO

ON THE ISLAND OF MAUI

FOR THE PERIOD

JULY 1, 2017 TO JUNE 30, 2024

STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of

July 1, 2017, between STATE OF HAWAII, DEPARTMENT OF EDUCATION
(Insert name of state department, agency, board or commission)
State of Hawaii ("STATE"), by its SUPERINTENDENT
(Insert title of person signing for State)
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")), whose address is 1390 Miller Street, Honolulu, Hawaii 96813
and ROBERT'S HAWAII SCHOOL BUS, INC.
("CONTRACTOR"), a CORPORATION
(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)
under the laws of the State of HAWAII, whose business address and federal and state taxpayer identification numbers are as follows: 680 Iwilei Road, Suite 700, Honolulu, Hawaii 96817
Federal ID No. 99-0224340; Hawaii GET License I.D. No. W20355314-01

RECITALS

A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.

B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.

C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").

D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.

E. Pursuant to HRS §103D-303 and HAR § 3-122-112, the STATE is
(Legal authority to enter into this Contract)
authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:
(1) PROGRAM ID 19097
(Identify state sources)
or (2) _____
(Identify federal sources)
or both, in the following amounts: State $: 3,551,040.00
Federal $: _____

NOW THEREFORE in consideration of the promise contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number RFP D17-001 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), and Attachment-S1, Scope of Services, all of which, even if not physically attached to this Contract, are made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed TWENTY-FOUR MILLION EIGHT HUNDRED FIFTY-SEVEN THOUSAND TWO HUNDRED EIGHTY AND NO/100 DOLLARS ($ 24,857,280.00), including

approved costs incurred and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal and the Compensation and Payment Schedule set forth in Attachment-S2, which is made a part of this Contract.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S-3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☒ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of _____ DOLLARS ($ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments, and Exhibits, and amendments; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of N/A _____ DOLLARS ($ N/A) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any changes of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

(Signature)

Kathryn Matayoshi

(Print Name)

Superintendent

(Print Title) JUN - 2 2017

(Date)

CONTRACTOR

Robert's Hawaii School Bus, Inc.

(Name of Contractor)

(Signature)

Percy Higashi

(Print Name)

President & COO

(Print Title)

May 4, 2017

(Date)

CORPORATE SEAL (If available)

APPROVED AS TO FORM:

Deputy Attorney General 1-12-17

*Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.

STATE OF HAWAII
CONTRACTOR'S ACKNOWLEDGEMENT

STATE OF Hawaii)
) SS.
City and COUNTY OF Honolulu)

On this 4th day of May, 2017, before me appeared

Percy Higashi and _____, to me known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are President and _____ of Roberts Hawaii School Bus, Inc., the CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said instrument as the free act and deed of the CONTRACTOR.

(Notary Stamp or Seal)

(Signature)

Bernadette Coen
(Print Name)

Notary Public, State of Hawaii

My commission expires: 08-14-2020

Doc. Date: Undated # Pages: 4

Notary Name: Bernadette Coen First Circuit

Doc. Description: DOE Student transporation branch Contract No COFI004

(Notary Stamp or Seal)

5/4/17

Notary Signature Date

NOTARY CERTIFICATION

STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of Robert's Hawaii School Bus, Inc., CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is* ☒ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84- 15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of $10.000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive seated proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By _____
(Signature)

Print Name Percy Higashi

Print Title President & COO

Name of Contractor Robert's Hawaii School Bus, Inc.

Date 5/4/17

STATE OF HAWAII

SCOPE OF SERVICES

1) **Student Transportation Service Requirements**

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Exhibit C. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

(1) Coordination of student behavior management on school buses with school officials

(2) State and Department mandated data collection and reporting

(3) Accident investigation

(4) Customer service activities to the Department, school officials, parents and guardians

h) Cooperation with Department

i) The Contractor will work cooperatively with the Department to ensure safe, effective, and efficient Transportation Services throughout the term of this Agreement. The Contractor will be responsive to the Department's requirements for unscheduled bus or rider-related events and special requests. No additional compensation shall be provided for complying with these requests. These requests may include, but shall not be limited to:

(1) emergency preparedness activities

(2) student or community safety matters

(3) student or community health matters

ii) If other services or issues arise that are previously unaddressed by the Department, the Contractor will make a good faith effort to address or resolve such until the matter can be referred to the Department.

i) Insurance requirements

i) Insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate. To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions and coverage of Insurance Service Office (ISO) policies, forms and endorsements.

(1) Commercial General Liability: The Contractor shall maintain commercial general liability insurance covering all operations by or on behalf of the Contractor on an occurrence basis against claims for personal injury (including bodily injury and death) and property damage (including loss of use). Such insurance shall have these minimum limits and coverage:

- $2,000,000 each occurrence;

- $2,000,000 general aggregate on a "per project" basis;

- $2,000,000 products and completed operations aggregate.

(2) Automobile Liability: The Contractor shall maintain business auto liability covering liability arising out of any auto (including owned, hired and non-owned autos). Such insurance shall have these minimum limits and coverage:

- $2,000,000 combined single limit.

(3) Workers' Compensation: The Contractor shall maintain workers' compensation and employer's liability insurance that comply with statutory limits

3) **Contractor Performance**

a) **Contract Performance Management Program**

i) **Exhibit B** provides a description of the Department's Contract Performance Management Program. The Contractor will be an active participant in, and will be responsive to the requirements of this program.

ii) The Contract Performance Management Program is a non-punitive, joint, supportive program of contract compliance monitoring and performance measurement designed to enhance and improve Transportation service delivery in a continuous improvement cycle.

b) **Minimum Service Levels and Standards of Performance**

i) In addition, and as a supplement to the Contract Performance Management Program, the Contractor will be responsible for meeting or exceeding certain minimally acceptable service levels and standards of performance. The Contractor will monitor, track, account for, and report to the Department the data and information required to determine the Contractor's success in meeting or exceeding the established standards.

ii) The Contractor will comply with three minimally acceptable standards of performance. For the purpose of this section, a bus route is defined as either the morning or afternoon component of a regularly planned and assigned daily bus route as provided to the Contractor by the Department.

(1) No more than two (2) percent of all bus routes operated by the Contractor in each week of the service month shall be delayed or missed as a result of the Contractor's inability to provide an adequate number of qualified bus drivers or monitors as defined within this Agreement. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner.

(2) No more than two (2) percent of all bus routes operated by the Contractor in each service week shall be delayed or missed as a result of mechanical problems with the Contractor's assigned vehicle. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that is delayed over the course of its scheduled route as a result of a mechanical problem with the assigned vehicle.

(3) The Contractor shall report every incidence of delay as defined in subparagraph (1) and (2) of this section to the Department within fifteen (15) minutes of occurrence in a manner and format acceptable to the Department. This is a zero tolerance standard of performance.

iii) The Contractor is responsible for recording and tracking all data and information required to calculate Contractor performance relative to the minimum service levels and standards of performance. These data will be provided to the Department not later than the 15th of each month for service completed in the prior service month. The data and information will be submitted in a verifiable manner and format acceptable to the Department.

iv) If a non-compliance situation occurs, the Contractor is considered to be automatically on notice whether or not the Department sends a formal written notice.

v) The Contractor will comply with Department directives to improve operations and outcomes that fall below the established standards.

c) Performance Withholding

i) The Department may impose a **Minimum Service Level Performance Withholding** factor for non-compliance with the Minimum Service Levels and Standards of Performance.

(1) The Department may defer payment of up to one (1) percent of the Contractor's next regular monthly Transportation Services invoice for any single weekly instance of non-compliance.

(2) The Department may defer payment of up to three (3) percent of the Contractor's next regular monthly Transportation Services invoice should non-compliance continue for two consecutive service weeks.

(3) The Department may defer payment of up to seven (7) percent of the Contractor's next regular monthly invoice should non-compliance continue for three consecutive service weeks.

(4) The Department may defer payment of up to ten (10) percent of the Contractor's next regular monthly invoice should non-compliance continue for four (4) consecutive weeks.

ii) The number of withholding instances is unlimited, and may be repeated for each instance of non-compliance with the Minimum Service Levels and Standards of Performance requirements.

iii) The withheld amount may be paid in full to the Contractor if the non-compliance factor resulting in the Performance Withholding instance is cured to the satisfaction of the Department following the deferral decision.

iv) If the non-compliance factor is not cured to the satisfaction of the Department following the deferral decision, the Department may retain the withholding without obligation to pay the Contractor the withheld amounts.

v) The Department will notify the Contractor in formal letter delivered via a traceable method to the address of record for the Contractor contained in this Agreement if a decision to retain a Performance Withholding is reached.

d) Contractor Fiscal Efficiency

i) The Contractor will make an ongoing good-faith effort to identify opportunities to improve the efficiency and effectiveness of the bus routes and route packages assigned to the Contractor by this Agreement. Where feasible, the Contractor will identify opportunities to modify, pair, combine, or repackage bus routes with the objective to perform Transportation services in the most efficient and effective manner possible. If identified, such opportunities will be communicated to the Department not later than one (1) week following the identification. At a minimum, the Contractor will submit a written report to the Department, to accompany each regular invoice submission, summarizing the opportunities identified in the period covered by the invoice or, if no opportunities were identified, making an affirmative statement attesting to this fact.

ii) The Contractor will immediately notify the Department, in a manner deemed acceptable by the Department, of any new programs or services that are requested of the Contractor by school officials or representatives, including any school building or program bell time changes. The Contractor shall not fulfill such requests until and if authorized by the Department.

4) **Basis for Contractor Compensation**

a) **Daily Bus Service Time**

i) The Contractor's pricing for Transportation will primarily be structured upon the length of time required for a vehicle to complete its regularly assigned daily route package. The Department will assemble individual Transportation routes in time tiers, potentially serving multiple schools in succession. The route package time of service will start when the first scheduled student rider boarding occurs for either the morning home-to-school, or afternoon school-to-home component and ends when the last scheduled student debarkation occurs at the final school destination in the morning or the final scheduled stop in the afternoon. The combination of the morning and the afternoon route package time of service constitutes the **Daily Bus Service Time**. The Daily Bus Service Time of any individual route may also include all or a portion of mid-day and/or post-day bus route at the discretion of the Department. If mid-day or post-day segments are included, then the morning or afternoon route package time of service will continue from the last scheduled student debarkation at the final morning home-to-school destination (or from the final scheduled home-to-school stop in the afternoon) to the final scheduled stop of the mid-day or post-day routing component to be included in the Daily Bus Service Time.

(1) Vehicle operating time expended transiting from the Contractor's assigned vehicle parking location to the first scheduled student boarding in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(2) Vehicle operating time expended transiting from the final scheduled student debarkation to the Contractor's assigned vehicle parking location in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(3) Vehicle operating time expended transiting empty of student riders at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(4) Vehicle time expended empty of student riders and waiting for a subsequent component of the route package to start at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(5) Daily Bus Service Time is calculated in accordance with scheduled route data as determined by the Department and operated by the Contractor following all of the requirements of this Agreement.

(6) Daily Bus Service Time will be rounded to the nearest fifteen (15) minute increment.

(7) Occasional variances in planned versus actual Daily Bus Service Time of fifteen (15) minutes or less will receive no adjustment to compensation.

(8) Recurring variances in planned versus actual Daily Bus Service Time of any length may result in a compensation change following verification by the Department and adjustment to the scheduled route data. The Contractor must report recurring variances to the Department immediately on their identification notwithstanding any other reporting requirements of this Agreement.

b) Route Packages

i) The Daily Bus Service Time will be comprised of a package of routing components as determined by the Department. Route components may include any combination of regular or special needs students of any grade level, one or multiple schools or program types, any number of bus stops, and service to any location within the geographic area defined by this Agreement.

ii) Route packages will be assembled such that individual assigned vehicles are performing logical and efficient combinations of routing components in the morning and again in the afternoon, to the extent feasible.

iii) Route packages will be assembled such that the assigned vehicle type, size and equipment requirements are common to all routing components in the package, to the extent feasible.

iv) Route packages will be assembled such that the composition of the Contractor fleet is considered in matching requirements to available bus types, to the extent feasible.

v) The Department will schedule some routing components on a recurring, but not on a daily basis. The Department will treat any such component occurring on three (3) or more service days during a regular five (5) day service week as a regular recurring service for compensation purposes.

vi) Any regular routing component that occurs on a recurring basis but less than three (3) service days in any regular five (5) day service week will be treated as an additional supplemental service for compensation purposes.

vii) Morning and afternoon route packages will be paired as efficiently as possible by the Department, with the morning and afternoon schools and programs served being the same, to the extent feasible.

viii) The Contractor will assign the same driver to both the morning and afternoon package of runs, to the extent feasible.

c) Time Gaps in Service Requirements

i) When any individual morning, mid-day, afternoon or post-day routing component cannot be assigned to a route package such that the wait time before or after another contiguous component would exceed thirty (30) minutes, the Department will have the option of either treating the component as part of the Daily Bus Service Time or an additional supplemental service for the purpose of compensation. If the Department opts to include the routing component in the Daily Bus Service Time, the time gap will be included in the daily service

time and the mileage between the components will be included in eligible service miles for fuel cost adjustment purposes.

ii) The Contractor shall not invoice the Department for any service time more than once.

d) Pricing Elements

i) The Compensation and Payment Schedule provides a matrix describing each element for which the Contractor will be provided compensation and the rate of compensation associated with each element.

ii) The Contractor is guaranteed compensation for a minimum Daily Bus Service Time of three and one-half (3.5) hours for each vehicle assigned to a regular routing package under this Agreement. Any Daily Bus Service Time of three and one-half (3.5) hours or less will receive this rate of compensation.

iii) Additional compensation for Daily Bus Service Time in excess of three and one-half (3.5) hours will be provided based on the regular service incremental hourly rate, calculated in fifteen (15) minute increments.

iv) Compensation for additional supplemental services will be provided for each instance of service, at the rates specified in the Agreement's Compensation and Payment Schedule.

v) The Department reserves the right to alter, add, or delete route components or route packages at any time within the requirements specified by this Agreement.

vi) The Department will compensate the Contractor for each regular education and special education route package for the actual number of days transported.

vii) The Contractor and the Department shall keep accurate records of all services provided. , and shall be detailed on each Contractor invoice submitted.

5) <u>Invoicing and Compensation Adjustments</u>

a) Invoicing

i) The Contractor will receive an invoice from the Department at least once, and not more than twice per month. The invoice shall be received not later than five business days following the last service day of the month.

ii) The invoice will include sufficient information and detail to support the amounts billed, and will reconcile to this Agreement.

iii) The invoice will be received, reviewed, and approved by the Contractor within three business days of receipt. If the Department does not receive any notice from the Contractor after three business days, the Department will assume that the Contractor approves the amount due.

iv) If the Contractor notifies the Department of an error on the invoice, the error will be reconciled and the invoice revised within two days of receiving notice. A revised invoice will be submitted to the Contractor for review and approval. The Contractor will have one (1) business day to review the revised invoice. If the Department does not receive any notice

from the Contractor after one business day, the Department will assume that the Contractor approves the revised amount due.

b) Annual Price Escalators

i) All prices shall be adjusted upward or downward annually based upon the United States Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year covered by the term of this Agreement for the following service year.

ii) Any upward adjustment:

(1) Shall not exceed three (3) percent if the previous year increase was one (1) percent or more.

(2) Shall not exceed four (4) percent if the previous year increase was less than one (1) percent.

iii) Any downward adjustment shall not exceed negative two (-2) percent.

c) Fuel Cost Adjustment

i) The Contractor will purchase and provide fuel for all Transportation services provided.

ii) The Contractor's fuel costs will be limited to a targeted maximum threshold of $4.25 per gallon. The actual fuel cost overage (if any) will be calculated by the Department as follows and added to the Contractor payment:

(1) The Monthly System-Wide Cost per Gallon will be determined by referencing the AAA Daily Fuel Gauge Report, Hawaii Average, Wailuku website at:

http://fuelgaugereport.aaa.com/states/hawaii/hawaii-metro/

(a) Determine the average price for the four (or five) weeks reported for the calendar month to be invoiced.

(b) Subtract $4.25 from the Monthly System-Wide Cost per Gallon

(c) Subtract the federal fuel excise tax from the difference of the average price and the Monthly System-Wide Cost per Gallon

(d) This provides the cost in excess of the targeted cost per gallon, or the Cost per Gallon Recovery Amount

(2) Determine the number of Contractor gallons eligible for cost recovery

(a) Determine the number of miles operated for Department services for the calendar month to be invoiced.

(i) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(ii) For Type II buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(b) Divide those miles by these fuel consumption rates

(i) For buses with a seating capacity greater than 24, 7

(ii) For I buses with a seating capacity less than or equal to 24, 10

(c) This provides the total Number of Gallons Eligible for Cost Recovery

(3) Multiply the Cost per Gallon Recovery Amount times the Number of Gallons Eligible for Cost Recovery

(4) Add that amount to the monthly payment to the Contractor

d) Ancillary Services and Costs

i) The Contractor will bear all costs associated with performing services not identified in this Agreement or in the Exhibits.

ii) The Contractor will bear all penalties, fines, damages, levies, taxes, etc. that may arise from performing Transportation services.

6) <u>Vehicle Disposition Option at Contract Termination</u>

a) Upon expiration of the contract and if the incumbent Contractor has not been renewed then the Contractor has the option of leasing those displaced daily use route and spare vehicles to the Department.

i) The Contractor will notify the Department of this election no later than 120 days from contract expiration.

ii) The Department must agree to lease those daily use route vehicles and a number of spares not to exceed 10% of the daily use route vehicles for a period of 12 months.

(1) The lease amount will be:

(a) A rate of 8% of the average daily rate of the vehicles leased

(b) Multiplied by an assumed 18 compensation days per month (180 school days over 10 months)

iii) During that 12 month period, any entity can purchase vehicles from the Contractor at a procurement price determined as follows:

(1) Reference the most recently issued Yellow Bus School Book, a source of used school bus market values. (www.yellowschoolbusbook.com) as the primary source or a mutually agreed upon valuation if the primary source is not available.

(2) Locate the bus type and model year to determine.

(3) Apply an odometer mileage deduction per the table as necessary

(4) Apply no markup or markdown for time elapsed since book issuance

iv) In the 13th month the Department is obligated to purchase the vehicle according to the preceding valuation, discounted by the total value of all previous lease payments made from under the guidelines established in ii above. If the value of the lease payments exceeded the valuation, no additional payments would be made but the Department would take ownership of the vehicle.

b) The same option is available to the contractor if less than 75% of its current daily route vehicle count has been renewed.

7) **Contract Administration**

a) **Contract Administrator**

i) For purposes of this contract, the person named below or his/her duly authorized representative or successor in office is designated Contract Administrator (CA). The CA may be contacted as follows:

Contract Administrator:	James Kauhi
Telephone Number:	(808) 586-0170
E-mail Address:	james_kauhi@notes.k12.hi.us

ii) The CA is responsible for:

(1) The terms, conditions, quantities, specifications, scope of services, other contract terms, and all decisions relating to the contract;

(2) Monitoring the contractor's work, documenting the contractor maintains the required insurance coverage (if applicable), resolving disputes and discrepancies, evaluating the work of the contractor, assuring the services or goods are delivered as required in the contract, and processing payment for services rendered;

(3) Executing the Contract Performance Management Program (Exhibit B)

iii) Notwithstanding the responsibilities set forth hereinabove, any coordination of services falling outside those articulated above shall remain with the head of the purchasing agency, as set forth in the attached General Conditions (see General Conditions, paragraph 1, entitled "Coordination of Services by the STATE.")

b) **Contractor administrative requirements**

i) Contractor's primary point of contact is as follows:

Name:	Aaron Kimura
Telephone Number:	539-9477
E-mail Address:	aaron.kimura@robertshawaii.com

ii) Contractor shall notify the STATE, verbally within twenty-four (24) hours, upon the occurrence of any of the events indicated below:

(1) Change in Contractor's business address or phone number;

(2) Change in Contractor's tax identification number; or

(3) Any other situation that could reasonably be expected to affect Contractor's ability to carry out its obligation under this contract.

8) **Exhibits**

a) **Exhibit A:** Transportation Contract Service Pricing Form
b) **Exhibit B:** Contract Performance Management Program
c) **Exhibit C:** School Bus Camera Equipment Specifications

- end of Attachment-S1 --

STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

1. TOTAL COMPENSATION

In full consideration of the goods delivered and/or the services performed by the CONTRACTOR under the terms and conditions of this contract, the STATE agrees to pay the CONTRACTOR the total sum not to exceed:
TWENTY-FOUR MILLION EIGHT HUNDRED FIFTY-SEVEN THOUSAND TWO HUNDRED EIGHTY AND NO/100 DOLLARS ($ 24,857,280.00).

2. PAYMENT SCHEDULE

Payment shall be made according to the provisions set forth in Attachment-S1, sections 4 and 5, and in Exhibit A.

3. AVAILABILITY OF FUNDS

This contract is subject to the availability of funds. Pursuant to Section 103D-309, HRS, except in certain instances, no contract entered into between the STATE and the CONTRACTOR shall be binding or of any force unless the Chief Financial Officer (CFO) certifies that there is an available unexpended appropriation or balance of an appropriation over and above all outstanding contracts sufficient to cover the amount required by the contract.

4. FINAL PAYMENT

The final payment on the contract shall be for services rendered during the billing period just prior to the contract expiration date. In addition to the requirements in the General Conditions, the following shall accompany the final payment invoice:

a) A tax clearance certificate, not over two months old and with an original green "certified copy" stamp, must accompany the invoice for final payment. In addition to the tax clearance certificate, the "Certification of Compliance for Final Payment" (DOE Form-22) with an original signature will be required for final payment.

b) In lieu of the above, CONTRACTOR may also submit an original CERTIFICATE OF VENDOR COMPLIANCE as issued by the State Procurement Office via an online system, also referred to as "Hawaii Compliance Express". Details regarding this online application process can be viewed at: http://vendors.ehawaii.gov/hce/.

- end of Attachment-S2 -

STATE OF HAWAII

TIME OF PERFORMANCE

1. CONTRACT TERM

The term of the contract shall be from the effective date of July 1, 2017 through June 30, 2024.

2. CONTRACT RENEWAL

This contract may be extended for not more than three (3) additional twelve-month periods i) upon mutual written agreement of the parties, and ii) prior to expiration of the term of the contract.

- end of Attachment-S3 -

STATE OF HAWAII

SPECIAL CONDITIONS

1. VERIFICATION OF EMPLOYEES

In accordance with State rules and regulations, CONTRACTOR shall conduct mandatory criminal background checks at no cost to the STATE, on any employee, agent, volunteer, or prospective employee working directly with students.

The CONTRACTOR shall maintain the background check records, and shall make the records available for review upon request. Upon review of these records, the STATE reserves the right to request additional background information.

2. CONFIDENTIALITY OBLIGATIONS

The following serves to supplement provision 24 of the General Conditions, entitled "Confidentiality of Material" and provision 42, entitled "Confidentiality of Personal Information":

While performing under this Agreement, the Contractor may receive, be exposed to or acquire confidential information. Such information may include names, addresses, telephone numbers, birthdates, social security numbers, medical information, and other educational, student, or personal employment information. The information maybe in written or oral form, fixed in hard copy or contained in a computer data base or computer readable form. Hereinafter, such language shall be collectively referred to as "Confidential Information."

The Contractor, including its employees, agents, representatives, and assigns shall abide by the following with regards to Confidential information: (i) They shall not disclose to any unauthorized party any Confidential Information, except as specifically permitted by the DOE and subject to the STATE's limitations on confidentiality of information and relevant legal requirements of the State to include, but not limited to the Family Educational Rights and Privacy Act ("FERPA"). Permission will be granted through a formal written agreement concerning the disclosure of personally identifiable information (PII) from student education records, signed by HIDOE and the Contractor, and must be provided as an attachment to this contract; (ii) They shall only permit access to Confidential Information to employees, agents, representatives, and assigns having a specific need to know in connection with performance under this Agreement; and (iii) They shall advise each of their employees, agents, representatives, and assigns of their obligations to keep such Confidential Information confidential.

CONTRACTOR, its employees, agents, representatives, or assigns shall ensure the security of the Confidential Information. The CONTRACTOR shall provide the DOE with a list of individuals (by name and position) who are authorized to handle the Confidential Information (hereinafter referred to as "Authorized Handlers"). Authorized Handlers shall ensure the security of the Confidential Information. Only Authorized Handlers shall have access to the Confidential Information, which will be kept on password protected computers with the hard copy documents kept in a locked file cabinet. CONTRACTOR shall ensure that procedures exist to prohibit access to the Confidential Information by anyone other than an Authorized Handler.

CONTRACTOR will be responsible for safeguarding the confidentiality of all Confidential Information it receives from the DOE and shall safeguard and protect such documents from unauthorized use, handling, or viewing. CONTRACTOR shall be liable to the DOE and to any person whose records the CONTRACTOR receives custody of under this Contract for records protection for any unpermitted release, viewing, or loss of such records. Contractor shall assume liability responsibility for records protection and for the inappropriate or unlawful release of Confidential Information. CONTRACTOR shall return all documents containing Confidential Information upon completion of the services CONTRACTOR is contracted to provide under this Agreement.

a) Prior written Approval: CONTRACTOR may not i) share Confidential Information or any other data received under this contract, ii) publish, or iii) distribute such information without the prior written approval of the STATE.
b) In the event of termination of this contract, CONTRACTOR shall return to the STATE all student information received under this contract and further agrees to destroy any and all copies of, or references to, any student information shared by the STATE as a result of this contract.

3. RELIEF AVAILABLE TO THE STATE

In addition to all rights and remedies available to the STATE provided in this Contract or otherwise provided under the law, if the CONTRACTOR is in non-compliance with the contract requirements, the STATE may:

a) Suspend Payments – Temporarily withhold or disallow all or part of the billing cost/payments pending correction of a deficiency or a non-submission of a required deliverable by the CONTRACTOR; and
b) Suspend Referrals – Suspend referrals to the CONTRACTOR should the CONTRACTOR fail to comply with any of the requirements or other term(s) or condition(s) of this Contract and, further, the STATE may maintain the suspension of referrals until such time as the deficiency or non-compliance is corrected and the CONTRACTOR's corrective actions are determined to be acceptable by the STATE; and
c) Seek Reimbursement – Seek reimbursement from the CONTRACTOR or withhold future payments for any funds paid to the CONTRACTOR subsequent to a determination that such was unauthorized, fraudulently obtained, or inappropriately billed.
d) Seek Market Value – In the event the CONTRACTOR fails, refuses or neglects to perform the services in accordance with the requirements of these Special Conditions, the Scope of Services, or the General Conditions, the STATE reserves the right to purchase, in the open market, a corresponding quantity of the services specified herein and to deduct form any monies due or that may thereafter become due to the CONTRACTOR, the difference between the price named in the Contract and the actual cost to the STATE. In case any money due the CONTRACTOR is insufficient for said purpose, the CONTRACTOR shall pay the difference upon demand from the STATE. The STATE may also utilize all other remedies provided by law.

4. EXCLUSION OF SPECIFIC WORKERS

The STATE reserves the right to require the CONTRACTOR to remove an employee, agent, subcontractor or volunteer (Worker) from performing work under this contract. The Contract Administrator shall notify the CONTRACTOR in writing and this exclusion of a specific Worker(s) shall take effect as indicated on the notice. The CONTRACTOR may appeal this decision to the Contract Administrator, in writing and within ten (10) working days of receipt of the notice. Removal of the employee, agent subcontractor or volunteer shall remain in effect pending the outcome of the appeal. This provision shall not infringe upon the right of the CONTRACTOR to employ the removed individual, but shall apply to any work requiring interaction with the STATE, its employees or students.

5. STATE'S GENERAL CONDITIONS

The Special Conditions shall serve to supplement the General Conditions; both documents remain part of this Contract with full force and effect. In the case of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control to the extent necessary to resolve the conflict.

- end of Special Conditions -

GENERAL CONDITIONS

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GENERAL CONDITIONS

1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.

2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.

   a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.

   b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.

   c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.

   d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

   e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.

   f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.

b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

(1) The Assignee assumes all of the CONTRACTOR'S obligations;

(2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and

(3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.

d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.

7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.

8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.

9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.

10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.

11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.

12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.

a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

(1) Cancel the stop performance order; or

(2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

(1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and

(2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.

d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.

e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.

f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.

b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

(1) Any completed goods or work product; and

(2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

d. Compensation.

(1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.

(2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.

(3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:

(A) Contract prices for goods or services accepted under the Contract;

(B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);

(D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

(4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

(1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

(A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

(B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

(C) Within such further time as may be allowed by the Agency procurement officer in writing.

(2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

(3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

(4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.

b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.

c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.

b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.

c. Prompt payment.

(1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and

(2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.

d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.

b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:

(A) Changes in the work within the scope of the Contract; and

(B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.

d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.

e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.

f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.

g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least $25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.

h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.

i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.

20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:

(1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;

(2) Method of delivery; or

(3) Place of delivery.

a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.

c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.

d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:

(1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(2) By unit prices specified in the Contract or subsequently agreed upon;

(3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;

(4) In such other manner as the parties may mutually agree; or

(5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.

b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:

(1) Description of performance (Attachment 1);

(2) Time of performance (i.e., hours of the day, days of the week, etc.);

(3) Place of performance of services;

(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;

(5) Method of shipment or packing of supplies; or

(6) Place of delivery.

b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.

c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.

d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.

e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.

24. Confidentiality of Material.

a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.

25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.

26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.

27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:

a. The cost or pricing data, and

b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over $100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.

35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.

36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.

38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.

39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.

40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.

41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.

42. Confidentiality of Personal Information.

a. Definitions.

"Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:

(1) Social security number;

(2) Driver's license number or Hawaii identification card number; or

(3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

(1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.

(2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.

(3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.

(4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.

(5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.

(6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

(1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.

(2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:

(A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;

(B) Access to the personal information will be allowed only as necessary to perform the Contract; and

(C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

(1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or

(2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

ROBERT'S HAWAII SCHOOL BUS, INC.

EXHIBIT A: PRICING FORM

Cluster 1 – Makawao

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	21	480.00	180	1,814,400.00	30.00	70.00	35.00
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	9	480.00	180	777,600.00	30.00	70.00	35.00
Count of Special Needs Buses (Type II) with no special equipment	6	444.00	180	479,520.00	27.75	70.00	35.00
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	4	444.00	180	319,680.00	27.75	70.00	35.00
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180			70.00	35.00
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1	444.00	180	79,920.00	27.75	70.00	35.00
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1	444.00	180	79,920.00	27.75	70.00	35.00
			Cluster Total Cost	3,551,040.00			

ROBERT'S HAWAII SCHOOL BUS, INC.

EXHIBIT A: PRICING FORM

Hourly Rate for Bus Aide: $ 33.00

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily Rate listed in Column B + 5% to 25%, based on capacity.	Number of units based on availability at the time of request.
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Exhibit B - Contract Performance Management Program

Program Assignments & Responsibilities

Responsibility for determining the approach, assigning staff resources, providing oversight, and managing overall contractor relations within this program resides with the Assistant Superintendent, School Facilities and Support Services, Hawaii Department of Education. Specific responsibilities for program implementation include the following:

- *Program Administrator responsibilities* – The Program Administrator is the Director, Student Transportation Services Branch (STSB), Hawaii Department of Education. The Program Administrator maintains overall accountability for the program. The responsibilities of the administrator include the annual determination of the specific contract elements that will be subject to compliance monitoring and performance measurement, management of the annual program calendar, and management of the contractor annual performance assessment process.

- *Contract Manager responsibilities* – Each contract will have a named contract manager. The contract manager is responsible for executing all aspects of the program as it relates to the assigned contract. This is the primary point of contact for the contractor's management team as it relates to all contractual responsibilities.

- *STSB staff responsibilities* – Specific program tasks and requirements will be distributed throughout the STSB organization at the sole discretion of the Program Administrator and the Contract Manager.

- *Contractor responsibilities* – A successful program will be one in which the contractor is an active and engaged participant. The contractor is responsible for designating a management level staff member to serve as the contractor's counterpart to the Contract Manager. The contractor is furthermore responsible for ensuring their full understanding of the program's purpose and intent, and their specific contractual and program obligations.

- *Communications Protocol* – Regular communications, both structured and unstructured, will be a critical success factor. The most important element will be the regular formal and informal communications that occur between the contractor designee and the Contract Manager. It is an absolute requirement and responsibility of these two key individuals to establish open, ongoing, and consistent communications between them. **This program establishes a formal relationship between these individuals. All matters pertaining to the contractor's performance obligations must be passed via this channel of communications.**

- *Annual and ongoing data submission requirements* – The contract requires that various pieces of information be passed between the parties at the outset of the contractual relationship and periodically throughout the contract term. These requirements are summarized in the Contract itself, and will be detailed annually in the Contract Management Calendar, and the Contract Compliance Monitoring Plan.

Program Components

Contract Management Calendar

Embedded within the overall life cycle of the contract is an annual service delivery cycle that corresponds with the Hawaii Department of Education school calendar. The specific elements of the contract performance management program work within this annual cycle. The timing for the various elements of the program are summarized in the following contract management calendar.

Contract Month	Annual Service Cycle Requirement
July	Complete contract initiation tasks (new contracts) Establish contract management program (new contracts) Staff review of STSB contractual obligations (all contracts) Development and submission to the contractors of the annual compliance monitoring and performance measurement plan specifics for the year ahead. Contractor annual data and information submission requirements completed.
August	Begin service (all contracts)
September	Monthly performance data collection
October	Monthly performance data collection
November	Monthly performance data collection Route audits
December	Monthly performance data collection Route audits
January	Monthly performance data collection Route audits
February	Monthly performance data collection Route audits Customer satisfaction survey
March	Monthly performance data collection Route audits

Contract Month	Annual Service Cycle Requirement
April	Monthly performance data collection Route efficiency analysis and begin route planning Compliance audits
May	Compliance audit reports Performance assessment reports Performance assessment meetings

Contract Compliance Monitoring Plan

Annual Contract Compliance Audit – The primary mechanism supporting this portion of the Contract Performance Management program is the annual contract compliance audit. The purpose for this audit is to ensure that the contractor meets the minimum requirements established by the contract. The result of the audit will also provide input to the Contract Performance Measurement Plan and will be an integral part of the Annual Contract Performance Assessment.

Each compliance element in the annual contract compliance audit will be separately determined on a pass-fail basis as either "in compliance" or "not in compliance". There is an extensive list of compliance items to be verified, and a satisfactory level of compliance may not require a 100 percent rating. Rather, the Program Administrator will develop an annual standard against which all contractors providing service to the STSB are objectively and equally rated. Many contractual requirements may be excluded from this rating in any given contract year, but **under no circumstance is the contractor relieved of any contractual requirement that is excluded from the rating in any given year**. The contractor will not be rated for compliance on any element outside of its contractual responsibilities. The overall results of the compliance audit will support the Program Administrator's assessment of the contractor's performance. The assessment of the contractor's performance will form the basis of any performance improvement objectives or plans created and agreed to by the STSB and the contractor.

There are three primary elements to the annual contract compliance audit.

- *Compliance Audit Checklist* – A compliance audit checklist is the mechanism that will be utilized in gathering the data required to determine compliance with contractual obligations. The number of, and specific compliance items to be tracked and verified annually will be determined by, and at the sole discretion of the Program Administrator. The checklist to be used will be developed by the Program Manager and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Procedures & Standards* – The checklist for each year will be accompanied by a set of procedures that describes how it is to be applied and the

standards against which compliance is measured. For example, the procedures will define when and how the audit will be conducted, whether compliance is to be measured only at the time of the audit or whether the contractor will be provided with an opportunity to correct any discrepancies, and the consequences for non-compliance. The procedures to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Report* – The results of the audit will be submitted to, and discussed with the contractor in a compliance audit report that summarizes and describes the results of the audit, the implications for the contractor, and any requirements for improvement. This report will become an integral component of the contractor's annual performance assessment, and part of the contractor's permanent performance record with the Hawaii Department of Education.

Periodic Bus Route Audits – A second critical mechanism within the Contract Compliance Monitoring Plan is the completion of periodic bus route audits. These audits serve a dual purpose. First, they provide for compliance monitoring of contractual requirements that cannot be satisfied through the annual compliance audit. Second, the route audits provide a means to collect data that also supports the Contract Performance Measurement Plan.

A route audit checklist is the mechanism that will be utilized in gathering the performance measurement data and other information required to determine contract compliance. Methods for conducting route audits will vary with the technology and staffing resources available over the contract term, and the operational proximity of STSB staff and the contractor. The approach to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

Contract Performance Measurement Plan

The primary tool supporting this portion of the program is a package of interrelated performance measures. This provides for an integrated performance measurement and reporting program that facilitates a comprehensive understanding of contractor performance, and that provides for feedback to contractors. **This is not designed to be evaluative in the sense that contractors will be judged one against the other. Rather, it is designed to provide STSB managers with a structured and consistent tool to first understand, and then take action to improve contractor *and* STSB performance.** The compliance monitoring plan ensures that contractors meet their contractual obligations. The performance measurement plan provides an opportunity for the contractors to demonstrate their commitment and wherewithal to provide service above and beyond the minimum requirements established by the contract.

The structure for the package of performance indicators is based on four major categories of outcome-driven measures:

- *Safety* – Measures that assist the STSB in determining and improving the overall safety of transportation operations
- *Cost* - Measures that assist the STSB to improve the overall efficiency of its operations.
- *Reliability* – Measures that assist the STSB in determining and improving the reliability of the bus contractors' operations and fleet
- *Responsiveness* – Measures that assist the STSB in determining and improving the responsiveness of the bus contractors to the needs of the STSB and its customers

The actual measures will be determined annually and submitted to the contractors prior to the start of service in each contract year in a Performance Measure Matrix. The matrix will describe whether each measure is a primary, secondary, or tertiary measure, which will also be utilized by the STSB for prioritization and phase-in planning. The Performance Measure Matrix further describes which of the four categories each measure belongs to, and whether the measure relates to a contractual compliance item or is a separate performance measurement item. **This package of performance measures will not be definitive. Rather, it will be designed to provide a consistent framework, with the expectation that the list of measures will expand and evolve over time.**

A companion Performance Measure Glossary will be provided that describes, for each measure:

- *The standard of performance* – These are not presented as benchmarks, but rather describe the type of standard (e.g., manufacturer standard, peer comparison, internal STSB standard, contractual standard, etc.) that will be utilized for the specific measure.
- *What will be measured* – This describes whether the measure will be subject to instance sampling, an average over time, or some other method.
- *How the measure will be calculated* – This describes the actual calculation of the measure to provide consistency across all contractors.
- *The sources of required data* – This describes how the data required for calculating the measure can be collected or developed.
- *When and how frequently the factor will be measured* – This provides the timing and periodicity of measurement.

- *How the results will be reported and tracked* – This provides a description for how the measure will be summarized.

These two matrices combined will provide the core reference tools for the Contract Performance Measurement Plan. Unlike the Contract Compliance Monitoring Plan where the elements are clearly articulated and ascribed in a series of checklists and forms, the Contract Performance Measurement Plan will be considered as ongoing. Data collection, measurement, analysis, and reporting of contractor performance will be a continuous effort.

Annual Contract Performance Assessment

The capstone for the program will be the Annual Contract Performance Assessment, which will be completed for each bus contractor. This is the primary formal method of feedback to be provided to the contractor. The Annual Contract Compliance Audit Report and the results of the performance measurement plan will provide the primary source information for completing the assessment.

With a high quality Contract Performance Measurement Program in place, this formal annual assessment will be productive and collaborative. The Contract Manager and contractor designee will have been in constant communication throughout the service year. Information will have been flowing back and forth between the contractor and the STSB to support specific elements of the compliance monitoring and performance measurement plans, and informally between the staff of the two organizations to manage day-to-day requirements and solve problems. With the expectations of the program clearly established and rigidly enforced, the Annual Contract Performance Assessment therefore becomes an opportunity to celebrate accomplishments and work collaboratively to improve performance. The assessment will consist of the following key elements:

- *STSB Assessment of Contractor Performance* – A formal letter, with the Annual Contract Compliance Audit Report and the Contractor Performance Report as attachments, will be provided to the contractor in advance of the assessment meeting summarizing the Program Administrator's assessment of contractor performance for the service year, and making recommendations for improvement. A key element of this report will be a statement of compliance with contractual requirements. If the contractor is found to be out of compliance and remedial steps have not been taken, contract termination provisions may be invoked. This initial assessment document serves as a discussion piece and guide for the balance of the assessment process.
- *Assessment Meeting* – The Program Administrator, Contract Manager, and contractor designees will meet to discuss the STSB report and determine action items for the following service year. The form and content for each bus contractor assessment meeting

will depend on the circumstances surrounding each contractor's performance. For the sake of equity, however, the agenda will be roughly consistent for all contractors.

- *Contractor Response* – The bus contractor will be provided with the opportunity, and encouraged to submit a formal written response to the STSB report and assessment meeting. This response should lay out the contractor's response to the improvement recommendations, and plans for implementation. This response and the actions taken can then be utilized as an additional input to the following annual performance assessment.

- end of Exhibit B-

Exhibit C: School Bus Camera Equipment Specifications

Digital Video Camera – While the DOE recognizes that the bus contractor will be the owner of the camera hardware and software, all necessary equipment must be provided to allow authorized DOE personnel to view and store video recordings. Therefore, DOE expects each vendor to provide access to both video files and viewing software for the camera manufacturer it has provided. DOE will work with each vendor to establish acquisition methodology and distribution procedures for video recordings that will ensure that all necessary confidentiality requirements are met. This may include the requirement that each vendor provide for the purchase of additional recording or viewing equipment. The cost of this equipment will be treated as a pass through expense to DOE with no markup allowed.

- The digital video recorder must be capable of allowing audio to be recorded
- The digital video recorder must provide video data in AVI, MP4 or other industry standard formats.
- The digital video recorder must be capable of providing continuous, smooth recording in all normal operating conditions inherent to school bus operations and operations within the State of Hawaii.
- The digital video recorder must utilize solid state Secure Digital Extended Capacity (SDXC) Cards with capacities up to 128GB. The digital video recorder must include a USB 2.0 interface that can be used for external data storage capacity expansion up to 2TB in addition to the primary SDXC Card data storage device.
- The digital video recorder must allow for the SDXC Card to interface with a PC without the need for a docking station and the SDXC Card shall connect to a PC directly when the PC has an integral SDXC Card Reader, or via an available SDXC Card Reader with a USB 2.0 interface to a PC. The system should also allow for a RJ-45 LAN connection that is capable of file transfer, remote configuration, and video streaming.
- The digital video recorder must begin recording upon activation of 12V trigger such as the vehicles ignition to ensure full coverage of all route activities.
- The digital video recorder must ensure that coverage is provided on a regular schedule through preprogrammed recording schedules of up to three times over a 24 hour period.
- The digital video recorder must have the capability of Event Alarm Recording that is driver controlled by an alarm push button switch / event marker button. The digital video recorder must allow Alarm Recording Duration to be programmed to continue for

up to 15 minutes after the alarm has been triggered.

- The digital video recorder must be capable of having previously recorded video reviewed directly from the system when appropriately connected to a viewing monitor while the system simultaneously records.

Camera(s)

- The system camera(s) must be color and have the capability to support low light recording and viewing.
- The camera must provide video coverage of persons entering the door, the driver, front row passengers and the rear seating area.

Viewing Software

- The viewing software must display Bus ID, time, date, and event triggers. It is preferable but not required that the software display location data and speed.
- The viewing software must allow the slow motion, fast forward, rewind, pause and play of all video files.
- The viewing software must allow the capture of a still image at any point in a video. The viewing software must allow a still image to a saved as a JPEG file.
- The viewing software must allow the search for video by a specific date and time. The viewing software must allow the selection of a single day of video and the playback of all videos consecutively from that selected day.
- The viewing software must operate on at least a Microsoft Windows 7 platform.
- The viewing software must be based on an embedded operating system with the ability to upgrade software in the field without return to the manufacturer.

ROBERT'S HAWAII SCHOOL BUS, INC.

Corporate Resolution

I, Shari Sakamoto, Secretary of Robert's Hawaii School Bus, Inc., a Hawaii Corporation, do hereby certify that the following is a full, true and correct copy of a resolution duly adopted by the Board of Directors of said Corporation, at its meeting duly called and held at 680 Iwilei Road, Suite 700, Honolulu, Hawaii, on the 11th day of April, 2017 at which a quorum was present and acting throughout; and that said resolution has not been modified, amended or rescinded and continues in full force and effect:

"RESOLVED that any individual at the time holding the position of President or Vice President, be, and each of them hereby is, authorized to execute on behalf of the Corporation and bid, proposal or contract for the sale or rental of the products of the Corporation or for services to be performed by the Corporation, and to execute any bond required by any such bid, proposal or contract with the United States Government or the State of Hawaii or the City and County of Honolulu, or any County or Municipal Government of said State, or any department or subdivision of any of them."

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Corporation this 11th day of April, 2017.

Shari Sakamoto, Secretary
Robert's Hawaii School Bus, Inc.

Robert Iwamoto, Jr., CEO/President
680 Iwilei Road, Suite 700
Honolulu, HI 96817

Percy Higashi, President/COO
680 Iwilei Road, Suite 700
Honolulu, HI 96817

Roy Pfund, Vice President/Treasurer
680 Iwilei Road, Suite 700
Honolulu, HI 96817

DEPARTMENT OF EDUCATION

AUXILIARY SERVICES BRANCH

Contract No. COF1005

AWARDED PURSUANT TO

REQUEST FOR PROPOSALS RFP D17-001

WITH

GROUND TRANSPORT, INC.

TO

PROVIDE STUDENT BUS TRANSPORTATION SERVICES

FOR

CLUSTER 2 – BALDWIN

ON THE ISLAND OF MAUI

FOR THE PERIOD

JULY 1, 2017 TO JUNE 30, 2024

STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of

July 1, 2017, between STATE OF HAWAII, DEPARTMENT OF EDUCATION
(Insert name of state department, agency, board or commission)
State of Hawaii ("STATE"), by its SUPERINTENDENT
(Insert title of person signing for State)
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")), whose address is 1390 Miller Street, Honolulu, Hawaii 96813
and GROUND TRANSPORT, INC.
("CONTRACTOR"), a CORPORATION
(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)
under the laws of the State of HAWAII, whose business address and federal and state taxpayer identification numbers are as follows: P.O. Box 29540, Honolulu, Hawaii 96820
Federal ID No. 99-0284114; Hawaii GET License I.D. No. W20434892-01

RECITALS

A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.

B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.

C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").

D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.

E. Pursuant to HRS §103D-303 and HAR § 3-122-112, the STATE is
(Legal authority to enter into this Contract)
authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:
(1) PROGRAM ID 19097
(Identify state sources)
or (2) _____
(Identify federal sources)
or both, in the following amounts: State $: 1,439,640.00
Federal $: _____

NOW THEREFORE in consideration of the promise contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number RFP D17-001 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), and Attachment-S1, Scope of Services, all of which, even if not physically attached to this Contract, are made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed TEN MILLION SEVENTY-SEVEN THOUSAND FOUR HUNDRED EIGHTY AND NO/100 DOLLARS ($ 10,077,480.00), including approved costs incurred

and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal and the Compensation and Payment Schedule set forth in Attachment-S2, which is made a part of this Contract.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S-3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☒ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of _____ DOLLARS ($ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments, and Exhibits, and amendments; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of N/A _____ DOLLARS ($ N/A) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any changes of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

_____
(Signature)

Kathryn Matayoshi
(Print Name)

Superintendent
(Print Title)

1/21/17
(Date)

CONTRACTOR

Ground Transport, Inc.
(Name of Contractor)

_____
(Signature)

Louis Gomes
(Print Name)

President
(Print Title)

January 13, 2017
(Date)

CORPORATE SEAL
(if available)

APPROVED AS TO FORM:

_____
Deputy Attorney General 1-12-17

*Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.

STATE OF HAWAII
CONTRACTOR'S ACKNOWLEDGEMENT

STATE OF Hawaii)
) SS.
City COUNTY OF Honolulu)

On this 13th day of January, 2017, before me appeared

Louis Gomes and —, to me known, to be the person(s) described in and, who, being by me duly sworn, did say that he/~~she/they~~ is/~~are~~ President and — of Ground Transport, Inc, the CONTRACTOR named in the foregoing instrument, and that he/~~she/they~~ is/~~are~~ authorized to sign said instrument on behalf of the CONTRACTOR, and acknowledges that he/~~she/they~~ executed said instrument as the free act and deed of the CONTRACTOR.

(Notary Stamp or Seal)

5

Shiela J. Chan
(Signature)
Shella G. Chan
(Print Name)
Notary Public, State of HAWAII

My commission expires: 03/09/2018

Doc. Date: 01/13/17 # Pages: 54
Notary Name: Shella G. Chan FIRST Circuit
Doc. Description: DOE CONTRACT NO. COF1005

(Notary Stamp or Seal)

5

Shiela J Chan 01/13/17
Notary Signature Date

NOTARY CERTIFICATION

STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of Ground Transport, Inc., CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is* ☒ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84- 15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of $10,000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive seated proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By _____

(Signature)

Print Name Louis Gomes

Print Title President

Name of Contractor Ground Transport, Inc.

Date January 13, 2017

STATE OF HAWAII

SCOPE OF SERVICES

1) Student Transportation Service Requirements

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Exhibit C. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

(1) Coordination of student behavior management on school buses with school officials

(2) State and Department mandated data collection and reporting

(3) Accident investigation

(4) Customer service activities to the Department, school officials, parents and guardians

h) Cooperation with Department

i) The Contractor will work cooperatively with the Department to ensure safe, effective, and efficient Transportation Services throughout the term of this Agreement. The Contractor will be responsive to the Department's requirements for unscheduled bus or rider-related events and special requests. No additional compensation shall be provided for complying with these requests. These requests may include, but shall not be limited to:

(1) emergency preparedness activities

(2) student or community safety matters

(3) student or community health matters

ii) If other services or issues arise that are previously unaddressed by the Department, the Contractor will make a good faith effort to address or resolve such until the matter can be referred to the Department.

i) Insurance requirements

i) Insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate. To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions and coverage of Insurance Service Office (ISO) policies, forms and endorsements.

(1) Commercial General Liability: The Contractor shall maintain commercial general liability insurance covering all operations by or on behalf of the Contractor on an occurrence basis against claims for personal injury (including bodily injury and death) and property damage (including loss of use). Such insurance shall have these minimum limits and coverage:

- $2,000,000 each occurrence;

- $2,000,000 general aggregate on a "per project" basis;

- $2,000,000 products and completed operations aggregate.

(2) Automobile Liability: The Contractor shall maintain business auto liability covering liability arising out of any auto (including owned, hired and non-owned autos). Such insurance shall have these minimum limits and coverage:

- $2,000,000 combined single limit.

(3) Workers' Compensation: The Contractor shall maintain workers' compensation and employer's liability insurance that comply with statutory limits

3) Contractor Performance

a) Contract Performance Management Program

i) **Exhibit B** provides a description of the Department's Contract Performance Management Program. The Contractor will be an active participant in, and will be responsive to the requirements of this program.

ii) The Contract Performance Management Program is a non-punitive, joint, supportive program of contract compliance monitoring and performance measurement designed to enhance and improve Transportation service delivery in a continuous improvement cycle.

b) Minimum Service Levels and Standards of Performance

i) In addition, and as a supplement to the Contract Performance Management Program, the Contractor will be responsible for meeting or exceeding certain minimally acceptable service levels and standards of performance. The Contractor will monitor, track, account for, and report to the Department the data and information required to determine the Contractor's success in meeting or exceeding the established standards.

ii) The Contractor will comply with three minimally acceptable standards of performance. For the purpose of this section, a bus route is defined as either the morning or afternoon component of a regularly planned and assigned daily bus route as provided to the Contractor by the Department.

(1) No more than two (2) percent of all bus routes operated by the Contractor in each week of the service month shall be delayed or missed as a result of the Contractor's inability to provide an adequate number of qualified bus drivers or monitors as defined within this Agreement. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner.

(2) No more than two (2) percent of all bus routes operated by the Contractor in each service week shall be delayed or missed as a result of mechanical problems with the Contractor's assigned vehicle. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that is delayed over the course of its scheduled route as a result of a mechanical problem with the assigned vehicle.

(3) The Contractor shall report every incidence of delay as defined in subparagraph (1) and (2) of this section to the Department within fifteen (15) minutes of occurrence in a manner and format acceptable to the Department. This is a zero tolerance standard of performance.

iii) The Contractor is responsible for recording and tracking all data and information required to calculate Contractor performance relative to the minimum service levels and standards of performance. These data will be provided to the Department not later than the 15th of each month for service completed in the prior service month. The data and information will be submitted in a verifiable manner and format acceptable to the Department.

iv) If a non-compliance situation occurs, the Contractor is considered to be automatically on notice whether or not the Department sends a formal written notice.

v) The Contractor will comply with Department directives to improve operations and outcomes that fall below the established standards.

c) Performance Withholding

i) The Department may impose a **Minimum Service Level Performance Withholding** factor for non-compliance with the Minimum Service Levels and Standards of Performance.

(1) The Department may defer payment of up to one (1) percent of the Contractor's next regular monthly Transportation Services invoice for any single weekly instance of non-compliance.

(2) The Department may defer payment of up to three (3) percent of the Contractor's next regular monthly Transportation Services invoice should non-compliance continue for two consecutive service weeks.

(3) The Department may defer payment of up to seven (7) percent of the Contractor's next regular monthly invoice should non-compliance continue for three consecutive service weeks.

(4) The Department may defer payment of up to ten (10) percent of the Contractor's next regular monthly invoice should non-compliance continue for four (4) consecutive weeks.

ii) The number of withholding instances is unlimited, and may be repeated for each instance of non-compliance with the Minimum Service Levels and Standards of Performance requirements.

iii) The withheld amount may be paid in full to the Contractor if the non-compliance factor resulting in the Performance Withholding instance is cured to the satisfaction of the Department following the deferral decision.

iv) If the non-compliance factor is not cured to the satisfaction of the Department following the deferral decision, the Department may retain the withholding without obligation to pay the Contractor the withheld amounts.

v) The Department will notify the Contractor in formal letter delivered via a traceable method to the address of record for the Contractor contained in this Agreement if a decision to retain a Performance Withholding is reached.

d) Contractor Fiscal Efficiency

i) The Contractor will make an ongoing good-faith effort to identify opportunities to improve the efficiency and effectiveness of the bus routes and route packages assigned to the Contractor by this Agreement. Where feasible, the Contractor will identify opportunities to modify, pair, combine, or repackage bus routes with the objective to perform Transportation services in the most efficient and effective manner possible. If identified, such opportunities will be communicated to the Department not later than one (1) week following the identification. At a minimum, the Contractor will submit a written report to the Department, to accompany each regular invoice submission, summarizing the opportunities identified in the period covered by the invoice or, if no opportunities were identified, making an affirmative statement attesting to this fact.

ii) The Contractor will immediately notify the Department, in a manner deemed acceptable by the Department, of any new programs or services that are requested of the Contractor by school officials or representatives, including any school building or program bell time changes. The Contractor shall not fulfill such requests until and if authorized by the Department.

4) <u>Basis for Contractor Compensation</u>

a) Daily Bus Service Time

i) The Contractor's pricing for Transportation will primarily be structured upon the length of time required for a vehicle to complete its regularly assigned daily route package. The Department will assemble individual Transportation routes in time tiers, potentially serving multiple schools in succession. The route package time of service will start when the first scheduled student rider boarding occurs for either the morning home-to-school, or afternoon school-to-home component and ends when the last scheduled student debarkation occurs at the final school destination in the morning or the final scheduled stop in the afternoon. The combination of the morning and the afternoon route package time of service constitutes the **Daily Bus Service Time**. The Daily Bus Service Time of any individual route may also include all or a portion of mid-day and/or post-day bus route at the discretion of the Department. If mid-day or post-day segments are included, then the morning or afternoon route package time of service will continue from the last scheduled student debarkation at the final morning home-to-school destination (or from the final scheduled home-to-school stop in the afternoon) to the final scheduled stop of the mid-day or post-day routing component to be included in the Daily Bus Service Time.

(1) Vehicle operating time expended transiting from the Contractor's assigned vehicle parking location to the first scheduled student boarding in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(2) Vehicle operating time expended transiting from the final scheduled student debarkation to the Contractor's assigned vehicle parking location in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(3) Vehicle operating time expended transiting empty of student riders at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(4) Vehicle time expended empty of student riders and waiting for a subsequent component of the route package to start at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(5) Daily Bus Service Time is calculated in accordance with scheduled route data as determined by the Department and operated by the Contractor following all of the requirements of this Agreement.

(6) Daily Bus Service Time will be rounded to the nearest fifteen (15) minute increment.

(7) Occasional variances in planned versus actual Daily Bus Service Time of fifteen (15) minutes or less will receive no adjustment to compensation.

(8) Recurring variances in planned versus actual Daily Bus Service Time of any length may result in a compensation change following verification by the Department and adjustment to the scheduled route data. The Contractor must report recurring variances to the Department immediately on their identification notwithstanding any other reporting requirements of this Agreement.

b) Route Packages

i) The Daily Bus Service Time will be comprised of a package of routing components as determined by the Department. Route components may include any combination of regular or special needs students of any grade level, one or multiple schools or program types, any number of bus stops, and service to any location within the geographic area defined by this Agreement.

ii) Route packages will be assembled such that individual assigned vehicles are performing logical and efficient combinations of routing components in the morning and again in the afternoon, to the extent feasible.

iii) Route packages will be assembled such that the assigned vehicle type, size and equipment requirements are common to all routing components in the package, to the extent feasible.

iv) Route packages will be assembled such that the composition of the Contractor fleet is considered in matching requirements to available bus types, to the extent feasible.

v) The Department will schedule some routing components on a recurring, but not on a daily basis. The Department will treat any such component occurring on three (3) or more service days during a regular five (5) day service week as a regular recurring service for compensation purposes.

vi) Any regular routing component that occurs on a recurring basis but less than three (3) service days in any regular five (5) day service week will be treated as an additional supplemental service for compensation purposes.

vii) Morning and afternoon route packages will be paired as efficiently as possible by the Department, with the morning and afternoon schools and programs served being the same, to the extent feasible.

viii) The Contractor will assign the same driver to both the morning and afternoon package of runs, to the extent feasible.

c) Time Gaps in Service Requirements

i) When any individual morning, mid-day, afternoon or post-day routing component cannot be assigned to a route package such that the wait time before or after another contiguous component would exceed thirty (30) minutes, the Department will have the option of either treating the component as part of the Daily Bus Service Time or an additional supplemental service for the purpose of compensation. If the Department opts to include the routing component in the Daily Bus Service Time, the time gap will be included in the daily service

time and the mileage between the components will be included in eligible service miles for fuel cost adjustment purposes.

ii) The Contractor shall not invoice the Department for any service time more than once.

d) Pricing Elements

i) The Compensation and Payment Schedule provides a matrix describing each element for which the Contractor will be provided compensation and the rate of compensation associated with each element.

ii) The Contractor is guaranteed compensation for a minimum Daily Bus Service Time of three and one-half (3.5) hours for each vehicle assigned to a regular routing package under this Agreement. Any Daily Bus Service Time of three and one-half (3.5) hours or less will receive this rate of compensation.

iii) Additional compensation for Daily Bus Service Time in excess of three and one-half (3.5) hours will be provided based on the regular service incremental hourly rate, calculated in fifteen (15) minute increments.

iv) Compensation for additional supplemental services will be provided for each instance of service, at the rates specified in the Agreement's Compensation and Payment Schedule.

v) The Department reserves the right to alter, add, or delete route components or route packages at any time within the requirements specified by this Agreement.

vi) The Department will compensate the Contractor for each regular education and special education route package for the actual number of days transported.

vii) The Contractor and the Department shall keep accurate records of all services provided. , and shall be detailed on each Contractor invoice submitted.

5) <u>Invoicing and Compensation Adjustments</u>

a) Invoicing

i) The Contractor will receive an invoice from the Department at least once, and not more than twice per month. The invoice shall be received not later than five business days following the last service day of the month.

ii) The invoice will include sufficient information and detail to support the amounts billed, and will reconcile to this Agreement.

iii) The invoice will be received, reviewed, and approved by the Contractor within three business days of receipt. If the Department does not receive any notice from the Contractor after three business days, the Department will assume that the Contractor approves the amount due.

iv) If the Contractor notifies the Department of an error on the invoice, the error will be reconciled and the invoice revised within two days of receiving notice. A revised invoice will be submitted to the Contractor for review and approval. The Contractor will have one (1) business day to review the revised invoice. If the Department does not receive any notice

from the Contractor after one business day, the Department will assume that the Contractor approves the revised amount due.

b) Annual Price Escalators

i) All prices shall be adjusted upward or downward annually based upon the United States Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year covered by the term of this Agreement for the following service year.

ii) Any upward adjustment:

(1) Shall not exceed three (3) percent if the previous year increase was one (1) percent or more.

(2) Shall not exceed four (4) percent if the previous year increase was less than one (1) percent.

iii) Any downward adjustment shall not exceed negative two (-2) percent.

c) Fuel Cost Adjustment

i) The Contractor will purchase and provide fuel for all Transportation services provided.

ii) The Contractor's fuel costs will be limited to a targeted maximum threshold of $4.25 per gallon. The actual fuel cost overage (if any) will be calculated by the Department as follows and added to the Contractor payment:

(1) The Monthly System-Wide Cost per Gallon will be determined by referencing the AAA Daily Fuel Gauge Report, Hawaii Average, Wailuku website at:

http://fuelgaugereport.aaa.com/states/hawaii/hawaii-metro/

(a) Determine the average price for the four (or five) weeks reported for the calendar month to be invoiced.

(b) Subtract $4.25 from the Monthly System-Wide Cost per Gallon

(c) Subtract the federal fuel excise tax from the difference of the average price and the Monthly System-Wide Cost per Gallon

(d) This provides the cost in excess of the targeted cost per gallon, or the Cost per Gallon Recovery Amount

(2) Determine the number of Contractor gallons eligible for cost recovery

(a) Determine the number of miles operated for Department services for the calendar month to be invoiced.

(i) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(ii) For Type II buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(b) Divide those miles by these fuel consumption rates

(i) For buses with a seating capacity greater than 24, 7

(ii) For I buses with a seating capacity less than or equal to 24, 10

(c) This provides the total Number of Gallons Eligible for Cost Recovery

(3) Multiply the Cost per Gallon Recovery Amount times the Number of Gallons Eligible for Cost Recovery

(4) Add that amount to the monthly payment to the Contractor

d) Ancillary Services and Costs

i) The Contractor will bear all costs associated with performing services not identified in this Agreement or in the Exhibits.

ii) The Contractor will bear all penalties, fines, damages, levies, taxes, etc. that may arise from performing Transportation services.

6) <u>Vehicle Disposition Option at Contract Termination</u>

a) Upon expiration of the contract and if the incumbent Contractor has not been renewed then the Contractor has the option of leasing those displaced daily use route and spare vehicles to the Department.

i) The Contractor will notify the Department of this election no later than 120 days from contract expiration.

ii) The Department must agree to lease those daily use route vehicles and a number of spares not to exceed 10% of the daily use route vehicles for a period of 12 months.

(1) The lease amount will be:

(a) A rate of 8% of the average daily rate of the vehicles leased

(b) Multiplied by an assumed 18 compensation days per month (180 school days over 10 months)

iii) During that 12 month period, any entity can purchase vehicles from the Contractor at a procurement price determined as follows:

(1) Reference the most recently issued Yellow Bus School Book, a source of used school bus market values. (www.yellowschoolbusbook.com) as the primary source or a mutually agreed upon valuation if the primary source is not available.

(2) Locate the bus type and model year to determine.

(3) Apply an odometer mileage deduction per the table as necessary

(4) Apply no markup or markdown for time elapsed since book issuance

iv) In the 13th month the Department is obligated to purchase the vehicle according to the preceding valuation, discounted by the total value of all previous lease payments made from under the guidelines established in ii above. If the value of the lease payments exceeded the valuation, no additional payments would be made but the Department would take ownership of the vehicle.

b) The same option is available to the contractor if less than 75% of its current daily route vehicle count has been renewed.

7) Contract Administration

a) Contract Administrator

i) For purposes of this contract, the person named below or his/her duly authorized representative or successor in office is designated Contract Administrator (CA). The CA may be contacted as follows:

Contract Administrator:	James Kauhi
Telephone Number:	(808) 586-0170
E-mail Address:	james_kauhi@notes.k12.hi.us

ii) The CA is responsible for:

(1) The terms, conditions, quantities, specifications, scope of services, other contract terms, and all decisions relating to the contract;

(2) Monitoring the contractor's work, documenting the contractor maintains the required insurance coverage (if applicable), resolving disputes and discrepancies, evaluating the work of the contractor, assuring the services or goods are delivered as required in the contract, and processing payment for services rendered;

(3) Executing the Contract Performance Management Program (Exhibit B)

iii) Notwithstanding the responsibilities set forth hereinabove, any coordination of services falling outside those articulated above shall remain with the head of the purchasing agency, as set forth in the attached General Conditions (see General Conditions, paragraph 1, entitled "Coordination of Services by the STATE.")

b) Contractor administrative requirements

i) Contractor's primary point of contact is as follows:

Name:	Louis Gomes
Telephone Number:	833-4222 x341
E-mail Address:	lgomes@groundtransportinc.com

ii) Contractor shall notify the STATE, verbally within twenty-four (24) hours, upon the occurrence of any of the events indicated below:

(1) Change in Contractor's business address or phone number;

(2) Change in Contractor's tax identification number; or

(3) Any other situation that could reasonably be expected to affect Contractor's ability to carry out its obligation under this contract.

8) Exhibits

a) Exhibit A: Transportation Contract Service Pricing Form
b) Exhibit B: Contract Performance Management Program
c) Exhibit C: School Bus Camera Equipment Specifications

- end of Attachment-S1 --

STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

1. TOTAL COMPENSATION

In full consideration of the goods delivered and/or the services performed by the CONTRACTOR under the terms and conditions of this contract, the STATE agrees to pay the CONTRACTOR the total sum not to exceed:
TEN MILLION SEVENTY-SEVEN THOUSAND FOUR HUNDRED EIGHTY AND NO/100 DOLLARS
($ 10,077,480.00).

2. PAYMENT SCHEDULE

Payment shall be made according to the provisions set forth in Attachment-S1, sections 4 and 5, and in Exhibit A.

3. AVAILABILITY OF FUNDS

This contract is subject to the availability of funds. Pursuant to Section 103D-309, HRS, except in certain instances, no contract entered into between the STATE and the CONTRACTOR shall be binding or of any force unless the Chief Financial Officer (CFO) certifies that there is an available unexpended appropriation or balance of an appropriation over and above all outstanding contracts sufficient to cover the amount required by the contract.

4. FINAL PAYMENT

The final payment on the contract shall be for services rendered during the billing period just prior to the contract expiration date. In addition to the requirements in the General Conditions, the following shall accompany the final payment invoice:

a) A tax clearance certificate, not over two months old and with an original green "certified copy" stamp, must accompany the invoice for final payment. In addition to the tax clearance certificate, the "Certification of Compliance for Final Payment" (DOE Form-22) with an original signature will be required for final payment.

b) In lieu of the above, CONTRACTOR may also submit an original CERTIFICATE OF VENDOR COMPLIANCE as issued by the State Procurement Office via an online system, also referred to as "Hawaii Compliance Express". Details regarding this online application process can be viewed at: http://vendors.ehawaii.gov/hce/.

- end of Attachment-S2 -

STATE OF HAWAII

TIME OF PERFORMANCE

1. CONTRACT TERM

The term of the contract shall be from the effective date of July 1, 2017 through June 30, 2024.

2. CONTRACT RENEWAL

This contract may be extended for not more than three (3) additional twelve-month periods i) upon mutual written agreement of the parties, and ii) prior to expiration of the term of the contract.

- end of Attachment-S3 -

STATE OF HAWAII

SPECIAL CONDITIONS

1. VERIFICATION OF EMPLOYEES

In accordance with State rules and regulations, CONTRACTOR shall conduct mandatory criminal background checks at no cost to the STATE, on any employee, agent, volunteer, or prospective employee working directly with students.

The CONTRACTOR shall maintain the background check records, and shall make the records available for review upon request. Upon review of these records, the STATE reserves the right to request additional background information.

2. CONFIDENTIALITY OBLIGATIONS

The following serves to supplement provision 24 of the General Conditions, entitled "Confidentiality of Material" and provision 42, entitled "Confidentiality of Personal Information":

While performing under this Agreement, the Contractor may receive, be exposed to or acquire confidential information. Such information may include names, addresses, telephone numbers, birthdates, social security numbers, medical information, and other educational, student, or personal employment information. The information maybe in written or oral form, fixed in hard copy or contained in a computer data base or computer readable form. Hereinafter, such language shall be collectively referred to as "Confidential Information."

The Contractor, including its employees, agents, representatives, and assigns shall abide by the following with regards to Confidential information: (i) They shall not disclose to any unauthorized party any Confidential Information, except as specifically permitted by the DOE and subject to the STATE's limitations on confidentiality of information and relevant legal requirements of the State to include, but not limited to the Family Educational Rights and Privacy Act ("FERPA"). Permission will be granted through a formal written agreement concerning the disclosure of personally identifiable information (PII) from student education records, signed by HIDOE and the Contractor, and must be provided as an attachment to this contract; (ii) They shall only permit access to Confidential Information to employees, agents, representatives, and assigns having a specific need to know in connection with performance under this Agreement; and (iii) They shall advise each of their employees, agents, representatives, and assigns of their obligations to keep such Confidential Information confidential.

CONTRACTOR, its employees, agents, representatives, or assigns shall ensure the security of the Confidential Information. The CONTRACTOR shall provide the DOE with a list of individuals (by name and position) who are authorized to handle the Confidential Information (hereinafter referred to as "Authorized Handlers"). Authorized Handlers shall ensure the security of the Confidential Information. Only Authorized Handlers shall have access to the Confidential Information, which will be kept on password protected computers with the hard copy documents kept in a locked file cabinet. CONTRACTOR shall ensure that procedures exist to prohibit access to the Confidential Information by anyone other than an Authorized Handler.

CONTRACTOR will be responsible for safeguarding the confidentiality of all Confidential Information it receives from the DOE and shall safeguard and protect such documents from unauthorized use, handling, or viewing. CONTRACTOR shall be liable to the DOE and to any person whose records the CONTRACTOR receives custody of under this Contract for records protection for any unpermitted release, viewing, or loss of such records. Contractor shall assume liability responsibility for records protection and for the inappropriate or unlawful release of Confidential Information. CONTRACTOR shall return all documents containing Confidential Information upon completion of the services CONTRACTOR is contracted to provide under this Agreement.

a) Prior written Approval: CONTRACTOR may not i) share Confidential Information or any other data received under this contract, ii) publish, or iii) distribute such information without the prior written approval of the STATE.
b) In the event of termination of this contract, CONTRACTOR shall return to the STATE all student information received under this contract and further agrees to destroy any and all copies of, or references to, any student information shared by the STATE as a result of this contract.

3. RELIEF AVAILABLE TO THE STATE

In addition to all rights and remedies available to the STATE provided in this Contract or otherwise provided under the law, if the CONTRACTOR is in non-compliance with the contract requirements, the STATE may:

a) Suspend Payments – Temporarily withhold or disallow all or part of the billing cost/payments pending correction of a deficiency or a non-submission of a required deliverable by the CONTRACTOR; and
b) Suspend Referrals – Suspend referrals to the CONTRACTOR should the CONTRACTOR fail to comply with any of the requirements or other term(s) or condition(s) of this Contract and, further, the STATE may maintain the suspension of referrals until such time as the deficiency or non-compliance is corrected and the CONTRACTOR's corrective actions are determined to be acceptable by the STATE; and
c) Seek Reimbursement – Seek reimbursement from the CONTRACTOR or withhold future payments for any funds paid to the CONTRACTOR subsequent to a determination that such was unauthorized, fraudulently obtained, or inappropriately billed.
d) Seek Market Value – In the event the CONTRACTOR fails, refuses or neglects to perform the services in accordance with the requirements of these Special Conditions, the Scope of Services, or the General Conditions, the STATE reserves the right to purchase, in the open market, a corresponding quantity of the services specified herein and to deduct form any monies due or that may thereafter become due to the CONTRACTOR, the difference between the price named in the Contract and the actual cost to the STATE. In case any money due the CONTRACTOR is insufficient for said purpose, the CONTRACTOR shall pay the difference upon demand from the STATE. The STATE may also utilize all other remedies provided by law.

4. EXCLUSION OF SPECIFIC WORKERS

The STATE reserves the right to require the CONTRACTOR to remove an employee, agent, subcontractor or volunteer (Worker) from performing work under this contract. The Contract Administrator shall notify the CONTRACTOR in writing and this exclusion of a specific Worker(s) shall take effect as indicated on the notice. The CONTRACTOR may appeal this decision to the Contract Administrator, in writing and within ten (10) working days of receipt of the notice. Removal of the employee, agent subcontractor or volunteer shall remain in effect pending the outcome of the appeal. This provision shall not infringe upon the right of the CONTRACTOR to employ the removed individual, but shall apply to any work requiring interaction with the STATE, its employees or students.

5. STATE'S GENERAL CONDITIONS

The Special Conditions shall serve to supplement the General Conditions; both documents remain part of this Contract with full force and effect. In the case of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control to the extent necessary to resolve the conflict.

- end of Special Conditions -

GENERAL CONDITIONS

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1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.

2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.

   a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.

   b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.

   c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.

   d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

   e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.

   f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.

b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

(1) The Assignee assumes all of the CONTRACTOR'S obligations;

(2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and

(3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.

d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.

7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.

8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.

9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.

10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.

11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.

12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.

a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

(1) Cancel the stop performance order; or

(2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

(1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and

(2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.

d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.

e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.

f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.

b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

(1) Any completed goods or work product; and

(2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

d. Compensation.

(1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.

(2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.

(3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:

(A) Contract prices for goods or services accepted under the Contract;

(B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);

(D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

(4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

(1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

(A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

(B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

(C) Within such further time as may be allowed by the Agency procurement officer in writing.

(2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

(3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

(4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.

b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.

c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.

b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.

c. Prompt payment.

(1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and

(2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.

d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.

b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:

(A) Changes in the work within the scope of the Contract; and

(B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.

d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.

e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.

f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.

g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least $25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.

h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.

i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.

20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:

(1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;

(2) Method of delivery; or

(3) Place of delivery.

a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.

c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.

d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:

(1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(2) By unit prices specified in the Contract or subsequently agreed upon;

(3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;

(4) In such other manner as the parties may mutually agree; or

(5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.

b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:

(1) Description of performance (Attachment 1);

(2) Time of performance (i.e., hours of the day, days of the week, etc.);

(3) Place of performance of services;

(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;

(5) Method of shipment or packing of supplies; or

(6) Place of delivery.

b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.

c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.

d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.

e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.

24. Confidentiality of Material.

a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.

25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.

26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.

27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:

a. The cost or pricing data, and

b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over $100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.

35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.

36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.

38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.

39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.

40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.

41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.

42. Confidentiality of Personal Information.

a. Definitions.

"Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:

(1) Social security number;

(2) Driver's license number or Hawaii identification card number; or

(3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

(1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.

(2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.

(3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.

(4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.

(5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.

(6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

(1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.

(2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:

(A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;

(B) Access to the personal information will be allowed only as necessary to perform the Contract; and

(C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

(1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or

(2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

EXHIBIT A: PRICING FORM

Cluster 2 – Baldwin

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	10	$422.00	180	$759,600.00	$20.00	$70.00	$30.00
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	3	$422.00	180	$227,880.00	$20.00	$70.00	$30.00
Count of Special Needs Buses (Type II) with no special equipment	2	$417.00	180	$150,120.00	$18.00	$60.00	$25.00
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2	$417.00	180	$150,120.00	$18.00	$60.00	$25.00
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1	$422.00	180	$75,960.00	$18.00	$60.00	$25.00
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1	$422.00	180	$75,960.00	$18.00	$60.00	$25.00
			Cluster Total Cost	$1,439,640.00			

EXHIBIT A: PRICING FORM

Hourly Rate for Bus Aide: $ 22 75

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

$510 00	5
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Exhibit B - Contract Performance Management Program

Program Assignments & Responsibilities

Responsibility for determining the approach, assigning staff resources, providing oversight, and managing overall contractor relations within this program resides with the Assistant Superintendent, School Facilities and Support Services, Hawaii Department of Education. Specific responsibilities for program implementation include the following:

- *Program Administrator responsibilities* – The Program Administrator is the Director, Student Transportation Services Branch (STSB), Hawaii Department of Education. The Program Administrator maintains overall accountability for the program. The responsibilities of the administrator include the annual determination of the specific contract elements that will be subject to compliance monitoring and performance measurement, management of the annual program calendar, and management of the contractor annual performance assessment process.

- *Contract Manager responsibilities* – Each contract will have a named contract manager. The contract manager is responsible for executing all aspects of the program as it relates to the assigned contract. This is the primary point of contact for the contractor's management team as it relates to all contractual responsibilities.

- *STSB staff responsibilities* – Specific program tasks and requirements will be distributed throughout the STSB organization at the sole discretion of the Program Administrator and the Contract Manager.

- *Contractor responsibilities* – A successful program will be one in which the contractor is an active and engaged participant. The contractor is responsible for designating a management level staff member to serve as the contractor's counterpart to the Contract Manager. The contractor is furthermore responsible for ensuring their full understanding of the program's purpose and intent, and their specific contractual and program obligations.

- *Communications Protocol* – Regular communications, both structured and unstructured, will be a critical success factor. The most important element will be the regular formal and informal communications that occur between the contractor designee and the Contract Manager. It is an absolute requirement and responsibility of these two key individuals to establish open, ongoing, and consistent communications between them. **This program establishes a formal relationship between these individuals. All matters pertaining to the contractor's performance obligations must be passed via this channel of communications.**

- *Annual and ongoing data submission requirements* – The contract requires that various pieces of information be passed between the parties at the outset of the contractual relationship and periodically throughout the contract term. These requirements are summarized in the Contract itself, and will be detailed annually in the Contract Management Calendar, and the Contract Compliance Monitoring Plan.

Program Components

Contract Management Calendar

Embedded within the overall life cycle of the contract is an annual service delivery cycle that corresponds with the Hawaii Department of Education school calendar. The specific elements of the contract performance management program work within this annual cycle. The timing for the various elements of the program are summarized in the following contract management calendar.

Contract Month	Annual Service Cycle Requirement
July	Complete contract initiation tasks (new contracts) Establish contract management program (new contracts) Staff review of STSB contractual obligations (all contracts) Development and submission to the contractors of the annual compliance monitoring and performance measurement plan specifics for the year ahead. Contractor annual data and information submission requirements completed.
August	Begin service (all contracts)
September	Monthly performance data collection
October	Monthly performance data collection
November	Monthly performance data collection Route audits
December	Monthly performance data collection Route audits
January	Monthly performance data collection Route audits
February	Monthly performance data collection Route audits Customer satisfaction survey
March	Monthly performance data collection Route audits

Contract Month	Annual Service Cycle Requirement
April	Monthly performance data collection Route efficiency analysis and begin route planning Compliance audits
May	Compliance audit reports Performance assessment reports Performance assessment meetings

Contract Compliance Monitoring Plan

Annual Contract Compliance Audit – The primary mechanism supporting this portion of the Contract Performance Management program is the annual contract compliance audit. The purpose for this audit is to ensure that the contractor meets the minimum requirements established by the contract. The result of the audit will also provide input to the Contract Performance Measurement Plan and will be an integral part of the Annual Contract Performance Assessment.

Each compliance element in the annual contract compliance audit will be separately determined on a pass-fail basis as either "in compliance" or "not in compliance". There is an extensive list of compliance items to be verified, and a satisfactory level of compliance may not require a 100 percent rating. Rather, the Program Administrator will develop an annual standard against which all contractors providing service to the STSB are objectively and equally rated. Many contractual requirements may be excluded from this rating in any given contract year, but **under no circumstance is the contractor relieved of any contractual requirement that is excluded from the rating in any given year**. The contractor will not be rated for compliance on any element outside of its contractual responsibilities. The overall results of the compliance audit will support the Program Administrator's assessment of the contractor's performance. The assessment of the contractor's performance will form the basis of any performance improvement objectives or plans created and agreed to by the STSB and the contractor.

There are three primary elements to the annual contract compliance audit.

- *Compliance Audit Checklist* – A compliance audit checklist is the mechanism that will be utilized in gathering the data required to determine compliance with contractual obligations. The number of, and specific compliance items to be tracked and verified annually will be determined by, and at the sole discretion of the Program Administrator. The checklist to be used will be developed by the Program Manager and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Procedures & Standards* – The checklist for each year will be accompanied by a set of procedures that describes how it is to be applied and the

standards against which compliance is measured. For example, the procedures will define when and how the audit will be conducted, whether compliance is to be measured only at the time of the audit or whether the contractor will be provided with an opportunity to correct any discrepancies, and the consequences for non-compliance. The procedures to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Report* – The results of the audit will be submitted to, and discussed with the contractor in a compliance audit report that summarizes and describes the results of the audit, the implications for the contractor, and any requirements for improvement. This report will become an integral component of the contractor's annual performance assessment, and part of the contractor's permanent performance record with the Hawaii Department of Education.

Periodic Bus Route Audits – A second critical mechanism within the Contract Compliance Monitoring Plan is the completion of periodic bus route audits. These audits serve a dual purpose. First, they provide for compliance monitoring of contractual requirements that cannot be satisfied through the annual compliance audit. Second, the route audits provide a means to collect data that also supports the Contract Performance Measurement Plan.

A route audit checklist is the mechanism that will be utilized in gathering the performance measurement data and other information required to determine contract compliance. Methods for conducting route audits will vary with the technology and staffing resources available over the contract term, and the operational proximity of STSB staff and the contractor. The approach to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

Contract Performance Measurement Plan

The primary tool supporting this portion of the program is a package of interrelated performance measures. This provides for an integrated performance measurement and reporting program that facilitates a comprehensive understanding of contractor performance, and that provides for feedback to contractors. **This is not designed to be evaluative in the sense that contractors will be judged one against the other. Rather, it is designed to provide STSB managers with a structured and consistent tool to first understand, and then take action to improve contractor *and* STSB performance.** The compliance monitoring plan ensures that contractors meet their contractual obligations. The performance measurement plan provides an opportunity for the contractors to demonstrate their commitment and wherewithal to provide service above and beyond the minimum requirements established by the contract.

The structure for the package of performance indicators is based on four major categories of outcome-driven measures:

- *Safety* – Measures that assist the STSB in determining and improving the overall safety of transportation operations
- *Cost* - Measures that assist the STSB to improve the overall efficiency of its operations.
- *Reliability* – Measures that assist the STSB in determining and improving the reliability of the bus contractors' operations and fleet
- *Responsiveness* – Measures that assist the STSB in determining and improving the responsiveness of the bus contractors to the needs of the STSB and its customers

The actual measures will be determined annually and submitted to the contractors prior to the start of service in each contract year in a Performance Measure Matrix. The matrix will describe whether each measure is a primary, secondary, or tertiary measure, which will also be utilized by the STSB for prioritization and phase-in planning. The Performance Measure Matrix further describes which of the four categories each measure belongs to, and whether the measure relates to a contractual compliance item or is a separate performance measurement item. **This package of performance measures will not be definitive. Rather, it will be designed to provide a consistent framework, with the expectation that the list of measures will expand and evolve over time.**

A companion Performance Measure Glossary will be provided that describes, for each measure:

- *The standard of performance* – These are not presented as benchmarks, but rather describe the type of standard (e.g., manufacturer standard, peer comparison, internal STSB standard, contractual standard, etc.) that will be utilized for the specific measure.
- *What will be measured* – This describes whether the measure will be subject to instance sampling, an average over time, or some other method.
- *How the measure will be calculated* – This describes the actual calculation of the measure to provide consistency across all contractors.
- *The sources of required data* – This describes how the data required for calculating the measure can be collected or developed.
- *When and how frequently the factor will be measured* – This provides the timing and periodicity of measurement.

- *How the results will be reported and tracked* – This provides a description for how the measure will be summarized.

These two matrices combined will provide the core reference tools for the Contract Performance Measurement Plan. Unlike the Contract Compliance Monitoring Plan where the elements are clearly articulated and ascribed in a series of checklists and forms, the Contract Performance Measurement Plan will be considered as ongoing. Data collection, measurement, analysis, and reporting of contractor performance will be a continuous effort.

Annual Contract Performance Assessment

The capstone for the program will be the Annual Contract Performance Assessment, which will be completed for each bus contractor. This is the primary formal method of feedback to be provided to the contractor. The Annual Contract Compliance Audit Report and the results of the performance measurement plan will provide the primary source information for completing the assessment.

With a high quality Contract Performance Measurement Program in place, this formal annual assessment will be productive and collaborative. The Contract Manager and contractor designee will have been in constant communication throughout the service year. Information will have been flowing back and forth between the contractor and the STSB to support specific elements of the compliance monitoring and performance measurement plans, and informally between the staff of the two organizations to manage day-to-day requirements and solve problems. With the expectations of the program clearly established and rigidly enforced, the Annual Contract Performance Assessment therefore becomes an opportunity to celebrate accomplishments and work collaboratively to improve performance. The assessment will consist of the following key elements:

- *STSB Assessment of Contractor Performance* – A formal letter, with the Annual Contract Compliance Audit Report and the Contractor Performance Report as attachments, will be provided to the contractor in advance of the assessment meeting summarizing the Program Administrator's assessment of contractor performance for the service year, and making recommendations for improvement. A key element of this report will be a statement of compliance with contractual requirements. If the contractor is found to be out of compliance and remedial steps have not been taken, contract termination provisions may be invoked. This initial assessment document serves as a discussion piece and guide for the balance of the assessment process.
- *Assessment Meeting* – The Program Administrator, Contract Manager, and contractor designees will meet to discuss the STSB report and determine action items for the following service year. The form and content for each bus contractor assessment meeting

will depend on the circumstances surrounding each contractor's performance. For the sake of equity, however, the agenda will be roughly consistent for all contractors.

- *Contractor Response* – The bus contractor will be provided with the opportunity, and encouraged to submit a formal written response to the STSB report and assessment meeting. This response should lay out the contractor's response to the improvement recommendations, and plans for implementation. This response and the actions taken can then be utilized as an additional input to the following annual performance assessment.

- end of Exhibit B-

Exhibit C: School Bus Camera Equipment Specifications

Digital Video Camera – While the DOE recognizes that the bus contractor will be the owner of the camera hardware and software, all necessary equipment must be provided to allow authorized DOE personnel to view and store video recordings. Therefore, DOE expects each vendor to provide access to both video files and viewing software for the camera manufacturer it has provided. DOE will work with each vendor to establish acquisition methodology and distribution procedures for video recordings that will ensure that all necessary confidentiality requirements are met. This may include the requirement that each vendor provide for the purchase of additional recording or viewing equipment. The cost of this equipment will be treated as a pass through expense to DOE with no markup allowed.

- The digital video recorder must be capable of allowing audio to be recorded
- The digital video recorder must provide video data in AVI, MP4 or other industry standard formats.
- The digital video recorder must be capable of providing continuous, smooth recording in all normal operating conditions inherent to school bus operations and operations within the State of Hawaii.
- The digital video recorder must utilize solid state Secure Digital Extended Capacity (SDXC) Cards with capacities up to 128GB. The digital video recorder must include a USB 2.0 interface that can be used for external data storage capacity expansion up to 2TB in addition to the primary SDXC Card data storage device.
- The digital video recorder must allow for the SDXC Card to interface with a PC without the need for a docking station and the SDXC Card shall connect to a PC directly when the PC has an integral SDXC Card Reader, or via an available SDXC Card Reader with a USB 2.0 interface to a PC. The system should also allow for a RJ-45 LAN connection that is capable of file transfer, remote configuration, and video streaming.
- The digital video recorder must begin recording upon activation of 12V trigger such as the vehicles ignition to ensure full coverage of all route activities.
- The digital video recorder must ensure that coverage is provided on a regular schedule through preprogrammed recording schedules of up to three times over a 24 hour period.
- The digital video recorder must have the capability of Event Alarm Recording that is driver controlled by an alarm push button switch / event marker button. The digital video recorder must allow Alarm Recording Duration to be programmed to continue for

up to 15 minutes after the alarm has been triggered.

- The digital video recorder must be capable of having previously recorded video reviewed directly from the system when appropriately connected to a viewing monitor while the system simultaneously records.

Camera(s)

- The system camera(s) must be color and have the capability to support low light recording and viewing.

- The camera must provide video coverage of persons entering the door, the driver, front row passengers and the rear seating area.

Viewing Software

- The viewing software must display Bus ID, time, date, and event triggers. It is preferable but not required that the software display location data and speed.

- The viewing software must allow the slow motion, fast forward, rewind, pause and play of all video files.

- The viewing software must allow the capture of a still image at any point in a video. The viewing software must allow a still image to a saved as a JPEG file.

- The viewing software must allow the search for video by a specific date and time. The viewing software must allow the selection of a single day of video and the playback of all videos consecutively from that selected day.

- The viewing software must operate on at least a Microsoft Windows 7 platform.

- The viewing software must be based on an embedded operating system with the ability to upgrade software in the field without return to the manufacturer.

Ground Transport Incorporated
P.O. Box 29540 • Honolulu, HI 96820 • Phone (808) 833-4222 • Fax (808) 839-4600

MINUTES OF A SPECIAL MEETING

OF THE BOARD OF DIRECTORS OF

GROUND TRANSPORT, INC

These are the minutes of a special meeting of the Board of Directors of the above-mentioned Corporation. No formal notice was given of this meeting, but the sole Director has signed below an approval of these minutes and those present are indicated below.

After full discussion, the Director unanimously adopted the following resolution:

> RESOLVED: that the President of this corporation, Louis Gomes, is hereby authorized to enter into any contract (s), sale, purchase, bid and perform all acts pursuant thereof, and to sign all documents necessary on behalf of this Corporation.

There being no further business at this meeting, the meeting is adjourned.

Secretary

Place of Meeting: 91-303 Kaiholo Street – Kapolei, Hawaii

Date: January 12, 2017

Those Present: Louis Gomes, Cheryl Gomes & Barbara Gomes

Board of Directors' Approval of Minutes and Waiver of Notice

Louis Gomes

Contract No.: COF1005 / Cluster 2 – Baldwin / Student Bus Transportation / Maui

DEPARTMENT OF EDUCATION

AUXILIARY SERVICES BRANCH

Contract No. COF1006

AWARDED PURSUANT TO

REQUEST FOR PROPOSALS RFP D17-001

WITH

GROUND TRANSPORT, INC.

TO

PROVIDE STUDENT BUS TRANSPORTATION SERVICES

FOR

CLUSTER 3 – LAHAINA

ON THE ISLAND OF MAUI

FOR THE PERIOD

JULY 1, 2017 TO JUNE 30, 2024

STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of

July 1, 2017, between STATE OF HAWAII, DEPARTMENT OF EDUCATION
(Insert name of state department, agency, board or commission)
State of Hawaii ("STATE"), by its SUPERINTENDENT
(Insert title of person signing for State)
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")), whose address is 1390 Miller Street, Honolulu, Hawaii 96813
and GROUND TRANSPORT, INC.
("CONTRACTOR"), a CORPORATION
(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)
under the laws of the State of HAWAII, whose business address and federal and state taxpayer identification numbers are as follows: P.O. Box 29540, Honolulu, Hawaii 96820
Federal ID No. 99-0284114; Hawaii GET License I.D. No. W20434892-01

RECITALS

A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.

B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.

C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").

D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.

E. Pursuant to HRS §103D-303 and HAR § 3-122-112, the STATE is
(Legal authority to enter into this Contract)
authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:
(1) PROGRAM ID 19097
(Identify state sources)
or (2) _____
(Identify federal sources)
or both, in the following amounts: State $: 1,703,160.00
Federal $: _____

NOW THEREFORE in consideration of the promise contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number RFP D17-001 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), and Attachment-S1, Scope of Services, all of which, even if not physically attached to this Contract, are made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed ELEVEN MILLION NINE HUNDRED TWENTY-TWO THOUSAND ONE HUNDRED TWENTY AND NO/100 DOLLARS ($ 11,922,120.00), including approved

costs incurred and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal and the Compensation and Payment Schedule set forth in Attachment-S2, which is made a part of this Contract.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S-3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☒ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of _____ DOLLARS ($ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments, and Exhibits, and amendments; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of N/A _____ DOLLARS ($ N/A) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any changes of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

(Signature)

Kathryn Matayoshi

(Print Name)

Superintendent

(Print Title)

JAN 30 2017

(Date)

CONTRACTOR

Ground Transport, Inc.

(Name of Contractor)

(Signature)

Louis Gomes

(Print Name)

President

(Print Title)

January 13, 2017

(Date)

CORPORATE SEAL
(If available)

APPROVED AS TO FORM:

Deputy Attorney General 1-12-17

*Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.

STATE OF HAWAII
CONTRACTOR'S ACKNOWLEDGEMENT

STATE OF Hawaii)
) SS.
City COUNTY OF Honolulu)

On this 13th day of January, 2017, before me appeared

Louis Gomes and —, to me known, to be the person(s) described in and, who, being by me duly sworn, did say that he/~~she/they~~ is/~~are~~ President and — of Ground Transport, Inc, the CONTRACTOR named in the foregoing instrument, and that he/~~she/they~~ is/~~are~~ authorized to sign said instrument on behalf of the CONTRACTOR, and acknowledges that he/~~she/they~~ executed said instrument as the free act and deed of the CONTRACTOR.

(Notary Stamp or Seal)

Sheila G. Chan
(Signature)
Sheila G. Chan
(Print Name)
Notary Public, State of HAWAII

My commission expires: 03/09/2018

Doc. Date: 01/13/17 # Pages: 54
Notary Name: Sheila G. Chan FIRST Circuit
Doc. Description: DOE CONTRACT NO. COF 1006

(Notary Stamp or Seal)

Sheila G. Chan 01/13/17
Notary Signature Date

NOTARY CERTIFICATION

STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of Ground Transport, Inc., CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is* ☒ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84- 15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of $10.000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive seated proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By _____

(Signature)

Print Name Louis Gomes

Print Title President

Name of Contractor Ground Transport, Inc.

Date January 13, 2017

STATE OF HAWAII

SCOPE OF SERVICES

1) Student Transportation Service Requirements

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Exhibit C. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

(1) Coordination of student behavior management on school buses with school officials

(2) State and Department mandated data collection and reporting

(3) Accident investigation

(4) Customer service activities to the Department, school officials, parents and guardians

h) Cooperation with Department

i) The Contractor will work cooperatively with the Department to ensure safe, effective, and efficient Transportation Services throughout the term of this Agreement. The Contractor will be responsive to the Department's requirements for unscheduled bus or rider-related events and special requests. No additional compensation shall be provided for complying with these requests. These requests may include, but shall not be limited to:

(1) emergency preparedness activities

(2) student or community safety matters

(3) student or community health matters

ii) If other services or issues arise that are previously unaddressed by the Department, the Contractor will make a good faith effort to address or resolve such until the matter can be referred to the Department.

i) Insurance requirements

i) Insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate. To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions and coverage of Insurance Service Office (ISO) policies, forms and endorsements.

(1) Commercial General Liability: The Contractor shall maintain commercial general liability insurance covering all operations by or on behalf of the Contractor on an occurrence basis against claims for personal injury (including bodily injury and death) and property damage (including loss of use). Such insurance shall have these minimum limits and coverage:

- $2,000,000 each occurrence;

- $2,000,000 general aggregate on a "per project" basis;

- $2,000,000 products and completed operations aggregate.

(2) Automobile Liability: The Contractor shall maintain business auto liability covering liability arising out of any auto (including owned, hired and non-owned autos). Such insurance shall have these minimum limits and coverage:

- $2,000,000 combined single limit.

(3) Workers' Compensation: The Contractor shall maintain workers' compensation and employer's liability insurance that comply with statutory limits

3) Contractor Performance

a) Contract Performance Management Program

i) **Exhibit B** provides a description of the Department's Contract Performance Management Program. The Contractor will be an active participant in, and will be responsive to the requirements of this program.

ii) The Contract Performance Management Program is a non-punitive, joint, supportive program of contract compliance monitoring and performance measurement designed to enhance and improve Transportation service delivery in a continuous improvement cycle.

b) Minimum Service Levels and Standards of Performance

i) In addition, and as a supplement to the Contract Performance Management Program, the Contractor will be responsible for meeting or exceeding certain minimally acceptable service levels and standards of performance. The Contractor will monitor, track, account for, and report to the Department the data and information required to determine the Contractor's success in meeting or exceeding the established standards.

ii) The Contractor will comply with three minimally acceptable standards of performance. For the purpose of this section, a bus route is defined as either the morning or afternoon component of a regularly planned and assigned daily bus route as provided to the Contractor by the Department.

(1) No more than two (2) percent of all bus routes operated by the Contractor in each week of the service month shall be delayed or missed as a result of the Contractor's inability to provide an adequate number of qualified bus drivers or monitors as defined within this Agreement. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner.

(2) No more than two (2) percent of all bus routes operated by the Contractor in each service week shall be delayed or missed as a result of mechanical problems with the Contractor's assigned vehicle. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that is delayed over the course of its scheduled route as a result of a mechanical problem with the assigned vehicle.

(3) The Contractor shall report every incidence of delay as defined in subparagraph (1) and (2) of this section to the Department within fifteen (15) minutes of occurrence in a manner and format acceptable to the Department. This is a zero tolerance standard of performance.

iii) The Contractor is responsible for recording and tracking all data and information required to calculate Contractor performance relative to the minimum service levels and standards of performance. These data will be provided to the Department not later than the 15th of each month for service completed in the prior service month. The data and information will be submitted in a verifiable manner and format acceptable to the Department.

iv) If a non-compliance situation occurs, the Contractor is considered to be automatically on notice whether or not the Department sends a formal written notice.

v) The Contractor will comply with Department directives to improve operations and outcomes that fall below the established standards.

c) Performance Withholding

i) The Department may impose a **Minimum Service Level Performance Withholding** factor for non-compliance with the Minimum Service Levels and Standards of Performance.

(1) The Department may defer payment of up to one (1) percent of the Contractor's next regular monthly Transportation Services invoice for any single weekly instance of non-compliance.

(2) The Department may defer payment of up to three (3) percent of the Contractor's next regular monthly Transportation Services invoice should non-compliance continue for two consecutive service weeks.

(3) The Department may defer payment of up to seven (7) percent of the Contractor's next regular monthly invoice should non-compliance continue for three consecutive service weeks.

(4) The Department may defer payment of up to ten (10) percent of the Contractor's next regular monthly invoice should non-compliance continue for four (4) consecutive weeks.

ii) The number of withholding instances is unlimited, and may be repeated for each instance of non-compliance with the Minimum Service Levels and Standards of Performance requirements.

iii) The withheld amount may be paid in full to the Contractor if the non-compliance factor resulting in the Performance Withholding instance is cured to the satisfaction of the Department following the deferral decision.

iv) If the non-compliance factor is not cured to the satisfaction of the Department following the deferral decision, the Department may retain the withholding without obligation to pay the Contractor the withheld amounts.

v) The Department will notify the Contractor in formal letter delivered via a traceable method to the address of record for the Contractor contained in this Agreement if a decision to retain a Performance Withholding is reached.

d) Contractor Fiscal Efficiency

i) The Contractor will make an ongoing good-faith effort to identify opportunities to improve the efficiency and effectiveness of the bus routes and route packages assigned to the Contractor by this Agreement. Where feasible, the Contractor will identify opportunities to modify, pair, combine, or repackage bus routes with the objective to perform Transportation services in the most efficient and effective manner possible. If identified, such opportunities will be communicated to the Department not later than one (1) week following the identification. At a minimum, the Contractor will submit a written report to the Department, to accompany each regular invoice submission, summarizing the opportunities identified in the period covered by the invoice or, if no opportunities were identified, making an affirmative statement attesting to this fact.

ii) The Contractor will immediately notify the Department, in a manner deemed acceptable by the Department, of any new programs or services that are requested of the Contractor by school officials or representatives, including any school building or program bell time changes. The Contractor shall not fulfill such requests until and if authorized by the Department.

4) <u>Basis for Contractor Compensation</u>

a) Daily Bus Service Time

i) The Contractor's pricing for Transportation will primarily be structured upon the length of time required for a vehicle to complete its regularly assigned daily route package. The Department will assemble individual Transportation routes in time tiers, potentially serving multiple schools in succession. The route package time of service will start when the first scheduled student rider boarding occurs for either the morning home-to-school, or afternoon school-to-home component and ends when the last scheduled student debarkation occurs at the final school destination in the morning or the final scheduled stop in the afternoon. The combination of the morning and the afternoon route package time of service constitutes the **Daily Bus Service Time**. The Daily Bus Service Time of any individual route may also include all or a portion of mid-day and/or post-day bus route at the discretion of the Department. If mid-day or post-day segments are included, then the morning or afternoon route package time of service will continue from the last scheduled student debarkation at the final morning home-to-school destination (or from the final scheduled home-to-school stop in the afternoon) to the final scheduled stop of the mid-day or post-day routing component to be included in the Daily Bus Service Time.

(1) Vehicle operating time expended transiting from the Contractor's assigned vehicle parking location to the first scheduled student boarding in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(2) Vehicle operating time expended transiting from the final scheduled student debarkation to the Contractor's assigned vehicle parking location in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(3) Vehicle operating time expended transiting empty of student riders at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(4) Vehicle time expended empty of student riders and waiting for a subsequent component of the route package to start at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(5) Daily Bus Service Time is calculated in accordance with scheduled route data as determined by the Department and operated by the Contractor following all of the requirements of this Agreement.

(6) Daily Bus Service Time will be rounded to the nearest fifteen (15) minute increment.

(7) Occasional variances in planned versus actual Daily Bus Service Time of fifteen (15) minutes or less will receive no adjustment to compensation.

(8) Recurring variances in planned versus actual Daily Bus Service Time of any length may result in a compensation change following verification by the Department and adjustment to the scheduled route data. The Contractor must report recurring variances to the Department immediately on their identification notwithstanding any other reporting requirements of this Agreement.

b) Route Packages

i) The Daily Bus Service Time will be comprised of a package of routing components as determined by the Department. Route components may include any combination of regular or special needs students of any grade level, one or multiple schools or program types, any number of bus stops, and service to any location within the geographic area defined by this Agreement.

ii) Route packages will be assembled such that individual assigned vehicles are performing logical and efficient combinations of routing components in the morning and again in the afternoon, to the extent feasible.

iii) Route packages will be assembled such that the assigned vehicle type, size and equipment requirements are common to all routing components in the package, to the extent feasible.

iv) Route packages will be assembled such that the composition of the Contractor fleet is considered in matching requirements to available bus types, to the extent feasible.

v) The Department will schedule some routing components on a recurring, but not on a daily basis. The Department will treat any such component occurring on three (3) or more service days during a regular five (5) day service week as a regular recurring service for compensation purposes.

vi) Any regular routing component that occurs on a recurring basis but less than three (3) service days in any regular five (5) day service week will be treated as an additional supplemental service for compensation purposes.

vii) Morning and afternoon route packages will be paired as efficiently as possible by the Department, with the morning and afternoon schools and programs served being the same, to the extent feasible.

viii) The Contractor will assign the same driver to both the morning and afternoon package of runs, to the extent feasible.

c) Time Gaps in Service Requirements

i) When any individual morning, mid-day, afternoon or post-day routing component cannot be assigned to a route package such that the wait time before or after another contiguous component would exceed thirty (30) minutes, the Department will have the option of either treating the component as part of the Daily Bus Service Time or an additional supplemental service for the purpose of compensation. If the Department opts to include the routing component in the Daily Bus Service Time, the time gap will be included in the daily service

time and the mileage between the components will be included in eligible service miles for fuel cost adjustment purposes.

ii) The Contractor shall not invoice the Department for any service time more than once.

d) Pricing Elements

i) The Compensation and Payment Schedule provides a matrix describing each element for which the Contractor will be provided compensation and the rate of compensation associated with each element.

ii) The Contractor is guaranteed compensation for a minimum Daily Bus Service Time of three and one-half (3.5) hours for each vehicle assigned to a regular routing package under this Agreement. Any Daily Bus Service Time of three and one-half (3.5) hours or less will receive this rate of compensation.

iii) Additional compensation for Daily Bus Service Time in excess of three and one-half (3.5) hours will be provided based on the regular service incremental hourly rate, calculated in fifteen (15) minute increments.

iv) Compensation for additional supplemental services will be provided for each instance of service, at the rates specified in the Agreement's Compensation and Payment Schedule.

v) The Department reserves the right to alter, add, or delete route components or route packages at any time within the requirements specified by this Agreement.

vi) The Department will compensate the Contractor for each regular education and special education route package for the actual number of days transported.

vii) The Contractor and the Department shall keep accurate records of all services provided. , and shall be detailed on each Contractor invoice submitted.

5) <u>Invoicing and Compensation Adjustments</u>

a) Invoicing

i) The Contractor will receive an invoice from the Department at least once, and not more than twice per month. The invoice shall be received not later than five business days following the last service day of the month.

ii) The invoice will include sufficient information and detail to support the amounts billed, and will reconcile to this Agreement.

iii) The invoice will be received, reviewed, and approved by the Contractor within three business days of receipt. If the Department does not receive any notice from the Contractor after three business days, the Department will assume that the Contractor approves the amount due.

iv) If the Contractor notifies the Department of an error on the invoice, the error will be reconciled and the invoice revised within two days of receiving notice. A revised invoice will be submitted to the Contractor for review and approval. The Contractor will have one (1) business day to review the revised invoice. If the Department does not receive any notice

from the Contractor after one business day, the Department will assume that the Contractor approves the revised amount due.

b) Annual Price Escalators

i) All prices shall be adjusted upward or downward annually based upon the United States Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year covered by the term of this Agreement for the following service year.

ii) Any upward adjustment:

(1) Shall not exceed three (3) percent if the previous year increase was one (1) percent or more.

(2) Shall not exceed four (4) percent if the previous year increase was less than one (1) percent.

iii) Any downward adjustment shall not exceed negative two (-2) percent.

c) Fuel Cost Adjustment

i) The Contractor will purchase and provide fuel for all Transportation services provided.

ii) The Contractor's fuel costs will be limited to a targeted maximum threshold of $4.25 per gallon. The actual fuel cost overage (if any) will be calculated by the Department as follows and added to the Contractor payment:

(1) The Monthly System-Wide Cost per Gallon will be determined by referencing the AAA Daily Fuel Gauge Report, Hawaii Average, Wailuku website at:

http://fuelgaugereport.aaa.com/states/hawaii/hawaii-metro/

(a) Determine the average price for the four (or five) weeks reported for the calendar month to be invoiced.

(b) Subtract $4.25 from the Monthly System-Wide Cost per Gallon

(c) Subtract the federal fuel excise tax from the difference of the average price and the Monthly System-Wide Cost per Gallon

(d) This provides the cost in excess of the targeted cost per gallon, or the Cost per Gallon Recovery Amount

(2) Determine the number of Contractor gallons eligible for cost recovery

(a) Determine the number of miles operated for Department services for the calendar month to be invoiced.

(i) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(ii) For Type II buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(b) Divide those miles by these fuel consumption rates

(i) For buses with a seating capacity greater than 24, 7

(ii) For I buses with a seating capacity less than or equal to 24, 10

(c) This provides the total Number of Gallons Eligible for Cost Recovery

(3) Multiply the Cost per Gallon Recovery Amount times the Number of Gallons Eligible for Cost Recovery

(4) Add that amount to the monthly payment to the Contractor

d) Ancillary Services and Costs

i) The Contractor will bear all costs associated with performing services not identified in this Agreement or in the Exhibits.

ii) The Contractor will bear all penalties, fines, damages, levies, taxes, etc. that may arise from performing Transportation services.

6) <u>Vehicle Disposition Option at Contract Termination</u>

a) Upon expiration of the contract and if the incumbent Contractor has not been renewed then the Contractor has the option of leasing those displaced daily use route and spare vehicles to the Department.

i) The Contractor will notify the Department of this election no later than 120 days from contract expiration.

ii) The Department must agree to lease those daily use route vehicles and a number of spares not to exceed 10% of the daily use route vehicles for a period of 12 months.

(1) The lease amount will be:

(a) A rate of 8% of the average daily rate of the vehicles leased

(b) Multiplied by an assumed 18 compensation days per month (180 school days over 10 months)

iii) During that 12 month period, any entity can purchase vehicles from the Contractor at a procurement price determined as follows:

(1) Reference the most recently issued Yellow Bus School Book, a source of used school bus market values. (www.yellowschoolbusbook.com) as the primary source or a mutually agreed upon valuation if the primary source is not available.

(2) Locate the bus type and model year to determine.

(3) Apply an odometer mileage deduction per the table as necessary

(4) Apply no markup or markdown for time elapsed since book issuance

iv) In the 13th month the Department is obligated to purchase the vehicle according to the preceding valuation, discounted by the total value of all previous lease payments made from under the guidelines established in ii above. If the value of the lease payments exceeded the valuation, no additional payments would be made but the Department would take ownership of the vehicle.

b) The same option is available to the contractor if less than 75% of its current daily route vehicle count has been renewed.

7) Contract Administration

a) Contract Administrator

i) For purposes of this contract, the person named below or his/her duly authorized representative or successor in office is designated Contract Administrator (CA). The CA may be contacted as follows:

Contract Administrator:	James Kauhi
Telephone Number:	(808) 586-0170
E-mail Address:	james_kauhi@notes.k12.hi.us

ii) The CA is responsible for:

(1) The terms, conditions, quantities, specifications, scope of services, other contract terms, and all decisions relating to the contract;

(2) Monitoring the contractor's work, documenting the contractor maintains the required insurance coverage (if applicable), resolving disputes and discrepancies, evaluating the work of the contractor, assuring the services or goods are delivered as required in the contract, and processing payment for services rendered;

(3) Executing the Contract Performance Management Program (Exhibit B)

iii) Notwithstanding the responsibilities set forth hereinabove, any coordination of services falling outside those articulated above shall remain with the head of the purchasing agency, as set forth in the attached General Conditions (see General Conditions, paragraph 1, entitled "Coordination of Services by the STATE.")

b) Contractor administrative requirements

i) Contractor's primary point of contact is as follows:

Name:	Louis Gomes
Telephone Number:	833-4222 x341
E-mail Address:	lgomes@groundtransportinc.com

ii) Contractor shall notify the STATE, verbally within twenty-four (24) hours, upon the occurrence of any of the events indicated below:

(1) Change in Contractor's business address or phone number;

(2) Change in Contractor's tax identification number; or

(3) Any other situation that could reasonably be expected to affect Contractor's ability to carry out its obligation under this contract.

8) Exhibits

a) Exhibit A: Transportation Contract Service Pricing Form
b) Exhibit B: Contract Performance Management Program
c) Exhibit C: School Bus Camera Equipment Specifications

- end of Attachment-S1 --

STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

1. TOTAL COMPENSATION

In full consideration of the goods delivered and/or the services performed by the CONTRACTOR under the terms and conditions of this contract, the STATE agrees to pay the CONTRACTOR the total sum not to exceed:
ELEVEN MILLION NINE HUNDRED TWENTY-TWO THOUSAND ONE HUNDRED TWENTY AND NO/100 DOLLARS
($ 11,922,120.00).

2. PAYMENT SCHEDULE

Payment shall be made according to the provisions set forth in Attachment-S1, sections 4 and 5, and in Exhibit A.

3. AVAILABILITY OF FUNDS

This contract is subject to the availability of funds. Pursuant to Section 103D-309, HRS, except in certain instances, no contract entered into between the STATE and the CONTRACTOR shall be binding or of any force unless the Chief Financial Officer (CFO) certifies that there is an available unexpended appropriation or balance of an appropriation over and above all outstanding contracts sufficient to cover the amount required by the contract.

4. FINAL PAYMENT

The final payment on the contract shall be for services rendered during the billing period just prior to the contract expiration date. In addition to the requirements in the General Conditions, the following shall accompany the final payment invoice:

a) A tax clearance certificate, not over two months old and with an original green "certified copy" stamp, must accompany the invoice for final payment. In addition to the tax clearance certificate, the "Certification of Compliance for Final Payment" (DOE Form-22) with an original signature will be required for final payment.

b) In lieu of the above, CONTRACTOR may also submit an original CERTIFICATE OF VENDOR COMPLIANCE as issued by the State Procurement Office via an online system, also referred to as "Hawaii Compliance Express". Details regarding this online application process can be viewed at: http://vendors.ehawaii.gov/hce/.

- end of Attachment-S2 -

STATE OF HAWAII

TIME OF PERFORMANCE

1. CONTRACT TERM

The term of the contract shall be from the effective date of July 1, 2017 through June 30, 2024.

2. CONTRACT RENEWAL

This contract may be extended for not more than three (3) additional twelve-month periods i) upon mutual written agreement of the parties, and ii) prior to expiration of the term of the contract.

- end of Attachment-S3 -

Attachment-S5

STATE OF HAWAII

SPECIAL CONDITIONS

1. VERIFICATION OF EMPLOYEES

In accordance with State rules and regulations, CONTRACTOR shall conduct mandatory criminal background checks at no cost to the STATE, on any employee, agent, volunteer, or prospective employee working directly with students.

The CONTRACTOR shall maintain the background check records, and shall make the records available for review upon request. Upon review of these records, the STATE reserves the right to request additional background information.

2. CONFIDENTIALITY OBLIGATIONS

The following serves to supplement provision 24 of the General Conditions, entitled "Confidentiality of Material" and provision 42, entitled "Confidentiality of Personal Information":

While performing under this Agreement, the Contractor may receive, be exposed to or acquire confidential information. Such information may include names, addresses, telephone numbers, birthdates, social security numbers, medical information, and other educational, student, or personal employment information. The information maybe in written or oral form, fixed in hard copy or contained in a computer data base or computer readable form. Hereinafter, such language shall be collectively referred to as "Confidential Information."

The Contractor, including its employees, agents, representatives, and assigns shall abide by the following with regards to Confidential information: (i) They shall not disclose to any unauthorized party any Confidential Information, except as specifically permitted by the DOE and subject to the STATE's limitations on confidentiality of information and relevant legal requirements of the State to include, but not limited to the Family Educational Rights and Privacy Act ("FERPA"). Permission will be granted through a formal written agreement concerning the disclosure of personally identifiable information (PII) from student education records, signed by HIDOE and the Contractor, and must be provided as an attachment to this contract; (ii) They shall only permit access to Confidential Information to employees, agents, representatives, and assigns having a specific need to know in connection with performance under this Agreement; and (iii) They shall advise each of their employees, agents, representatives, and assigns of their obligations to keep such Confidential Information confidential.

CONTRACTOR, its employees, agents, representatives, or assigns shall ensure the security of the Confidential Information. The CONTRACTOR shall provide the DOE with a list of individuals (by name and position) who are authorized to handle the Confidential Information (hereinafter referred to as "Authorized Handlers"). Authorized Handlers shall ensure the security of the Confidential Information. Only Authorized Handlers shall have access to the Confidential Information, which will be kept on password protected computers with the hard copy documents kept in a locked file cabinet. CONTRACTOR shall ensure that procedures exist to prohibit access to the Confidential Information by anyone other than an Authorized Handler.

CONTRACTOR will be responsible for safeguarding the confidentiality of all Confidential Information it receives from the DOE and shall safeguard and protect such documents from unauthorized use, handling, or viewing. CONTRACTOR shall be liable to the DOE and to any person whose records the CONTRACTOR receives custody of under this Contract for records protection for any unpermitted release, viewing, or loss of such records. Contractor shall assume liability responsibility for records protection and for the inappropriate or unlawful release of Confidential Information. CONTRACTOR shall return all documents containing Confidential Information upon completion of the services CONTRACTOR is contracted to provide under this Agreement.

a) Prior written Approval: CONTRACTOR may not i) share Confidential Information or any other data received under this contract, ii) publish, or iii) distribute such information without the prior written approval of the STATE.
b) In the event of termination of this contract, CONTRACTOR shall return to the STATE all student information received under this contract and further agrees to destroy any and all copies of, or references to, any student information shared by the STATE as a result of this contract.

3. RELIEF AVAILABLE TO THE STATE

In addition to all rights and remedies available to the STATE provided in this Contract or otherwise provided under the law, if the CONTRACTOR is in non-compliance with the contract requirements, the STATE may:

a) Suspend Payments – Temporarily withhold or disallow all or part of the billing cost/payments pending correction of a deficiency or a non-submission of a required deliverable by the CONTRACTOR; and
b) Suspend Referrals – Suspend referrals to the CONTRACTOR should the CONTRACTOR fail to comply with any of the requirements or other term(s) or condition(s) of this Contract and, further, the STATE may maintain the suspension of referrals until such time as the deficiency or non-compliance is corrected and the CONTRACTOR's corrective actions are determined to be acceptable by the STATE; and
c) Seek Reimbursement – Seek reimbursement from the CONTRACTOR or withhold future payments for any funds paid to the CONTRACTOR subsequent to a determination that such was unauthorized, fraudulently obtained, or inappropriately billed.
d) Seek Market Value – In the event the CONTRACTOR fails, refuses or neglects to perform the services in accordance with the requirements of these Special Conditions, the Scope of Services, or the General Conditions, the STATE reserves the right to purchase, in the open market, a corresponding quantity of the services specified herein and to deduct form any monies due or that may thereafter become due to the CONTRACTOR, the difference between the price named in the Contract and the actual cost to the STATE. In case any money due the CONTRACTOR is insufficient for said purpose, the CONTRACTOR shall pay the difference upon demand from the STATE. The STATE may also utilize all other remedies provided by law.

4. EXCLUSION OF SPECIFIC WORKERS

The STATE reserves the right to require the CONTRACTOR to remove an employee, agent, subcontractor or volunteer (Worker) from performing work under this contract. The Contract Administrator shall notify the CONTRACTOR in writing and this exclusion of a specific Worker(s) shall take effect as indicated on the notice. The CONTRACTOR may appeal this decision to the Contract Administrator, in writing and within ten (10) working days of receipt of the notice. Removal of the employee, agent subcontractor or volunteer shall remain in effect pending the outcome of the appeal. This provision shall not infringe upon the right of the CONTRACTOR to employ the removed individual, but shall apply to any work requiring interaction with the STATE, its employees or students.

5. STATE'S GENERAL CONDITIONS

The Special Conditions shall serve to supplement the General Conditions; both documents remain part of this Contract with full force and effect. In the case of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control to the extent necessary to resolve the conflict.

- end of Special Conditions -

GENERAL CONDITIONS

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1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.

2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.

   a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.

   b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.

   c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.

   d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

   e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.

   f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.

b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

(1) The Assignee assumes all of the CONTRACTOR'S obligations;

(2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and

(3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.

d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.

7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.

8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.

9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.

10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.

11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.

12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.

a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

(1) Cancel the stop performance order; or

(2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

(1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and

(2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.

d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.

e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.

f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.

b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

(1) Any completed goods or work product; and

(2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

d. Compensation.

(1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.

(2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.

(3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:

(A) Contract prices for goods or services accepted under the Contract;

(B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);

(D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

(4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

(1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

(A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

(B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

(C) Within such further time as may be allowed by the Agency procurement officer in writing.

(2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

(3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

(4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.

b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.

c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.

b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.

c. Prompt payment.

(1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and

(2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.

d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.

b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:

(A) Changes in the work within the scope of the Contract; and

(B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.

d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.

e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.

f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.

g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least $25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.

h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.

i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.

20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:

(1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;

(2) Method of delivery; or

(3) Place of delivery.

a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.

c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.

d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:

(1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(2) By unit prices specified in the Contract or subsequently agreed upon;

(3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;

(4) In such other manner as the parties may mutually agree; or

(5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.

b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:

(1) Description of performance (Attachment 1);

(2) Time of performance (i.e., hours of the day, days of the week, etc.);

(3) Place of performance of services;

(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;

(5) Method of shipment or packing of supplies; or

(6) Place of delivery.

b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.

c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.

d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.

e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.

24. Confidentiality of Material.

a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.

25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.

26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.

27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:

a. The cost or pricing data, and

b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over $100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.

35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.

36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.

38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.

39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.

40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.

41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.

42. Confidentiality of Personal Information.

a. Definitions.

"Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:

(1) Social security number;

(2) Driver's license number or Hawaii identification card number; or

(3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

(1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.

(2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.

(3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.

(4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.

(5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.

(6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

(1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.

(2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:

(A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;

(B) Access to the personal information will be allowed only as necessary to perform the Contract; and

(C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

(1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or

(2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

EXHIBIT A: PRICING FORM

Cluster 3 – Lahaina

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	13	$474.00	180	$1,109,160.00	$20.00	$70.00	$30.00
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2	$474.00	180	$170,640.00	$20.00	$70.00	$30.00
Count of Special Needs Buses (Type II) with no special equipment	1	$468.00	180	$84,240.00	$18.00	$60.00	$25.00
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2	$468.00	180	$168,480.00	$18.00	$60.00	$25.00
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1	$474.00	180	$85,320.00	$18.00	$60.00	$25.00
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1	$474.00	180	$85,320.00	$18.00	$60.00	$25.00
			Cluster Total Cost	$1,703,160.00			

EXHIBIT A: PRICING FORM

Hourly Rate for Bus Aide: $ 22.75

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

$562.00	6
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Exhibit B - Contract Performance Management Program

Program Assignments & Responsibilities

Responsibility for determining the approach, assigning staff resources, providing oversight, and managing overall contractor relations within this program resides with the Assistant Superintendent, School Facilities and Support Services, Hawaii Department of Education. Specific responsibilities for program implementation include the following:

- *Program Administrator responsibilities* – The Program Administrator is the Director, Student Transportation Services Branch (STSB), Hawaii Department of Education. The Program Administrator maintains overall accountability for the program. The responsibilities of the administrator include the annual determination of the specific contract elements that will be subject to compliance monitoring and performance measurement, management of the annual program calendar, and management of the contractor annual performance assessment process.

- *Contract Manager responsibilities* – Each contract will have a named contract manager. The contract manager is responsible for executing all aspects of the program as it relates to the assigned contract. This is the primary point of contact for the contractor's management team as it relates to all contractual responsibilities.

- *STSB staff responsibilities* – Specific program tasks and requirements will be distributed throughout the STSB organization at the sole discretion of the Program Administrator and the Contract Manager.

- *Contractor responsibilities* – A successful program will be one in which the contractor is an active and engaged participant. The contractor is responsible for designating a management level staff member to serve as the contractor's counterpart to the Contract Manager. The contractor is furthermore responsible for ensuring their full understanding of the program's purpose and intent, and their specific contractual and program obligations.

- *Communications Protocol* – Regular communications, both structured and unstructured, will be a critical success factor. The most important element will be the regular formal and informal communications that occur between the contractor designee and the Contract Manager. It is an absolute requirement and responsibility of these two key individuals to establish open, ongoing, and consistent communications between them. **This program establishes a formal relationship between these individuals. All matters pertaining to the contractor's performance obligations must be passed via this channel of communications.**

- *Annual and ongoing data submission requirements* – The contract requires that various pieces of information be passed between the parties at the outset of the contractual relationship and periodically throughout the contract term. These requirements are summarized in the Contract itself, and will be detailed annually in the Contract Management Calendar, and the Contract Compliance Monitoring Plan.

Program Components

Contract Management Calendar

Embedded within the overall life cycle of the contract is an annual service delivery cycle that corresponds with the Hawaii Department of Education school calendar. The specific elements of the contract performance management program work within this annual cycle. The timing for the various elements of the program are summarized in the following contract management calendar.

Contract Month	Annual Service Cycle Requirement
July	Complete contract initiation tasks (new contracts) Establish contract management program (new contracts) Staff review of STSB contractual obligations (all contracts) Development and submission to the contractors of the annual compliance monitoring and performance measurement plan specifics for the year ahead. Contractor annual data and information submission requirements completed.
August	Begin service (all contracts)
September	Monthly performance data collection
October	Monthly performance data collection
November	Monthly performance data collection Route audits
December	Monthly performance data collection Route audits
January	Monthly performance data collection Route audits
February	Monthly performance data collection Route audits Customer satisfaction survey
March	Monthly performance data collection Route audits

Contract Month	Annual Service Cycle Requirement
April	Monthly performance data collection Route efficiency analysis and begin route planning Compliance audits
May	Compliance audit reports Performance assessment reports Performance assessment meetings

Contract Compliance Monitoring Plan

Annual Contract Compliance Audit – The primary mechanism supporting this portion of the Contract Performance Management program is the annual contract compliance audit. The purpose for this audit is to ensure that the contractor meets the minimum requirements established by the contract. The result of the audit will also provide input to the Contract Performance Measurement Plan and will be an integral part of the Annual Contract Performance Assessment.

Each compliance element in the annual contract compliance audit will be separately determined on a pass-fail basis as either "in compliance" or "not in compliance". There is an extensive list of compliance items to be verified, and a satisfactory level of compliance may not require a 100 percent rating. Rather, the Program Administrator will develop an annual standard against which all contractors providing service to the STSB are objectively and equally rated. Many contractual requirements may be excluded from this rating in any given contract year, but **under no circumstance is the contractor relieved of any contractual requirement that is excluded from the rating in any given year**. The contractor will not be rated for compliance on any element outside of its contractual responsibilities. The overall results of the compliance audit will support the Program Administrator's assessment of the contractor's performance. The assessment of the contractor's performance will form the basis of any performance improvement objectives or plans created and agreed to by the STSB and the contractor.

There are three primary elements to the annual contract compliance audit.

- *Compliance Audit Checklist* – A compliance audit checklist is the mechanism that will be utilized in gathering the data required to determine compliance with contractual obligations. The number of, and specific compliance items to be tracked and verified annually will be determined by, and at the sole discretion of the Program Administrator. The checklist to be used will be developed by the Program Manager and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Procedures & Standards* – The checklist for each year will be accompanied by a set of procedures that describes how it is to be applied and the

standards against which compliance is measured. For example, the procedures will define when and how the audit will be conducted, whether compliance is to be measured only at the time of the audit or whether the contractor will be provided with an opportunity to correct any discrepancies, and the consequences for non-compliance. The procedures to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Report* – The results of the audit will be submitted to, and discussed with the contractor in a compliance audit report that summarizes and describes the results of the audit, the implications for the contractor, and any requirements for improvement. This report will become an integral component of the contractor's annual performance assessment, and part of the contractor's permanent performance record with the Hawaii Department of Education.

Periodic Bus Route Audits – A second critical mechanism within the Contract Compliance Monitoring Plan is the completion of periodic bus route audits. These audits serve a dual purpose. First, they provide for compliance monitoring of contractual requirements that cannot be satisfied through the annual compliance audit. Second, the route audits provide a means to collect data that also supports the Contract Performance Measurement Plan.

A route audit checklist is the mechanism that will be utilized in gathering the performance measurement data and other information required to determine contract compliance. Methods for conducting route audits will vary with the technology and staffing resources available over the contract term, and the operational proximity of STSB staff and the contractor. The approach to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

Contract Performance Measurement Plan

The primary tool supporting this portion of the program is a package of interrelated performance measures. This provides for an integrated performance measurement and reporting program that facilitates a comprehensive understanding of contractor performance, and that provides for feedback to contractors. **This is not designed to be evaluative in the sense that contractors will be judged one against the other. Rather, it is designed to provide STSB managers with a structured and consistent tool to first understand, and then take action to improve contractor *and* STSB performance.** The compliance monitoring plan ensures that contractors meet their contractual obligations. The performance measurement plan provides an opportunity for the contractors to demonstrate their commitment and wherewithal to provide service above and beyond the minimum requirements established by the contract.

The structure for the package of performance indicators is based on four major categories of outcome-driven measures:

- *Safety* – Measures that assist the STSB in determining and improving the overall safety of transportation operations
- *Cost* - Measures that assist the STSB to improve the overall efficiency of its operations.
- *Reliability* – Measures that assist the STSB in determining and improving the reliability of the bus contractors' operations and fleet
- *Responsiveness* – Measures that assist the STSB in determining and improving the responsiveness of the bus contractors to the needs of the STSB and its customers

The actual measures will be determined annually and submitted to the contractors prior to the start of service in each contract year in a Performance Measure Matrix. The matrix will describe whether each measure is a primary, secondary, or tertiary measure, which will also be utilized by the STSB for prioritization and phase-in planning. The Performance Measure Matrix further describes which of the four categories each measure belongs to, and whether the measure relates to a contractual compliance item or is a separate performance measurement item. **This package of performance measures will not be definitive. Rather, it will be designed to provide a consistent framework, with the expectation that the list of measures will expand and evolve over time.**

A companion Performance Measure Glossary will be provided that describes, for each measure:

- *The standard of performance* – These are not presented as benchmarks, but rather describe the type of standard (e.g., manufacturer standard, peer comparison, internal STSB standard, contractual standard, etc.) that will be utilized for the specific measure.
- *What will be measured* – This describes whether the measure will be subject to instance sampling, an average over time, or some other method.
- *How the measure will be calculated* – This describes the actual calculation of the measure to provide consistency across all contractors.
- *The sources of required data* – This describes how the data required for calculating the measure can be collected or developed.
- *When and how frequently the factor will be measured* – This provides the timing and periodicity of measurement.

- *How the results will be reported and tracked* – This provides a description for how the measure will be summarized.

These two matrices combined will provide the core reference tools for the Contract Performance Measurement Plan. Unlike the Contract Compliance Monitoring Plan where the elements are clearly articulated and ascribed in a series of checklists and forms, the Contract Performance Measurement Plan will be considered as ongoing. Data collection, measurement, analysis, and reporting of contractor performance will be a continuous effort.

Annual Contract Performance Assessment

The capstone for the program will be the Annual Contract Performance Assessment, which will be completed for each bus contractor. This is the primary formal method of feedback to be provided to the contractor. The Annual Contract Compliance Audit Report and the results of the performance measurement plan will provide the primary source information for completing the assessment.

With a high quality Contract Performance Measurement Program in place, this formal annual assessment will be productive and collaborative. The Contract Manager and contractor designee will have been in constant communication throughout the service year. Information will have been flowing back and forth between the contractor and the STSB to support specific elements of the compliance monitoring and performance measurement plans, and informally between the staff of the two organizations to manage day-to-day requirements and solve problems. With the expectations of the program clearly established and rigidly enforced, the Annual Contract Performance Assessment therefore becomes an opportunity to celebrate accomplishments and work collaboratively to improve performance. The assessment will consist of the following key elements:

- *STSB Assessment of Contractor Performance* – A formal letter, with the Annual Contract Compliance Audit Report and the Contractor Performance Report as attachments, will be provided to the contractor in advance of the assessment meeting summarizing the Program Administrator's assessment of contractor performance for the service year, and making recommendations for improvement. A key element of this report will be a statement of compliance with contractual requirements. If the contractor is found to be out of compliance and remedial steps have not been taken, contract termination provisions may be invoked. This initial assessment document serves as a discussion piece and guide for the balance of the assessment process.
- *Assessment Meeting* – The Program Administrator, Contract Manager, and contractor designees will meet to discuss the STSB report and determine action items for the following service year. The form and content for each bus contractor assessment meeting

will depend on the circumstances surrounding each contractor's performance. For the sake of equity, however, the agenda will be roughly consistent for all contractors.

- *Contractor Response* – The bus contractor will be provided with the opportunity, and encouraged to submit a formal written response to the STSB report and assessment meeting. This response should lay out the contractor's response to the improvement recommendations, and plans for implementation. This response and the actions taken can then be utilized as an additional input to the following annual performance assessment.

- end of Exhibit B-

Exhibit C: School Bus Camera Equipment Specifications

Digital Video Camera – While the DOE recognizes that the bus contractor will be the owner of the camera hardware and software, all necessary equipment must be provided to allow authorized DOE personnel to view and store video recordings. Therefore, DOE expects each vendor to provide access to both video files and viewing software for the camera manufacturer it has provided. DOE will work with each vendor to establish acquisition methodology and distribution procedures for video recordings that will ensure that all necessary confidentiality requirements are met. This may include the requirement that each vendor provide for the purchase of additional recording or viewing equipment. The cost of this equipment will be treated as a pass through expense to DOE with no markup allowed.

- The digital video recorder must be capable of allowing audio to be recorded
- The digital video recorder must provide video data in AVI, MP4 or other industry standard formats.
- The digital video recorder must be capable of providing continuous, smooth recording in all normal operating conditions inherent to school bus operations and operations within the State of Hawaii.
- The digital video recorder must utilize solid state Secure Digital Extended Capacity (SDXC) Cards with capacities up to 128GB. The digital video recorder must include a USB 2.0 interface that can be used for external data storage capacity expansion up to 2TB in addition to the primary SDXC Card data storage device.
- The digital video recorder must allow for the SDXC Card to interface with a PC without the need for a docking station and the SDXC Card shall connect to a PC directly when the PC has an integral SDXC Card Reader, or via an available SDXC Card Reader with a USB 2.0 interface to a PC. The system should also allow for a RJ-45 LAN connection that is capable of file transfer, remote configuration, and video streaming.
- The digital video recorder must begin recording upon activation of 12V trigger such as the vehicles ignition to ensure full coverage of all route activities.
- The digital video recorder must ensure that coverage is provided on a regular schedule through preprogrammed recording schedules of up to three times over a 24 hour period.
- The digital video recorder must have the capability of Event Alarm Recording that is driver controlled by an alarm push button switch / event marker button. The digital video recorder must allow Alarm Recording Duration to be programmed to continue for

up to 15 minutes after the alarm has been triggered.

- The digital video recorder must be capable of having previously recorded video reviewed directly from the system when appropriately connected to a viewing monitor while the system simultaneously records.

Camera(s)

- The system camera(s) must be color and have the capability to support low light recording and viewing.

- The camera must provide video coverage of persons entering the door, the driver, front row passengers and the rear seating area.

Viewing Software

- The viewing software must display Bus ID, time, date, and event triggers. It is preferable but not required that the software display location data and speed.

- The viewing software must allow the slow motion, fast forward, rewind, pause and play of all video files.

- The viewing software must allow the capture of a still image at any point in a video. The viewing software must allow a still image to a saved as a JPEG file.

- The viewing software must allow the search for video by a specific date and time. The viewing software must allow the selection of a single day of video and the playback of all videos consecutively from that selected day.

- The viewing software must operate on at least a Microsoft Windows 7 platform.

- The viewing software must be based on an embedded operating system with the ability to upgrade software in the field without return to the manufacturer.

Ground Transport Incorporated
P.O. Box 29540 • Honolulu, HI 96820 • Phone (808) 833-4222 • Fax (808) 839-4600

MINUTES OF A SPECIAL MEETING

OF THE BOARD OF DIRECTORS OF

GROUND TRANSPORT, INC

These are the minutes of a special meeting of the Board of Directors of the above-mentioned Corporation. No formal notice was given of this meeting, but the sole Director has signed below an approval of these minutes and those present are indicated below.

After full discussion, the Director unanimously adopted the following resolution:

> RESOLVED: that the President of this corporation, Louis Gomes, is hereby authorized to enter into any contract (s), sale, purchase, bid and perform all acts pursuant thereof, and to sign all documents necessary on behalf of this Corporation.

There being no further business at this meeting, the meeting is adjourned.

Secretary

Place of Meeting: 91-303 Kaiholo Street – Kapolei, Hawaii

Date: January 12, 2017

Those Present: Louis Gomes, Cheryl Gomes & Barbara Gomes

Board of Directors' Approval of Minutes and Waiver of Notice

Louis Gomes

Contract No.: COF1006 / Cluster 3 – Lahaina / Student Bus Transportation / Maui

DEPARTMENT OF EDUCATION

AUXILIARY SERVICES BRANCH

Contract No. COF1007

AWARDED PURSUANT TO

REQUEST FOR PROPOSALS RFP D17-001

WITH

GROUND TRANSPORT, INC.

TO

PROVIDE STUDENT BUS TRANSPORTATION SERVICES

FOR

CLUSTER 4 – MAUI

ON THE ISLAND OF MAUI

FOR THE PERIOD

JULY 1, 2017 TO JUNE 30, 2024

STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of

July 1, 2017, between STATE OF HAWAII, DEPARTMENT OF EDUCATION
(Insert name of state department, agency, board or commission)
State of Hawaii ("STATE"), by its SUPERINTENDENT
(Insert title of person signing for State)
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")), whose address is 1390 Miller Street, Honolulu, Hawaii 96813
and GROUND TRANSPORT, INC.
("CONTRACTOR"), a CORPORATION
(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)
under the laws of the State of HAWAII, whose business address and federal and state taxpayer identification numbers are as follows: P.O. Box 29540, Honolulu, Hawaii 96820
Federal ID No. 99-0284114; Hawaii GET License I.D. No. W20434892-01

RECITALS

A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.

B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.

C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").

D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.

E. Pursuant to HRS §103D-303 and HAR § 3-122-112, the STATE is
(Legal authority to enter into this Contract)
authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:
(1) PROGRAM ID 19097
(Identify state sources)
or (2) _____
(Identify federal sources)
or both, in the following amounts: State $: 2,362,320.00
Federal $: _____

NOW THEREFORE in consideration of the promise contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number RFP D17-001 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), and Attachment-S1, Scope of Services, all of which, even if not physically attached to this Contract, are made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed SIXTEEN MILLION FIVE HUNDRED THIRTY-SIX THOUSAND TWO HUNDRED FORTY AND NO/100 DOLLARS ($ 16,536,240.00), including approved costs

incurred and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal and the Compensation and Payment Schedule set forth in Attachment-S2, which is made a part of this Contract.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S-3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☒ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of _____ DOLLARS ($ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments, and Exhibits, and amendments; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of N/A _____ DOLLARS ($ N/A) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any changes of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

(Signature)

Kathryn Matayoshi

(Print Name)

Superintendent

(Print Title)

1/27/17

(Date)

CONTRACTOR

Ground Transport, Inc.

(Name of Contractor)

(Signature)

Louis Gomes

(Print Name)

President

(Print Title)

1/13/2017

(Date)

CORPORATE SEAL
(If available)

APPROVED AS TO FORM:

Deputy Attorney General 1-12-17

*Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.

STATE OF HAWAII
CONTRACTOR'S ACKNOWLEDGEMENT

STATE OF Hawaii)
) SS.
City COUNTY OF Honolulu)

On this 13th day of January, 2017, before me appeared

Louis Gomes and —, to me known, to be the person(s) described in and, who, being by me duly sworn, did say that he/~~she~~/~~they~~ is/~~are~~ President and — of Ground Transport, Inc, the CONTRACTOR named in the foregoing instrument, and that he/~~she~~/~~they~~ is/~~are~~ authorized to sign said instrument on behalf of the CONTRACTOR, and acknowledges that he/~~she~~/~~they~~ executed said instrument as the free act and deed of the CONTRACTOR.

(Notary Stamp or Seal)

Sheila G Chan
(Signature)
Sheila G. Chan
(Print Name)
Notary Public, State of HAWAII

My commission expires: 03/09/2018

Doc. Date: 01/13/17 # Pages: 54
Notary Name: Sheila G. Chan FIRST Circuit
Doc. Description: DOE CONTRACT NO CDF1007

(Notary Stamp or Seal)

Sheila G Chan 01/13/17
Notary Signature Date

NOTARY CERTIFICATION

STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of Ground Transport, Inc., CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is* ☒ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84- 15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of $10.000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive seated proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By _____
(Signature)

Print Name Louis Gomes

Print Title President

Name of Contractor Ground Transport, Inc.

Date January 13, 2017

STATE OF HAWAII

SCOPE OF SERVICES

1) Student Transportation Service Requirements

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Exhibit C. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

(1) Coordination of student behavior management on school buses with school officials

(2) State and Department mandated data collection and reporting

(3) Accident investigation

(4) Customer service activities to the Department, school officials, parents and guardians

h) Cooperation with Department

i) The Contractor will work cooperatively with the Department to ensure safe, effective, and efficient Transportation Services throughout the term of this Agreement. The Contractor will be responsive to the Department's requirements for unscheduled bus or rider-related events and special requests. No additional compensation shall be provided for complying with these requests. These requests may include, but shall not be limited to:

(1) emergency preparedness activities

(2) student or community safety matters

(3) student or community health matters

ii) If other services or issues arise that are previously unaddressed by the Department, the Contractor will make a good faith effort to address or resolve such until the matter can be referred to the Department.

i) Insurance requirements

i) Insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate. To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions and coverage of Insurance Service Office (ISO) policies, forms and endorsements.

(1) Commercial General Liability: The Contractor shall maintain commercial general liability insurance covering all operations by or on behalf of the Contractor on an occurrence basis against claims for personal injury (including bodily injury and death) and property damage (including loss of use). Such insurance shall have these minimum limits and coverage:

- $2,000,000 each occurrence;

- $2,000,000 general aggregate on a "per project" basis;

- $2,000,000 products and completed operations aggregate.

(2) Automobile Liability: The Contractor shall maintain business auto liability covering liability arising out of any auto (including owned, hired and non-owned autos). Such insurance shall have these minimum limits and coverage:

- $2,000,000 combined single limit.

(3) Workers' Compensation: The Contractor shall maintain workers' compensation and employer's liability insurance that comply with statutory limits

3) Contractor Performance

a) Contract Performance Management Program

i) **Exhibit B** provides a description of the Department's Contract Performance Management Program. The Contractor will be an active participant in, and will be responsive to the requirements of this program.

ii) The Contract Performance Management Program is a non-punitive, joint, supportive program of contract compliance monitoring and performance measurement designed to enhance and improve Transportation service delivery in a continuous improvement cycle.

b) Minimum Service Levels and Standards of Performance

i) In addition, and as a supplement to the Contract Performance Management Program, the Contractor will be responsible for meeting or exceeding certain minimally acceptable service levels and standards of performance. The Contractor will monitor, track, account for, and report to the Department the data and information required to determine the Contractor's success in meeting or exceeding the established standards.

ii) The Contractor will comply with three minimally acceptable standards of performance. For the purpose of this section, a bus route is defined as either the morning or afternoon component of a regularly planned and assigned daily bus route as provided to the Contractor by the Department.

(1) No more than two (2) percent of all bus routes operated by the Contractor in each week of the service month shall be delayed or missed as a result of the Contractor's inability to provide an adequate number of qualified bus drivers or monitors as defined within this Agreement. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner.

(2) No more than two (2) percent of all bus routes operated by the Contractor in each service week shall be delayed or missed as a result of mechanical problems with the Contractor's assigned vehicle. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that is delayed over the course of its scheduled route as a result of a mechanical problem with the assigned vehicle.

(3) The Contractor shall report every incidence of delay as defined in subparagraph (1) and (2) of this section to the Department within fifteen (15) minutes of occurrence in a manner and format acceptable to the Department. This is a zero tolerance standard of performance.

iii) The Contractor is responsible for recording and tracking all data and information required to calculate Contractor performance relative to the minimum service levels and standards of performance. These data will be provided to the Department not later than the 15th of each month for service completed in the prior service month. The data and information will be submitted in a verifiable manner and format acceptable to the Department.

iv) If a non-compliance situation occurs, the Contractor is considered to be automatically on notice whether or not the Department sends a formal written notice.

v) The Contractor will comply with Department directives to improve operations and outcomes that fall below the established standards.

c) Performance Withholding

i) The Department may impose a **Minimum Service Level Performance Withholding** factor for non-compliance with the Minimum Service Levels and Standards of Performance.

(1) The Department may defer payment of up to one (1) percent of the Contractor's next regular monthly Transportation Services invoice for any single weekly instance of non-compliance.

(2) The Department may defer payment of up to three (3) percent of the Contractor's next regular monthly Transportation Services invoice should non-compliance continue for two consecutive service weeks.

(3) The Department may defer payment of up to seven (7) percent of the Contractor's next regular monthly invoice should non-compliance continue for three consecutive service weeks.

(4) The Department may defer payment of up to ten (10) percent of the Contractor's next regular monthly invoice should non-compliance continue for four (4) consecutive weeks.

ii) The number of withholding instances is unlimited, and may be repeated for each instance of non-compliance with the Minimum Service Levels and Standards of Performance requirements.

iii) The withheld amount may be paid in full to the Contractor if the non-compliance factor resulting in the Performance Withholding instance is cured to the satisfaction of the Department following the deferral decision.

iv) If the non-compliance factor is not cured to the satisfaction of the Department following the deferral decision, the Department may retain the withholding without obligation to pay the Contractor the withheld amounts.

v) The Department will notify the Contractor in formal letter delivered via a traceable method to the address of record for the Contractor contained in this Agreement if a decision to retain a Performance Withholding is reached.

d) Contractor Fiscal Efficiency

i) The Contractor will make an ongoing good-faith effort to identify opportunities to improve the efficiency and effectiveness of the bus routes and route packages assigned to the Contractor by this Agreement. Where feasible, the Contractor will identify opportunities to modify, pair, combine, or repackage bus routes with the objective to perform Transportation services in the most efficient and effective manner possible. If identified, such opportunities will be communicated to the Department not later than one (1) week following the identification. At a minimum, the Contractor will submit a written report to the Department, to accompany each regular invoice submission, summarizing the opportunities identified in the period covered by the invoice or, if no opportunities were identified, making an affirmative statement attesting to this fact.

ii) The Contractor will immediately notify the Department, in a manner deemed acceptable by the Department, of any new programs or services that are requested of the Contractor by school officials or representatives, including any school building or program bell time changes. The Contractor shall not fulfill such requests until and if authorized by the Department.

4) <u>Basis for Contractor Compensation</u>

a) Daily Bus Service Time

i) The Contractor's pricing for Transportation will primarily be structured upon the length of time required for a vehicle to complete its regularly assigned daily route package. The Department will assemble individual Transportation routes in time tiers, potentially serving multiple schools in succession. The route package time of service will start when the first scheduled student rider boarding occurs for either the morning home-to-school, or afternoon school-to-home component and ends when the last scheduled student debarkation occurs at the final school destination in the morning or the final scheduled stop in the afternoon. The combination of the morning and the afternoon route package time of service constitutes the **Daily Bus Service Time**. The Daily Bus Service Time of any individual route may also include all or a portion of mid-day and/or post-day bus route at the discretion of the Department. If mid-day or post-day segments are included, then the morning or afternoon route package time of service will continue from the last scheduled student debarkation at the final morning home-to-school destination (or from the final scheduled home-to-school stop in the afternoon) to the final scheduled stop of the mid-day or post-day routing component to be included in the Daily Bus Service Time.

(1) Vehicle operating time expended transiting from the Contractor's assigned vehicle parking location to the first scheduled student boarding in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(2) Vehicle operating time expended transiting from the final scheduled student debarkation to the Contractor's assigned vehicle parking location in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(3) Vehicle operating time expended transiting empty of student riders at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(4) Vehicle time expended empty of student riders and waiting for a subsequent component of the route package to start at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(5) Daily Bus Service Time is calculated in accordance with scheduled route data as determined by the Department and operated by the Contractor following all of the requirements of this Agreement.

(6) Daily Bus Service Time will be rounded to the nearest fifteen (15) minute increment.

(7) Occasional variances in planned versus actual Daily Bus Service Time of fifteen (15) minutes or less will receive no adjustment to compensation.

(8) Recurring variances in planned versus actual Daily Bus Service Time of any length may result in a compensation change following verification by the Department and adjustment to the scheduled route data. The Contractor must report recurring variances to the Department immediately on their identification notwithstanding any other reporting requirements of this Agreement.

b) Route Packages

i) The Daily Bus Service Time will be comprised of a package of routing components as determined by the Department. Route components may include any combination of regular or special needs students of any grade level, one or multiple schools or program types, any number of bus stops, and service to any location within the geographic area defined by this Agreement.

ii) Route packages will be assembled such that individual assigned vehicles are performing logical and efficient combinations of routing components in the morning and again in the afternoon, to the extent feasible.

iii) Route packages will be assembled such that the assigned vehicle type, size and equipment requirements are common to all routing components in the package, to the extent feasible.

iv) Route packages will be assembled such that the composition of the Contractor fleet is considered in matching requirements to available bus types, to the extent feasible.

v) The Department will schedule some routing components on a recurring, but not on a daily basis. The Department will treat any such component occurring on three (3) or more service days during a regular five (5) day service week as a regular recurring service for compensation purposes.

vi) Any regular routing component that occurs on a recurring basis but less than three (3) service days in any regular five (5) day service week will be treated as an additional supplemental service for compensation purposes.

vii) Morning and afternoon route packages will be paired as efficiently as possible by the Department, with the morning and afternoon schools and programs served being the same, to the extent feasible.

viii) The Contractor will assign the same driver to both the morning and afternoon package of runs, to the extent feasible.

c) Time Gaps in Service Requirements

i) When any individual morning, mid-day, afternoon or post-day routing component cannot be assigned to a route package such that the wait time before or after another contiguous component would exceed thirty (30) minutes, the Department will have the option of either treating the component as part of the Daily Bus Service Time or an additional supplemental service for the purpose of compensation. If the Department opts to include the routing component in the Daily Bus Service Time, the time gap will be included in the daily service

time and the mileage between the components will be included in eligible service miles for fuel cost adjustment purposes.

ii) The Contractor shall not invoice the Department for any service time more than once.

d) Pricing Elements

i) The Compensation and Payment Schedule provides a matrix describing each element for which the Contractor will be provided compensation and the rate of compensation associated with each element.

ii) The Contractor is guaranteed compensation for a minimum Daily Bus Service Time of three and one-half (3.5) hours for each vehicle assigned to a regular routing package under this Agreement. Any Daily Bus Service Time of three and one-half (3.5) hours or less will receive this rate of compensation.

iii) Additional compensation for Daily Bus Service Time in excess of three and one-half (3.5) hours will be provided based on the regular service incremental hourly rate, calculated in fifteen (15) minute increments.

iv) Compensation for additional supplemental services will be provided for each instance of service, at the rates specified in the Agreement's Compensation and Payment Schedule.

v) The Department reserves the right to alter, add, or delete route components or route packages at any time within the requirements specified by this Agreement.

vi) The Department will compensate the Contractor for each regular education and special education route package for the actual number of days transported.

vii) The Contractor and the Department shall keep accurate records of all services provided. , and shall be detailed on each Contractor invoice submitted.

5) <u>Invoicing and Compensation Adjustments</u>

a) Invoicing

i) The Contractor will receive an invoice from the Department at least once, and not more than twice per month. The invoice shall be received not later than five business days following the last service day of the month.

ii) The invoice will include sufficient information and detail to support the amounts billed, and will reconcile to this Agreement.

iii) The invoice will be received, reviewed, and approved by the Contractor within three business days of receipt. If the Department does not receive any notice from the Contractor after three business days, the Department will assume that the Contractor approves the amount due.

iv) If the Contractor notifies the Department of an error on the invoice, the error will be reconciled and the invoice revised within two days of receiving notice. A revised invoice will be submitted to the Contractor for review and approval. The Contractor will have one (1) business day to review the revised invoice. If the Department does not receive any notice

from the Contractor after one business day, the Department will assume that the Contractor approves the revised amount due.

b) Annual Price Escalators

i) All prices shall be adjusted upward or downward annually based upon the United States Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year covered by the term of this Agreement for the following service year.

ii) Any upward adjustment:

(1) Shall not exceed three (3) percent if the previous year increase was one (1) percent or more.

(2) Shall not exceed four (4) percent if the previous year increase was less than one (1) percent.

iii) Any downward adjustment shall not exceed negative two (-2) percent.

c) Fuel Cost Adjustment

i) The Contractor will purchase and provide fuel for all Transportation services provided.

ii) The Contractor's fuel costs will be limited to a targeted maximum threshold of $4.25 per gallon. The actual fuel cost overage (if any) will be calculated by the Department as follows and added to the Contractor payment:

(1) The Monthly System-Wide Cost per Gallon will be determined by referencing the AAA Daily Fuel Gauge Report, Hawaii Average, Wailuku website at:

http://fuelgaugereport.aaa.com/states/hawaii/hawaii-metro/

(a) Determine the average price for the four (or five) weeks reported for the calendar month to be invoiced.

(b) Subtract $4.25 from the Monthly System-Wide Cost per Gallon

(c) Subtract the federal fuel excise tax from the difference of the average price and the Monthly System-Wide Cost per Gallon

(d) This provides the cost in excess of the targeted cost per gallon, or the Cost per Gallon Recovery Amount

(2) Determine the number of Contractor gallons eligible for cost recovery

(a) Determine the number of miles operated for Department services for the calendar month to be invoiced.

(i) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(ii) For Type II buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(b) Divide those miles by these fuel consumption rates

(i) For buses with a seating capacity greater than 24, 7

(ii) For I buses with a seating capacity less than or equal to 24, 10

(c) This provides the total Number of Gallons Eligible for Cost Recovery

(3) Multiply the Cost per Gallon Recovery Amount times the Number of Gallons Eligible for Cost Recovery

(4) Add that amount to the monthly payment to the Contractor

d) Ancillary Services and Costs

i) The Contractor will bear all costs associated with performing services not identified in this Agreement or in the Exhibits.

ii) The Contractor will bear all penalties, fines, damages, levies, taxes, etc. that may arise from performing Transportation services.

6) <u>Vehicle Disposition Option at Contract Termination</u>

a) Upon expiration of the contract and if the incumbent Contractor has not been renewed then the Contractor has the option of leasing those displaced daily use route and spare vehicles to the Department.

i) The Contractor will notify the Department of this election no later than 120 days from contract expiration.

ii) The Department must agree to lease those daily use route vehicles and a number of spares not to exceed 10% of the daily use route vehicles for a period of 12 months.

(1) The lease amount will be:

(a) A rate of 8% of the average daily rate of the vehicles leased

(b) Multiplied by an assumed 18 compensation days per month (180 school days over 10 months)

iii) During that 12 month period, any entity can purchase vehicles from the Contractor at a procurement price determined as follows:

(1) Reference the most recently issued Yellow Bus School Book, a source of used school bus market values. (www.yellowschoolbusbook.com) as the primary source or a mutually agreed upon valuation if the primary source is not available.

(2) Locate the bus type and model year to determine.

(3) Apply an odometer mileage deduction per the table as necessary

(4) Apply no markup or markdown for time elapsed since book issuance

iv) In the 13th month the Department is obligated to purchase the vehicle according to the preceding valuation, discounted by the total value of all previous lease payments made from under the guidelines established in ii above. If the value of the lease payments exceeded the valuation, no additional payments would be made but the Department would take ownership of the vehicle.

b) The same option is available to the contractor if less than 75% of its current daily route vehicle count has been renewed.

7) Contract Administration

a) Contract Administrator

i) For purposes of this contract, the person named below or his/her duly authorized representative or successor in office is designated Contract Administrator (CA). The CA may be contacted as follows:

Contract Administrator:	James Kauhi
Telephone Number:	(808) 586-0170
E-mail Address:	james_kauhi@notes.k12.hi.us

ii) The CA is responsible for:

(1) The terms, conditions, quantities, specifications, scope of services, other contract terms, and all decisions relating to the contract;

(2) Monitoring the contractor's work, documenting the contractor maintains the required insurance coverage (if applicable), resolving disputes and discrepancies, evaluating the work of the contractor, assuring the services or goods are delivered as required in the contract, and processing payment for services rendered;

(3) Executing the Contract Performance Management Program (Exhibit B)

iii) Notwithstanding the responsibilities set forth hereinabove, any coordination of services falling outside those articulated above shall remain with the head of the purchasing agency, as set forth in the attached General Conditions (see General Conditions, paragraph 1, entitled "Coordination of Services by the STATE.")

b) Contractor administrative requirements

i) Contractor's primary point of contact is as follows:

Name:	Louis Gomes
Telephone Number:	833-4222 x341
E-mail Address:	lgomes@groundtransportinc.com

ii) Contractor shall notify the STATE, verbally within twenty-four (24) hours, upon the occurrence of any of the events indicated below:

(1) Change in Contractor's business address or phone number;

(2) Change in Contractor's tax identification number; or

(3) Any other situation that could reasonably be expected to affect Contractor's ability to carry out its obligation under this contract.

8) Exhibits

a) Exhibit A: Transportation Contract Service Pricing Form
b) Exhibit B: Contract Performance Management Program
c) Exhibit C: School Bus Camera Equipment Specifications

- end of Attachment-S1 --

STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

1. TOTAL COMPENSATION

In full consideration of the goods delivered and/or the services performed by the CONTRACTOR under the terms and conditions of this contract, the STATE agrees to pay the CONTRACTOR the total sum not to exceed:
SIXTEEN MILLION FIVE HUNDRED THIRTY-SIX THOUSAND TWO HUNDRED FORTY AND NO/100 DOLLARS ($ 16,536,240.00).

2. PAYMENT SCHEDULE

Payment shall be made according to the provisions set forth in Attachment-S1, sections 4 and 5, and in Exhibit A.

3. AVAILABILITY OF FUNDS

This contract is subject to the availability of funds. Pursuant to Section 103D-309, HRS, except in certain instances, no contract entered into between the STATE and the CONTRACTOR shall be binding or of any force unless the Chief Financial Officer (CFO) certifies that there is an available unexpended appropriation or balance of an appropriation over and above all outstanding contracts sufficient to cover the amount required by the contract.

4. FINAL PAYMENT

The final payment on the contract shall be for services rendered during the billing period just prior to the contract expiration date. In addition to the requirements in the General Conditions, the following shall accompany the final payment invoice:

a) A tax clearance certificate, not over two months old and with an original green "certified copy" stamp, must accompany the invoice for final payment. In addition to the tax clearance certificate, the "Certification of Compliance for Final Payment" (DOE Form-22) with an original signature will be required for final payment.

b) In lieu of the above, CONTRACTOR may also submit an original CERTIFICATE OF VENDOR COMPLIANCE as issued by the State Procurement Office via an online system, also referred to as "Hawaii Compliance Express". Details regarding this online application process can be viewed at: http://vendors.ehawaii.gov/hce/.

- end of Attachment-S2 -

STATE OF HAWAII

TIME OF PERFORMANCE

1. CONTRACT TERM

The term of the contract shall be from the effective date of July 1, 2017 through June 30, 2024.

2. CONTRACT RENEWAL

This contract may be extended for not more than three (3) additional twelve-month periods i) upon mutual written agreement of the parties, and ii) prior to expiration of the term of the contract.

- end of Attachment-S3 -

Attachment-S5

STATE OF HAWAII

SPECIAL CONDITIONS

1. VERIFICATION OF EMPLOYEES

In accordance with State rules and regulations, CONTRACTOR shall conduct mandatory criminal background checks at no cost to the STATE, on any employee, agent, volunteer, or prospective employee working directly with students.

The CONTRACTOR shall maintain the background check records, and shall make the records available for review upon request. Upon review of these records, the STATE reserves the right to request additional background information.

2. CONFIDENTIALITY OBLIGATIONS

The following serves to supplement provision 24 of the General Conditions, entitled "Confidentiality of Material" and provision 42, entitled "Confidentiality of Personal Information":

While performing under this Agreement, the Contractor may receive, be exposed to or acquire confidential information. Such information may include names, addresses, telephone numbers, birthdates, social security numbers, medical information, and other educational, student, or personal employment information. The information maybe in written or oral form, fixed in hard copy or contained in a computer data base or computer readable form. Hereinafter, such language shall be collectively referred to as "Confidential Information."

The Contractor, including its employees, agents, representatives, and assigns shall abide by the following with regards to Confidential information: (i) They shall not disclose to any unauthorized party any Confidential Information, except as specifically permitted by the DOE and subject to the STATE's limitations on confidentiality of information and relevant legal requirements of the State to include, but not limited to the Family Educational Rights and Privacy Act ("FERPA"). Permission will be granted through a formal written agreement concerning the disclosure of personally identifiable information (PII) from student education records, signed by HIDOE and the Contractor, and must be provided as an attachment to this contract; (ii) They shall only permit access to Confidential Information to employees, agents, representatives, and assigns having a specific need to know in connection with performance under this Agreement; and (iii) They shall advise each of their employees, agents, representatives, and assigns of their obligations to keep such Confidential Information confidential.

CONTRACTOR, its employees, agents, representatives, or assigns shall ensure the security of the Confidential Information. The CONTRACTOR shall provide the DOE with a list of individuals (by name and position) who are authorized to handle the Confidential Information (hereinafter referred to as "Authorized Handlers"). Authorized Handlers shall ensure the security of the Confidential Information. Only Authorized Handlers shall have access to the Confidential Information, which will be kept on password protected computers with the hard copy documents kept in a locked file cabinet. CONTRACTOR shall ensure that procedures exist to prohibit access to the Confidential Information by anyone other than an Authorized Handler.

CONTRACTOR will be responsible for safeguarding the confidentiality of all Confidential Information it receives from the DOE and shall safeguard and protect such documents from unauthorized use, handling, or viewing. CONTRACTOR shall be liable to the DOE and to any person whose records the CONTRACTOR receives custody of under this Contract for records protection for any unpermitted release, viewing, or loss of such records. Contractor shall assume liability responsibility for records protection and for the inappropriate or unlawful release of Confidential Information. CONTRACTOR shall return all documents containing Confidential Information upon completion of the services CONTRACTOR is contracted to provide under this Agreement.

a) Prior written Approval: CONTRACTOR may not i) share Confidential Information or any other data received under this contract, ii) publish, or iii) distribute such information without the prior written approval of the STATE.
b) In the event of termination of this contract, CONTRACTOR shall return to the STATE all student information received under this contract and further agrees to destroy any and all copies of, or references to, any student information shared by the STATE as a result of this contract.

3. RELIEF AVAILABLE TO THE STATE

In addition to all rights and remedies available to the STATE provided in this Contract or otherwise provided under the law, if the CONTRACTOR is in non-compliance with the contract requirements, the STATE may:

a) Suspend Payments – Temporarily withhold or disallow all or part of the billing cost/payments pending correction of a deficiency or a non-submission of a required deliverable by the CONTRACTOR; and
b) Suspend Referrals – Suspend referrals to the CONTRACTOR should the CONTRACTOR fail to comply with any of the requirements or other term(s) or condition(s) of this Contract and, further, the STATE may maintain the suspension of referrals until such time as the deficiency or non-compliance is corrected and the CONTRACTOR's corrective actions are determined to be acceptable by the STATE; and
c) Seek Reimbursement – Seek reimbursement from the CONTRACTOR or withhold future payments for any funds paid to the CONTRACTOR subsequent to a determination that such was unauthorized, fraudulently obtained, or inappropriately billed.
d) Seek Market Value – In the event the CONTRACTOR fails, refuses or neglects to perform the services in accordance with the requirements of these Special Conditions, the Scope of Services, or the General Conditions, the STATE reserves the right to purchase, in the open market, a corresponding quantity of the services specified herein and to deduct form any monies due or that may thereafter become due to the CONTRACTOR, the difference between the price named in the Contract and the actual cost to the STATE. In case any money due the CONTRACTOR is insufficient for said purpose, the CONTRACTOR shall pay the difference upon demand from the STATE. The STATE may also utilize all other remedies provided by law.

4. EXCLUSION OF SPECIFIC WORKERS

The STATE reserves the right to require the CONTRACTOR to remove an employee, agent, subcontractor or volunteer (Worker) from performing work under this contract. The Contract Administrator shall notify the CONTRACTOR in writing and this exclusion of a specific Worker(s) shall take effect as indicated on the notice. The CONTRACTOR may appeal this decision to the Contract Administrator, in writing and within ten (10) working days of receipt of the notice. Removal of the employee, agent subcontractor or volunteer shall remain in effect pending the outcome of the appeal. This provision shall not infringe upon the right of the CONTRACTOR to employ the removed individual, but shall apply to any work requiring interaction with the STATE, its employees or students.

5. STATE'S GENERAL CONDITIONS

The Special Conditions shall serve to supplement the General Conditions; both documents remain part of this Contract with full force and effect. In the case of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control to the extent necessary to resolve the conflict.

- end of Special Conditions -

GENERAL CONDITIONS

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1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.

2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.

   a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.

   b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.

   c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.

   d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

   e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.

   f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.

b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

(1) The Assignee assumes all of the CONTRACTOR'S obligations;

(2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and

(3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.

d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.

7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.

8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.

9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.

10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.

11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.

12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.

a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

(1) Cancel the stop performance order; or

(2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

(1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and

(2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.

d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.

e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.

f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.

b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

(1) Any completed goods or work product; and

(2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

d. Compensation.

(1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.

(2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.

(3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:

(A) Contract prices for goods or services accepted under the Contract;

(B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);

(D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

(4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

(1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

(A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

(B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

(C) Within such further time as may be allowed by the Agency procurement officer in writing.

(2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

(3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

(4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.

b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.

c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.

b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.

c. Prompt payment.

(1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and

(2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.

d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.

b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:

(A) Changes in the work within the scope of the Contract; and

(B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.

d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.

e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.

f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.

g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least $25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.

h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.

i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.

20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:

(1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;

(2) Method of delivery; or

(3) Place of delivery.

a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.

c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.

d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:

(1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(2) By unit prices specified in the Contract or subsequently agreed upon;

(3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;

(4) In such other manner as the parties may mutually agree; or

(5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.

b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:

(1) Description of performance (Attachment 1);

(2) Time of performance (i.e., hours of the day, days of the week, etc.);

(3) Place of performance of services;

(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;

(5) Method of shipment or packing of supplies; or

(6) Place of delivery.

b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.

c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.

d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.

e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.

24. Confidentiality of Material.

a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.

25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.

26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.

27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:

a. The cost or pricing data, and

b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over $100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.

35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.

36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.

38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.

39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.

40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.

41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.

42. Confidentiality of Personal Information.

a. Definitions.

"Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:

(1) Social security number;

(2) Driver's license number or Hawaii identification card number; or

(3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

(1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.

(2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.

(3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.

(4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.

(5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.

(6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

(1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.

(2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:

(A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;

(B) Access to the personal information will be allowed only as necessary to perform the Contract; and

(C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

(1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or

(2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

Cluster 4 – Maui

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	18	$412.00	180	$1,334,880.00	$20.00	$70.00	$30.00
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2	$412.00	180	$148,320.00	$20.00	$70.00	$30.00
Count of Special Needs Buses (Type II) with no special equipment	7	$406.00	180	$511,560.00	$18.00	$60.00	$25.00
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3	$406.00	180	$219,240.00	$18.00	$60.00	$25.00
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1	$412.00	180	$74,160.00	$18.00	$60.00	$25.00
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1	$412.00	180	$74,160.00	$18.00	$60.00	$25.00
			Cluster Total Cost	$2,362,320.00			

EXHIBIT A: PRICING FORM

Hourly Rate for Bus Aide: $ 22.75

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

$510.00	9
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Exhibit B - Contract Performance Management Program

Program Assignments & Responsibilities

Responsibility for determining the approach, assigning staff resources, providing oversight, and managing overall contractor relations within this program resides with the Assistant Superintendent, School Facilities and Support Services, Hawaii Department of Education. Specific responsibilities for program implementation include the following:

- *Program Administrator responsibilities* – The Program Administrator is the Director, Student Transportation Services Branch (STSB), Hawaii Department of Education. The Program Administrator maintains overall accountability for the program. The responsibilities of the administrator include the annual determination of the specific contract elements that will be subject to compliance monitoring and performance measurement, management of the annual program calendar, and management of the contractor annual performance assessment process.

- *Contract Manager responsibilities* – Each contract will have a named contract manager. The contract manager is responsible for executing all aspects of the program as it relates to the assigned contract. This is the primary point of contact for the contractor's management team as it relates to all contractual responsibilities.

- *STSB staff responsibilities* – Specific program tasks and requirements will be distributed throughout the STSB organization at the sole discretion of the Program Administrator and the Contract Manager.

- *Contractor responsibilities* – A successful program will be one in which the contractor is an active and engaged participant. The contractor is responsible for designating a management level staff member to serve as the contractor's counterpart to the Contract Manager. The contractor is furthermore responsible for ensuring their full understanding of the program's purpose and intent, and their specific contractual and program obligations.

- *Communications Protocol* – Regular communications, both structured and unstructured, will be a critical success factor. The most important element will be the regular formal and informal communications that occur between the contractor designee and the Contract Manager. It is an absolute requirement and responsibility of these two key individuals to establish open, ongoing, and consistent communications between them. **This program establishes a formal relationship between these individuals. All matters pertaining to the contractor's performance obligations must be passed via this channel of communications.**

- *Annual and ongoing data submission requirements* – The contract requires that various pieces of information be passed between the parties at the outset of the contractual relationship and periodically throughout the contract term. These requirements are summarized in the Contract itself, and will be detailed annually in the Contract Management Calendar, and the Contract Compliance Monitoring Plan.

Program Components

Contract Management Calendar

Embedded within the overall life cycle of the contract is an annual service delivery cycle that corresponds with the Hawaii Department of Education school calendar. The specific elements of the contract performance management program work within this annual cycle. The timing for the various elements of the program are summarized in the following contract management calendar.

Contract Month	Annual Service Cycle Requirement
July	Complete contract initiation tasks (new contracts) Establish contract management program (new contracts) Staff review of STSB contractual obligations (all contracts) Development and submission to the contractors of the annual compliance monitoring and performance measurement plan specifics for the year ahead. Contractor annual data and information submission requirements completed.
August	Begin service (all contracts)
September	Monthly performance data collection
October	Monthly performance data collection
November	Monthly performance data collection Route audits
December	Monthly performance data collection Route audits
January	Monthly performance data collection Route audits
February	Monthly performance data collection Route audits Customer satisfaction survey
March	Monthly performance data collection Route audits

Contract Month	Annual Service Cycle Requirement
April	Monthly performance data collection Route efficiency analysis and begin route planning Compliance audits
May	Compliance audit reports Performance assessment reports Performance assessment meetings

Contract Compliance Monitoring Plan

Annual Contract Compliance Audit – The primary mechanism supporting this portion of the Contract Performance Management program is the annual contract compliance audit. The purpose for this audit is to ensure that the contractor meets the minimum requirements established by the contract. The result of the audit will also provide input to the Contract Performance Measurement Plan and will be an integral part of the Annual Contract Performance Assessment.

Each compliance element in the annual contract compliance audit will be separately determined on a pass-fail basis as either "in compliance" or "not in compliance". There is an extensive list of compliance items to be verified, and a satisfactory level of compliance may not require a 100 percent rating. Rather, the Program Administrator will develop an annual standard against which all contractors providing service to the STSB are objectively and equally rated. Many contractual requirements may be excluded from this rating in any given contract year, but **under no circumstance is the contractor relieved of any contractual requirement that is excluded from the rating in any given year**. The contractor will not be rated for compliance on any element outside of its contractual responsibilities. The overall results of the compliance audit will support the Program Administrator's assessment of the contractor's performance. The assessment of the contractor's performance will form the basis of any performance improvement objectives or plans created and agreed to by the STSB and the contractor.

There are three primary elements to the annual contract compliance audit.

- *Compliance Audit Checklist* – A compliance audit checklist is the mechanism that will be utilized in gathering the data required to determine compliance with contractual obligations. The number of, and specific compliance items to be tracked and verified annually will be determined by, and at the sole discretion of the Program Administrator. The checklist to be used will be developed by the Program Manager and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Procedures & Standards* – The checklist for each year will be accompanied by a set of procedures that describes how it is to be applied and the

standards against which compliance is measured. For example, the procedures will define when and how the audit will be conducted, whether compliance is to be measured only at the time of the audit or whether the contractor will be provided with an opportunity to correct any discrepancies, and the consequences for non-compliance. The procedures to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Report* – The results of the audit will be submitted to, and discussed with the contractor in a compliance audit report that summarizes and describes the results of the audit, the implications for the contractor, and any requirements for improvement. This report will become an integral component of the contractor's annual performance assessment, and part of the contractor's permanent performance record with the Hawaii Department of Education.

Periodic Bus Route Audits – A second critical mechanism within the Contract Compliance Monitoring Plan is the completion of periodic bus route audits. These audits serve a dual purpose. First, they provide for compliance monitoring of contractual requirements that cannot be satisfied through the annual compliance audit. Second, the route audits provide a means to collect data that also supports the Contract Performance Measurement Plan.

A route audit checklist is the mechanism that will be utilized in gathering the performance measurement data and other information required to determine contract compliance. Methods for conducting route audits will vary with the technology and staffing resources available over the contract term, and the operational proximity of STSB staff and the contractor. The approach to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

Contract Performance Measurement Plan

The primary tool supporting this portion of the program is a package of interrelated performance measures. This provides for an integrated performance measurement and reporting program that facilitates a comprehensive understanding of contractor performance, and that provides for feedback to contractors. **This is not designed to be evaluative in the sense that contractors will be judged one against the other. Rather, it is designed to provide STSB managers with a structured and consistent tool to first understand, and then take action to improve contractor *and* STSB performance.** The compliance monitoring plan ensures that contractors meet their contractual obligations. The performance measurement plan provides an opportunity for the contractors to demonstrate their commitment and wherewithal to provide service above and beyond the minimum requirements established by the contract.

The structure for the package of performance indicators is based on four major categories of outcome-driven measures:

- *Safety* – Measures that assist the STSB in determining and improving the overall safety of transportation operations
- *Cost* - Measures that assist the STSB to improve the overall efficiency of its operations.
- *Reliability* – Measures that assist the STSB in determining and improving the reliability of the bus contractors' operations and fleet
- *Responsiveness* – Measures that assist the STSB in determining and improving the responsiveness of the bus contractors to the needs of the STSB and its customers

The actual measures will be determined annually and submitted to the contractors prior to the start of service in each contract year in a Performance Measure Matrix. The matrix will describe whether each measure is a primary, secondary, or tertiary measure, which will also be utilized by the STSB for prioritization and phase-in planning. The Performance Measure Matrix further describes which of the four categories each measure belongs to, and whether the measure relates to a contractual compliance item or is a separate performance measurement item. **This package of performance measures will not be definitive. Rather, it will be designed to provide a consistent framework, with the expectation that the list of measures will expand and evolve over time.**

A companion Performance Measure Glossary will be provided that describes, for each measure:

- *The standard of performance* – These are not presented as benchmarks, but rather describe the type of standard (e.g., manufacturer standard, peer comparison, internal STSB standard, contractual standard, etc.) that will be utilized for the specific measure.
- *What will be measured* – This describes whether the measure will be subject to instance sampling, an average over time, or some other method.
- *How the measure will be calculated* – This describes the actual calculation of the measure to provide consistency across all contractors.
- *The sources of required data* – This describes how the data required for calculating the measure can be collected or developed.
- *When and how frequently the factor will be measured* – This provides the timing and periodicity of measurement.

- *How the results will be reported and tracked* – This provides a description for how the measure will be summarized.

These two matrices combined will provide the core reference tools for the Contract Performance Measurement Plan. Unlike the Contract Compliance Monitoring Plan where the elements are clearly articulated and ascribed in a series of checklists and forms, the Contract Performance Measurement Plan will be considered as ongoing. Data collection, measurement, analysis, and reporting of contractor performance will be a continuous effort.

Annual Contract Performance Assessment

The capstone for the program will be the Annual Contract Performance Assessment, which will be completed for each bus contractor. This is the primary formal method of feedback to be provided to the contractor. The Annual Contract Compliance Audit Report and the results of the performance measurement plan will provide the primary source information for completing the assessment.

With a high quality Contract Performance Measurement Program in place, this formal annual assessment will be productive and collaborative. The Contract Manager and contractor designee will have been in constant communication throughout the service year. Information will have been flowing back and forth between the contractor and the STSB to support specific elements of the compliance monitoring and performance measurement plans, and informally between the staff of the two organizations to manage day-to-day requirements and solve problems. With the expectations of the program clearly established and rigidly enforced, the Annual Contract Performance Assessment therefore becomes an opportunity to celebrate accomplishments and work collaboratively to improve performance. The assessment will consist of the following key elements:

- *STSB Assessment of Contractor Performance* – A formal letter, with the Annual Contract Compliance Audit Report and the Contractor Performance Report as attachments, will be provided to the contractor in advance of the assessment meeting summarizing the Program Administrator's assessment of contractor performance for the service year, and making recommendations for improvement. A key element of this report will be a statement of compliance with contractual requirements. If the contractor is found to be out of compliance and remedial steps have not been taken, contract termination provisions may be invoked. This initial assessment document serves as a discussion piece and guide for the balance of the assessment process.
- *Assessment Meeting* – The Program Administrator, Contract Manager, and contractor designees will meet to discuss the STSB report and determine action items for the following service year. The form and content for each bus contractor assessment meeting

will depend on the circumstances surrounding each contractor's performance. For the sake of equity, however, the agenda will be roughly consistent for all contractors.

- *Contractor Response* – The bus contractor will be provided with the opportunity, and encouraged to submit a formal written response to the STSB report and assessment meeting. This response should lay out the contractor's response to the improvement recommendations, and plans for implementation. This response and the actions taken can then be utilized as an additional input to the following annual performance assessment.

- end of Exhibit B-

Exhibit C: School Bus Camera Equipment Specifications

Digital Video Camera – While the DOE recognizes that the bus contractor will be the owner of the camera hardware and software, all necessary equipment must be provided to allow authorized DOE personnel to view and store video recordings. Therefore, DOE expects each vendor to provide access to both video files and viewing software for the camera manufacturer it has provided. DOE will work with each vendor to establish acquisition methodology and distribution procedures for video recordings that will ensure that all necessary confidentiality requirements are met. This may include the requirement that each vendor provide for the purchase of additional recording or viewing equipment. The cost of this equipment will be treated as a pass through expense to DOE with no markup allowed.

- The digital video recorder must be capable of allowing audio to be recorded
- The digital video recorder must provide video data in AVI, MP4 or other industry standard formats.
- The digital video recorder must be capable of providing continuous, smooth recording in all normal operating conditions inherent to school bus operations and operations within the State of Hawaii.
- The digital video recorder must utilize solid state Secure Digital Extended Capacity (SDXC) Cards with capacities up to 128GB. The digital video recorder must include a USB 2.0 interface that can be used for external data storage capacity expansion up to 2TB in addition to the primary SDXC Card data storage device.
- The digital video recorder must allow for the SDXC Card to interface with a PC without the need for a docking station and the SDXC Card shall connect to a PC directly when the PC has an integral SDXC Card Reader, or via an available SDXC Card Reader with a USB 2.0 interface to a PC. The system should also allow for a RJ-45 LAN connection that is capable of file transfer, remote configuration, and video streaming.
- The digital video recorder must begin recording upon activation of 12V trigger such as the vehicles ignition to ensure full coverage of all route activities.
- The digital video recorder must ensure that coverage is provided on a regular schedule through preprogrammed recording schedules of up to three times over a 24 hour period.
- The digital video recorder must have the capability of Event Alarm Recording that is driver controlled by an alarm push button switch / event marker button. The digital video recorder must allow Alarm Recording Duration to be programmed to continue for

up to 15 minutes after the alarm has been triggered.

- The digital video recorder must be capable of having previously recorded video reviewed directly from the system when appropriately connected to a viewing monitor while the system simultaneously records.

Camera(s)

- The system camera(s) must be color and have the capability to support low light recording and viewing.

- The camera must provide video coverage of persons entering the door, the driver, front row passengers and the rear seating area.

Viewing Software

- The viewing software must display Bus ID, time, date, and event triggers. It is preferable but not required that the software display location data and speed.

- The viewing software must allow the slow motion, fast forward, rewind, pause and play of all video files.

- The viewing software must allow the capture of a still image at any point in a video. The viewing software must allow a still image to a saved as a JPEG file.

- The viewing software must allow the search for video by a specific date and time. The viewing software must allow the selection of a single day of video and the playback of all videos consecutively from that selected day.

- The viewing software must operate on at least a Microsoft Windows 7 platform.

- The viewing software must be based on an embedded operating system with the ability to upgrade software in the field without return to the manufacturer.

Ground Transport Incorporated
P.O. Box 29540 • Honolulu, HI 96820 • Phone (808) 833-4222 • Fax (808) 839-4600

MINUTES OF A SPECIAL MEETING

OF THE BOARD OF DIRECTORS OF

GROUND TRANSPORT, INC

These are the minutes of a special meeting of the Board of Directors of the above-mentioned Corporation. No formal notice was given of this meeting, but the sole Director has signed below an approval of these minutes and those present are indicated below.

After full discussion, the Director unanimously adopted the following resolution:

> RESOLVED: that the President of this corporation, Louis Gomes, is hereby authorized to enter into any contract (s), sale, purchase, bid and perform all acts pursuant thereof, and to sign all documents necessary on behalf of this Corporation.

There being no further business at this meeting, the meeting is adjourned.

Secretary

Place of Meeting: 91-303 Kaiholo Street – Kapolei, Hawaii

Date: January 12, 2017

Those Present: Louis Gomes, Cheryl Gomes & Barbara Gomes

Board of Directors' Approval of Minutes and Waiver of Notice

Louis Gomes

Contract No.: COF1007 / Cluster 4 – Maui / Student Bus Transportation / Maui

DEPARTMENT OF EDUCATION

AUXILIARY SERVICES BRANCH

Contract No. COF1008

AWARDED PURSUANT TO

REQUEST FOR PROPOSALS RFP D17-002

WITH

YAMAGUCHI BUS SERVICE, INC.

TO

PROVIDE STUDENT BUS TRANSPORTATION SERVICES

FOR

CLUSTER 1 – WAIMEA

ON THE ISLAND OF KAUAI

FOR THE PERIOD

JULY 1, 2017 TO JUNE 30, 2024

STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of

July 1, 2017, between STATE OF HAWAII, DEPARTMENT OF EDUCATION
(Insert name of state department, agency, board or commission)
State of Hawaii ("STATE"), by its SUPERINTENDENT
(Insert title of person signing for State)
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")), whose address is 1390 Miller Street, Honolulu, Hawaii 96813
and YAMAGUCHI BUS SERVICE, INC.
("CONTRACTOR"), a CORPORATION
(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)
under the laws of the State of HAWAII, whose business address and federal and state taxpayer identification numbers are as follows: P.O. Box 1127, Kilauea, Hawaii 96754
Federal ID No. 99-0151758; Hawaii GET License I.D. No. W20292518-01

RECITALS

A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.

B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.

C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").

D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.

E. Pursuant to HRS §103D-303 and HAR § 3-122-112, the STATE is
(Legal authority to enter into this Contract)
authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:
(1) PROGRAM ID 19097
(Identify state sources)
or (2) _____
(Identify federal sources)
or both, in the following amounts: State $: 1,190,160.00
Federal $: _____

NOW THEREFORE in consideration of the promise contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number RFP D17-002 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), and Attachment-S1, Scope of Services, all of which, even if not physically attached to this Contract, are made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed EIGHT MILLION THREE HUNDRED THIRTY-ONE THOUSAND ONE HUNDRED TWENTY AND NO/100 DOLLARS ($ 8,331,120.00), including approved

costs incurred and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal and the Compensation and Payment Schedule set forth in Attachment-S2, which is made a part of this Contract.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S-3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☒ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of _____ DOLLARS ($ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments, and Exhibits, and amendments; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of N/A _____ DOLLARS ($ N/A) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any changes of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

_____
(Signature)

Kathryn Matayoshi
(Print Name)

Superintendent
(Print Title)

1/27/17
(Date)

CONTRACTOR

Yamaguchi Bus Service, Inc.
(Name of Contractor)

_____
(Signature)

HOWARD Y. YAMAGUCHI
(Print Name)

PRESIDENT
(Print Title)

January 19, 2017
(Date)

CORPORATE SEAL
(If available)

APPROVED AS TO FORM:

_____
Deputy Attorney General 1-12-17

*Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.

STATE OF HAWAII
CONTRACTOR'S ACKNOWLEDGEMENT

STATE OF HAWAII)
) SS.
COUNTY OF KAUAI)

On this 19TH day of JANUARY, 2017, before me appeared

HOWARD YAMAGUCHI and N/A, to me known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are PRESIDENT and N/A of YAMAGUCHI BOX SERVICE INC, the CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said instrument as the free act and deed of the CONTRACTOR.

AARON AKAU NOTARY PUBLIC No. 16-385 STATE OF HAWAII
(Notary Stamp or Seal)

(Signature)
AARON AKAU
(Print Name)
Notary Public, State of HAWAII

My commission expires: NOV 20 2020

Doc. Date: 01/19/17 # Pages: 4
Notary Name: AARON AKAU 5TH Circuit
Doc. Description:
CONTRACT FOR GOODS OR SERVICES

AARON AKAU NOTARY PUBLIC No. 16-385 STATE OF HAWAII
(Notary Stamp or Seal)

01/19/17
Notary Signature Date

NOTARY CERTIFICATION

STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of Yamaguchi Bus Service, Inc., CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is* ☑ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84- 15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of $10.000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive seated proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By Howard Y. Yamaguchi
(Signature)

Print Name HOWARD Y. YAMAGUCHI

Print Title PRESIDENT

Name of Contractor Yamaguchi Bus Service, Inc.

Date January 19, 2017

STATE OF HAWAII

SCOPE OF SERVICES

1) Student Transportation Service Requirements

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Exhibit C. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

(1) Coordination of student behavior management on school buses with school officials

(2) State and Department mandated data collection and reporting

(3) Accident investigation

(4) Customer service activities to the Department, school officials, parents and guardians

h) Cooperation with Department

i) The Contractor will work cooperatively with the Department to ensure safe, effective, and efficient Transportation Services throughout the term of this Agreement. The Contractor will be responsive to the Department's requirements for unscheduled bus or rider-related events and special requests. No additional compensation shall be provided for complying with these requests. These requests may include, but shall not be limited to:

(1) emergency preparedness activities

(2) student or community safety matters

(3) student or community health matters

ii) If other services or issues arise that are previously unaddressed by the Department, the Contractor will make a good faith effort to address or resolve such until the matter can be referred to the Department.

i) Insurance requirements

i) Insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate. To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions and coverage of Insurance Service Office (ISO) policies, forms and endorsements.

(1) Commercial General Liability: The Contractor shall maintain commercial general liability insurance covering all operations by or on behalf of the Contractor on an occurrence basis against claims for personal injury (including bodily injury and death) and property damage (including loss of use). Such insurance shall have these minimum limits and coverage:

- $2,000,000 each occurrence;

- $2,000,000 general aggregate on a "per project" basis;

- $2,000,000 products and completed operations aggregate.

(2) Automobile Liability: The Contractor shall maintain business auto liability covering liability arising out of any auto (including owned, hired and non-owned autos). Such insurance shall have these minimum limits and coverage:

- $2,000,000 combined single limit.

(3) Workers' Compensation: The Contractor shall maintain workers' compensation and employer's liability insurance that comply with statutory limits

3) Contractor Performance

a) Contract Performance Management Program

i) **Exhibit B** provides a description of the Department's Contract Performance Management Program. The Contractor will be an active participant in, and will be responsive to the requirements of this program.

ii) The Contract Performance Management Program is a non-punitive, joint, supportive program of contract compliance monitoring and performance measurement designed to enhance and improve Transportation service delivery in a continuous improvement cycle.

b) Minimum Service Levels and Standards of Performance

i) In addition, and as a supplement to the Contract Performance Management Program, the Contractor will be responsible for meeting or exceeding certain minimally acceptable service levels and standards of performance. The Contractor will monitor, track, account for, and report to the Department the data and information required to determine the Contractor's success in meeting or exceeding the established standards.

ii) The Contractor will comply with three minimally acceptable standards of performance. For the purpose of this section, a bus route is defined as either the morning or afternoon component of a regularly planned and assigned daily bus route as provided to the Contractor by the Department.

(1) No more than two (2) percent of all bus routes operated by the Contractor in each week of the service month shall be delayed or missed as a result of the Contractor's inability to provide an adequate number of qualified bus drivers or monitors as defined within this Agreement. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner.

(2) No more than two (2) percent of all bus routes operated by the Contractor in each service week shall be delayed or missed as a result of mechanical problems with the Contractor's assigned vehicle. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that is delayed over the course of its scheduled route as a result of a mechanical problem with the assigned vehicle.

(3) The Contractor shall report every incidence of delay as defined in subparagraph (1) and (2) of this section to the Department within fifteen (15) minutes of occurrence in a manner and format acceptable to the Department. This is a zero tolerance standard of performance.

iii) The Contractor is responsible for recording and tracking all data and information required to calculate Contractor performance relative to the minimum service levels and standards of performance. These data will be provided to the Department not later than the 15th of each month for service completed in the prior service month. The data and information will be submitted in a verifiable manner and format acceptable to the Department.

iv) If a non-compliance situation occurs, the Contractor is considered to be automatically on notice whether or not the Department sends a formal written notice.

v) The Contractor will comply with Department directives to improve operations and outcomes that fall below the established standards.

c) Performance Withholding

i) The Department may impose a **Minimum Service Level Performance Withholding** factor for non-compliance with the Minimum Service Levels and Standards of Performance.

(1) The Department may defer payment of up to one (1) percent of the Contractor's next regular monthly Transportation Services invoice for any single weekly instance of non-compliance.

(2) The Department may defer payment of up to three (3) percent of the Contractor's next regular monthly Transportation Services invoice should non-compliance continue for two consecutive service weeks.

(3) The Department may defer payment of up to seven (7) percent of the Contractor's next regular monthly invoice should non-compliance continue for three consecutive service weeks.

(4) The Department may defer payment of up to ten (10) percent of the Contractor's next regular monthly invoice should non-compliance continue for four (4) consecutive weeks.

ii) The number of withholding instances is unlimited, and may be repeated for each instance of non-compliance with the Minimum Service Levels and Standards of Performance requirements.

iii) The withheld amount may be paid in full to the Contractor if the non-compliance factor resulting in the Performance Withholding instance is cured to the satisfaction of the Department following the deferral decision.

iv) If the non-compliance factor is not cured to the satisfaction of the Department following the deferral decision, the Department may retain the withholding without obligation to pay the Contractor the withheld amounts.

v) The Department will notify the Contractor in formal letter delivered via a traceable method to the address of record for the Contractor contained in this Agreement if a decision to retain a Performance Withholding is reached.

d) Contractor Fiscal Efficiency

i) The Contractor will make an ongoing good-faith effort to identify opportunities to improve the efficiency and effectiveness of the bus routes and route packages assigned to the Contractor by this Agreement. Where feasible, the Contractor will identify opportunities to modify, pair, combine, or repackage bus routes with the objective to perform Transportation services in the most efficient and effective manner possible. If identified, such opportunities will be communicated to the Department not later than one (1) week following the identification. At a minimum, the Contractor will submit a written report to the Department, to accompany each regular invoice submission, summarizing the opportunities identified in the period covered by the invoice or, if no opportunities were identified, making an affirmative statement attesting to this fact.

ii) The Contractor will immediately notify the Department, in a manner deemed acceptable by the Department, of any new programs or services that are requested of the Contractor by school officials or representatives, including any school building or program bell time changes. The Contractor shall not fulfill such requests until and if authorized by the Department.

4) <u>Basis for Contractor Compensation</u>

a) Daily Bus Service Time

i) The Contractor's pricing for Transportation will primarily be structured upon the length of time required for a vehicle to complete its regularly assigned daily route package. The Department will assemble individual Transportation routes in time tiers, potentially serving multiple schools in succession. The route package time of service will start when the first scheduled student rider boarding occurs for either the morning home-to-school, or afternoon school-to-home component and ends when the last scheduled student debarkation occurs at the final school destination in the morning or the final scheduled stop in the afternoon. The combination of the morning and the afternoon route package time of service constitutes the **Daily Bus Service Time**. The Daily Bus Service Time of any individual route may also include all or a portion of mid-day and/or post-day bus route at the discretion of the Department. If mid-day or post-day segments are included, then the morning or afternoon route package time of service will continue from the last scheduled student debarkation at the final morning home-to-school destination (or from the final scheduled home-to-school stop in the afternoon) to the final scheduled stop of the mid-day or post-day routing component to be included in the Daily Bus Service Time.

(1) Vehicle operating time expended transiting from the Contractor's assigned vehicle parking location to the first scheduled student boarding in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(2) Vehicle operating time expended transiting from the final scheduled student debarkation to the Contractor's assigned vehicle parking location in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(3) Vehicle operating time expended transiting empty of student riders at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(4) Vehicle time expended empty of student riders and waiting for a subsequent component of the route package to start at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(5) Daily Bus Service Time is calculated in accordance with scheduled route data as determined by the Department and operated by the Contractor following all of the requirements of this Agreement.

(6) Daily Bus Service Time will be rounded to the nearest fifteen (15) minute increment.

(7) Occasional variances in planned versus actual Daily Bus Service Time of fifteen (15) minutes or less will receive no adjustment to compensation.

(8) Recurring variances in planned versus actual Daily Bus Service Time of any length may result in a compensation change following verification by the Department and adjustment to the scheduled route data. The Contractor must report recurring variances to the Department immediately on their identification notwithstanding any other reporting requirements of this Agreement.

b) Route Packages

i) The Daily Bus Service Time will be comprised of a package of routing components as determined by the Department. Route components may include any combination of regular or special needs students of any grade level, one or multiple schools or program types, any number of bus stops, and service to any location within the geographic area defined by this Agreement.

ii) Route packages will be assembled such that individual assigned vehicles are performing logical and efficient combinations of routing components in the morning and again in the afternoon, to the extent feasible.

iii) Route packages will be assembled such that the assigned vehicle type, size and equipment requirements are common to all routing components in the package, to the extent feasible.

iv) Route packages will be assembled such that the composition of the Contractor fleet is considered in matching requirements to available bus types, to the extent feasible.

v) The Department will schedule some routing components on a recurring, but not on a daily basis. The Department will treat any such component occurring on three (3) or more service days during a regular five (5) day service week as a regular recurring service for compensation purposes.

vi) Any regular routing component that occurs on a recurring basis but less than three (3) service days in any regular five (5) day service week will be treated as an additional supplemental service for compensation purposes.

vii) Morning and afternoon route packages will be paired as efficiently as possible by the Department, with the morning and afternoon schools and programs served being the same, to the extent feasible.

viii) The Contractor will assign the same driver to both the morning and afternoon package of runs, to the extent feasible.

c) Time Gaps in Service Requirements

i) When any individual morning, mid-day, afternoon or post-day routing component cannot be assigned to a route package such that the wait time before or after another contiguous component would exceed thirty (30) minutes, the Department will have the option of either treating the component as part of the Daily Bus Service Time or an additional supplemental service for the purpose of compensation. If the Department opts to include the routing component in the Daily Bus Service Time, the time gap will be included in the daily service

time and the mileage between the components will be included in eligible service miles for fuel cost adjustment purposes.

ii) The Contractor shall not invoice the Department for any service time more than once.

d) Pricing Elements

i) The Compensation and Payment Schedule provides a matrix describing each element for which the Contractor will be provided compensation and the rate of compensation associated with each element.

ii) The Contractor is guaranteed compensation for a minimum Daily Bus Service Time of three and one-half (3.5) hours for each vehicle assigned to a regular routing package under this Agreement. Any Daily Bus Service Time of three and one-half (3.5) hours or less will receive this rate of compensation.

iii) Additional compensation for Daily Bus Service Time in excess of three and one-half (3.5) hours will be provided based on the regular service incremental hourly rate, calculated in fifteen (15) minute increments.

iv) Compensation for additional supplemental services will be provided for each instance of service, at the rates specified in the Agreement's Compensation and Payment Schedule.

v) The Department reserves the right to alter, add, or delete route components or route packages at any time within the requirements specified by this Agreement.

vi) The Department will compensate the Contractor for each regular education and special education route package for the actual number of days transported.

vii) The Contractor and the Department shall keep accurate records of all services provided. , and shall be detailed on each Contractor invoice submitted.

5) <u>Invoicing and Compensation Adjustments</u>

a) Invoicing

i) The Contractor will receive an invoice from the Department at least once, and not more than twice per month. The invoice shall be received not later than five business days following the last service day of the month.

ii) The invoice will include sufficient information and detail to support the amounts billed, and will reconcile to this Agreement.

iii) The invoice will be received, reviewed, and approved by the Contractor within three business days of receipt. If the Department does not receive any notice from the Contractor after three business days, the Department will assume that the Contractor approves the amount due.

iv) If the Contractor notifies the Department of an error on the invoice, the error will be reconciled and the invoice revised within two days of receiving notice. A revised invoice will be submitted to the Contractor for review and approval. The Contractor will have one (1) business day to review the revised invoice. If the Department does not receive any notice

from the Contractor after one business day, the Department will assume that the Contractor approves the revised amount due.

b) Annual Price Escalators

i) All prices shall be adjusted upward or downward annually based upon the United States Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year covered by the term of this Agreement for the following service year.

ii) Any upward adjustment:

(1) Shall not exceed three (3) percent if the previous year increase was one (1) percent or more.

(2) Shall not exceed four (4) percent if the previous year increase was less than one (1) percent.

iii) Any downward adjustment shall not exceed negative two (-2) percent.

c) Fuel Cost Adjustment

i) The Contractor will purchase and provide fuel for all Transportation services provided.

ii) The Contractor's fuel costs will be limited to a targeted maximum threshold of $4.25 per gallon. The actual fuel cost overage (if any) will be calculated by the Department as follows and added to the Contractor payment:

(1) The Monthly System-Wide Cost per Gallon will be determined by referencing the AAA Daily Fuel Gauge Report, Hawaii Average, Wailuku website at:

http://fuelgaugereport.aaa.com/states/hawaii/hawaii-metro/

(a) Determine the average price for the four (or five) weeks reported for the calendar month to be invoiced.

(b) Subtract $4.25 from the Monthly System-Wide Cost per Gallon

(c) Subtract the federal fuel excise tax from the difference of the average price and the Monthly System-Wide Cost per Gallon

(d) This provides the cost in excess of the targeted cost per gallon, or the Cost per Gallon Recovery Amount

(2) Determine the number of Contractor gallons eligible for cost recovery

(a) Determine the number of miles operated for Department services for the calendar month to be invoiced.

(i) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(ii) For Type II buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(b) Divide those miles by these fuel consumption rates

(i) For buses with a seating capacity greater than 24, 7

(ii) For I buses with a seating capacity less than or equal to 24, 10

(c) This provides the total Number of Gallons Eligible for Cost Recovery

(3) Multiply the Cost per Gallon Recovery Amount times the Number of Gallons Eligible for Cost Recovery

(4) Add that amount to the monthly payment to the Contractor

d) Ancillary Services and Costs

i) The Contractor will bear all costs associated with performing services not identified in this Agreement or in the Exhibits.

ii) The Contractor will bear all penalties, fines, damages, levies, taxes, etc. that may arise from performing Transportation services.

6) <u>Vehicle Disposition Option at Contract Termination</u>

a) Upon expiration of the contract and if the incumbent Contractor has not been renewed then the Contractor has the option of leasing those displaced daily use route and spare vehicles to the Department.

i) The Contractor will notify the Department of this election no later than 120 days from contract expiration.

ii) The Department must agree to lease those daily use route vehicles and a number of spares not to exceed 10% of the daily use route vehicles for a period of 12 months.

(1) The lease amount will be:

(a) A rate of 8% of the average daily rate of the vehicles leased

(b) Multiplied by an assumed 18 compensation days per month (180 school days over 10 months)

iii) During that 12 month period, any entity can purchase vehicles from the Contractor at a procurement price determined as follows:

(1) Reference the most recently issued Yellow Bus School Book, a source of used school bus market values. (www.yellowschoolbusbook.com) as the primary source or a mutually agreed upon valuation if the primary source is not available.

(2) Locate the bus type and model year to determine.

(3) Apply an odometer mileage deduction per the table as necessary

(4) Apply no markup or markdown for time elapsed since book issuance

iv) In the 13th month the Department is obligated to purchase the vehicle according to the preceding valuation, discounted by the total value of all previous lease payments made from under the guidelines established in ii above. If the value of the lease payments exceeded the valuation, no additional payments would be made but the Department would take ownership of the vehicle.

b) The same option is available to the contractor if less than 75% of its current daily route vehicle count has been renewed.

7) Contract Administration

a) Contract Administrator

i) For purposes of this contract, the person named below or his/her duly authorized representative or successor in office is designated Contract Administrator (CA). The CA may be contacted as follows:

Contract Administrator: James Kauhi

Telephone Number: (808) 586-0170

E-mail Address: james_kauhi@notes.k12.hi.us

ii) The CA is responsible for:

(1) The terms, conditions, quantities, specifications, scope of services, other contract terms, and all decisions relating to the contract;

(2) Monitoring the contractor's work, documenting the contractor maintains the required insurance coverage (if applicable), resolving disputes and discrepancies, evaluating the work of the contractor, assuring the services or goods are delivered as required in the contract, and processing payment for services rendered;

(3) Executing the Contract Performance Management Program (Exhibit B)

iii) Notwithstanding the responsibilities set forth hereinabove, any coordination of services falling outside those articulated above shall remain with the head of the purchasing agency, as set forth in the attached General Conditions (see General Conditions, paragraph 1, entitled "Coordination of Services by the STATE.")

b) Contractor administrative requirements

i) Contractor's primary point of contact is as follows:

Name: Howard Yamaguchi

Telephone Number: 808-828-1726

E-mail Address: yamabus@gmail.com

ii) Contractor shall notify the STATE, verbally within twenty-four (24) hours, upon the occurrence of any of the events indicated below:

(1) Change in Contractor's business address or phone number;

(2) Change in Contractor's tax identification number; or

(3) Any other situation that could reasonably be expected to affect Contractor's ability to carry out its obligation under this contract.

8) Exhibits

a) Exhibit A: Transportation Contract Service Pricing Form
b) Exhibit B: Contract Performance Management Program
c) Exhibit C: School Bus Camera Equipment Specifications

- end of Attachment-S1 --

STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

1. TOTAL COMPENSATION

In full consideration of the goods delivered and/or the services performed by the CONTRACTOR under the terms and conditions of this contract, the STATE agrees to pay the CONTRACTOR the total sum not to exceed:
EIGHT MILLION THREE HUNDRED THIRTY-ONE THOUSAND ONE HUNDRED TWENTY AND NO/100 DOLLARS ($ 8,331,120.00).

2. PAYMENT SCHEDULE

Payment shall be made according to the provisions set forth in Attachment-S1, sections 4 and 5, and in Exhibit A.

3. AVAILABILITY OF FUNDS

This contract is subject to the availability of funds. Pursuant to Section 103D-309, HRS, except in certain instances, no contract entered into between the STATE and the CONTRACTOR shall be binding or of any force unless the Chief Financial Officer (CFO) certifies that there is an available unexpended appropriation or balance of an appropriation over and above all outstanding contracts sufficient to cover the amount required by the contract.

4. FINAL PAYMENT

The final payment on the contract shall be for services rendered during the billing period just prior to the contract expiration date. In addition to the requirements in the General Conditions, the following shall accompany the final payment invoice:

a) A tax clearance certificate, not over two months old and with an original green "certified copy" stamp, must accompany the invoice for final payment. In addition to the tax clearance certificate, the "Certification of Compliance for Final Payment" (DOE Form-22) with an original signature will be required for final payment.

b) In lieu of the above, CONTRACTOR may also submit an original CERTIFICATE OF VENDOR COMPLIANCE as issued by the State Procurement Office via an online system, also referred to as "Hawaii Compliance Express". Details regarding this online application process can be viewed at: http://vendors.ehawaii.gov/hce/.

- end of Attachment-S2 -

STATE OF HAWAII

TIME OF PERFORMANCE

1. CONTRACT TERM

The term of the contract shall be from the effective date of July 1, 2017 through June 30, 2024.

2. CONTRACT RENEWAL

This contract may be extended for not more than three (3) additional twelve-month periods i) upon mutual written agreement of the parties, and ii) prior to expiration of the term of the contract.

- end of Attachment-S3 -

STATE OF HAWAII

SPECIAL CONDITIONS

1. VERIFICATION OF EMPLOYEES

In accordance with State rules and regulations, CONTRACTOR shall conduct mandatory criminal background checks at no cost to the STATE, on any employee, agent, volunteer, or prospective employee working directly with students.

The CONTRACTOR shall maintain the background check records, and shall make the records available for review upon request. Upon review of these records, the STATE reserves the right to request additional background information.

2. CONFIDENTIALITY OBLIGATIONS

The following serves to supplement provision 24 of the General Conditions, entitled "Confidentiality of Material" and provision 42, entitled "Confidentiality of Personal Information":

While performing under this Agreement, the Contractor may receive, be exposed to or acquire confidential information. Such information may include names, addresses, telephone numbers, birthdates, social security numbers, medical information, and other educational, student, or personal employment information. The information maybe in written or oral form, fixed in hard copy or contained in a computer data base or computer readable form. Hereinafter, such language shall be collectively referred to as "Confidential Information."

The Contractor, including its employees, agents, representatives, and assigns shall abide by the following with regards to Confidential information: (i) They shall not disclose to any unauthorized party any Confidential Information, except as specifically permitted by the DOE and subject to the STATE's limitations on confidentiality of information and relevant legal requirements of the State to include, but not limited to the Family Educational Rights and Privacy Act ("FERPA"). Permission will be granted through a formal written agreement concerning the disclosure of personally identifiable information (PII) from student education records, signed by HIDOE and the Contractor, and must be provided as an attachment to this contract; (ii) They shall only permit access to Confidential Information to employees, agents, representatives, and assigns having a specific need to know in connection with performance under this Agreement; and (iii) They shall advise each of their employees, agents, representatives, and assigns of their obligations to keep such Confidential Information confidential.

CONTRACTOR, its employees, agents, representatives, or assigns shall ensure the security of the Confidential Information. The CONTRACTOR shall provide the DOE with a list of individuals (by name and position) who are authorized to handle the Confidential Information (hereinafter referred to as "Authorized Handlers"). Authorized Handlers shall ensure the security of the Confidential Information. Only Authorized Handlers shall have access to the Confidential Information, which will be kept on password protected computers with the hard copy documents kept in a locked file cabinet. CONTRACTOR shall ensure that procedures exist to prohibit access to the Confidential Information by anyone other than an Authorized Handler.

CONTRACTOR will be responsible for safeguarding the confidentiality of all Confidential Information it receives from the DOE and shall safeguard and protect such documents from unauthorized use, handling, or viewing. CONTRACTOR shall be liable to the DOE and to any person whose records the CONTRACTOR receives custody of under this Contract for records protection for any unpermitted release, viewing, or loss of such records. Contractor shall assume liability responsibility for records protection and for the inappropriate or unlawful release of Confidential Information. CONTRACTOR shall return all documents containing Confidential Information upon completion of the services CONTRACTOR is contracted to provide under this Agreement.

a) Prior written Approval: CONTRACTOR may not i) share Confidential Information or any other data received under this contract, ii) publish, or iii) distribute such information without the prior written approval of the STATE.
b) In the event of termination of this contract, CONTRACTOR shall return to the STATE all student information received under this contract and further agrees to destroy any and all copies of, or references to, any student information shared by the STATE as a result of this contract.

3. RELIEF AVAILABLE TO THE STATE

In addition to all rights and remedies available to the STATE provided in this Contract or otherwise provided under the law, if the CONTRACTOR is in non-compliance with the contract requirements, the STATE may:

a) Suspend Payments – Temporarily withhold or disallow all or part of the billing cost/payments pending correction of a deficiency or a non-submission of a required deliverable by the CONTRACTOR; and
b) Suspend Referrals – Suspend referrals to the CONTRACTOR should the CONTRACTOR fail to comply with any of the requirements or other term(s) or condition(s) of this Contract and, further, the STATE may maintain the suspension of referrals until such time as the deficiency or non-compliance is corrected and the CONTRACTOR's corrective actions are determined to be acceptable by the STATE; and
c) Seek Reimbursement – Seek reimbursement from the CONTRACTOR or withhold future payments for any funds paid to the CONTRACTOR subsequent to a determination that such was unauthorized, fraudulently obtained, or inappropriately billed.
d) Seek Market Value – In the event the CONTRACTOR fails, refuses or neglects to perform the services in accordance with the requirements of these Special Conditions, the Scope of Services, or the General Conditions, the STATE reserves the right to purchase, in the open market, a corresponding quantity of the services specified herein and to deduct form any monies due or that may thereafter become due to the CONTRACTOR, the difference between the price named in the Contract and the actual cost to the STATE. In case any money due the CONTRACTOR is insufficient for said purpose, the CONTRACTOR shall pay the difference upon demand from the STATE. The STATE may also utilize all other remedies provided by law.

4. EXCLUSION OF SPECIFIC WORKERS

The STATE reserves the right to require the CONTRACTOR to remove an employee, agent, subcontractor or volunteer (Worker) from performing work under this contract. The Contract Administrator shall notify the CONTRACTOR in writing and this exclusion of a specific Worker(s) shall take effect as indicated on the notice. The CONTRACTOR may appeal this decision to the Contract Administrator, in writing and within ten (10) working days of receipt of the notice. Removal of the employee, agent subcontractor or volunteer shall remain in effect pending the outcome of the appeal. This provision shall not infringe upon the right of the CONTRACTOR to employ the removed individual, but shall apply to any work requiring interaction with the STATE, its employees or students.

5. STATE'S GENERAL CONDITIONS

The Special Conditions shall serve to supplement the General Conditions; both documents remain part of this Contract with full force and effect. In the case of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control to the extent necessary to resolve the conflict.

- end of Special Conditions -

GENERAL CONDITIONS

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1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.

2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.

   a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.

   b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.

   c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.

   d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

   e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.

   f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.

b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

(1) The Assignee assumes all of the CONTRACTOR'S obligations;

(2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and

(3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.

d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.

7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.

8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.

9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.

10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.

11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.

12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.

a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

(1) Cancel the stop performance order; or

(2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

(1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and

(2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.

d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.

e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.

f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.

b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

(1) Any completed goods or work product; and

(2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

d. Compensation.

(1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.

(2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.

(3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:

(A) Contract prices for goods or services accepted under the Contract;

(B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);

(D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

(4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

(1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

(A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

(B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

(C) Within such further time as may be allowed by the Agency procurement officer in writing.

(2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

(3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

(4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.

b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.

c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.

b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.

c. Prompt payment.

(1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and

(2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.

d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.

b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:

(A) Changes in the work within the scope of the Contract; and

(B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.

d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.

e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.

f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.

g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least $25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.

h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.

i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.

20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:

(1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;

(2) Method of delivery; or

(3) Place of delivery.

a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.

c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.

d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:

(1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(2) By unit prices specified in the Contract or subsequently agreed upon;

(3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;

(4) In such other manner as the parties may mutually agree; or

(5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.

b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:

(1) Description of performance (Attachment 1);

(2) Time of performance (i.e., hours of the day, days of the week, etc.);

(3) Place of performance of services;

(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;

(5) Method of shipment or packing of supplies; or

(6) Place of delivery.

b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.

c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.

d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.

e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.

24. Confidentiality of Material.

a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.

25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.

26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.

27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:

a. The cost or pricing data, and

b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over $100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.

35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.

36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.

38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.

39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.

40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.

41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.

42. Confidentiality of Personal Information.

a. Definitions.

"Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:

(1) Social security number;

(2) Driver's license number or Hawaii identification card number; or

(3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

(1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.

(2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.

(3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.

(4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.

(5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.

(6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

(1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.

(2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:

(A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;

(B) Access to the personal information will be allowed only as necessary to perform the Contract; and

(C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

(1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or

(2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

EXHIBIT A: PRICING FORM

Cluster 1 – Waimea

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours - (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	14	348.00	180	876960.00	23.00	84.00	23.00
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	1	348.00	180	62640.00	23.00	84.00	23.00
Count of Special Needs Buses (Type II) with no special equipment	2	348.00	180	125280.00	23.00	84.00	23.00
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2	348.00	180	125280.00	23.00	84.00	23.00
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
			Cluster Total Cost	1190160.00			

YAMAGUCHI BUS SERVICE, INC.

EXHIBIT A: PRICING FORM

Hourly Rate for Bus Aide: $ 26.00

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

YAMAGUCHI BUS SERVICE, INC.

Exhibit B - Contract Performance Management Program

Program Assignments & Responsibilities

Responsibility for determining the approach, assigning staff resources, providing oversight, and managing overall contractor relations within this program resides with the Assistant Superintendent, School Facilities and Support Services, Hawaii Department of Education. Specific responsibilities for program implementation include the following:

- *Program Administrator responsibilities* – The Program Administrator is the Director, Student Transportation Services Branch (STSB), Hawaii Department of Education. The Program Administrator maintains overall accountability for the program. The responsibilities of the administrator include the annual determination of the specific contract elements that will be subject to compliance monitoring and performance measurement, management of the annual program calendar, and management of the contractor annual performance assessment process.

- *Contract Manager responsibilities* – Each contract will have a named contract manager. The contract manager is responsible for executing all aspects of the program as it relates to the assigned contract. This is the primary point of contact for the contractor's management team as it relates to all contractual responsibilities.

- *STSB staff responsibilities* – Specific program tasks and requirements will be distributed throughout the STSB organization at the sole discretion of the Program Administrator and the Contract Manager.

- *Contractor responsibilities* – A successful program will be one in which the contractor is an active and engaged participant. The contractor is responsible for designating a management level staff member to serve as the contractor's counterpart to the Contract Manager. The contractor is furthermore responsible for ensuring their full understanding of the program's purpose and intent, and their specific contractual and program obligations.

- *Communications Protocol* – Regular communications, both structured and unstructured, will be a critical success factor. The most important element will be the regular formal and informal communications that occur between the contractor designee and the Contract Manager. It is an absolute requirement and responsibility of these two key individuals to establish open, ongoing, and consistent communications between them. **This program establishes a formal relationship between these individuals. All matters pertaining to the contractor's performance obligations must be passed via this channel of communications.**

- *Annual and ongoing data submission requirements* – The contract requires that various pieces of information be passed between the parties at the outset of the contractual relationship and periodically throughout the contract term. These requirements are summarized in the Contract itself, and will be detailed annually in the Contract Management Calendar, and the Contract Compliance Monitoring Plan.

Program Components

Contract Management Calendar

Embedded within the overall life cycle of the contract is an annual service delivery cycle that corresponds with the Hawaii Department of Education school calendar. The specific elements of the contract performance management program work within this annual cycle. The timing for the various elements of the program are summarized in the following contract management calendar.

Contract Month	Annual Service Cycle Requirement
July	Complete contract initiation tasks (new contracts) Establish contract management program (new contracts) Staff review of STSB contractual obligations (all contracts) Development and submission to the contractors of the annual compliance monitoring and performance measurement plan specifics for the year ahead. Contractor annual data and information submission requirements completed.
August	Begin service (all contracts)
September	Monthly performance data collection
October	Monthly performance data collection
November	Monthly performance data collection Route audits
December	Monthly performance data collection Route audits
January	Monthly performance data collection Route audits
February	Monthly performance data collection Route audits Customer satisfaction survey
March	Monthly performance data collection Route audits

Contract Month	Annual Service Cycle Requirement
April	Monthly performance data collection Route efficiency analysis and begin route planning Compliance audits
May	Compliance audit reports Performance assessment reports Performance assessment meetings

Contract Compliance Monitoring Plan

Annual Contract Compliance Audit – The primary mechanism supporting this portion of the Contract Performance Management program is the annual contract compliance audit. The purpose for this audit is to ensure that the contractor meets the minimum requirements established by the contract. The result of the audit will also provide input to the Contract Performance Measurement Plan and will be an integral part of the Annual Contract Performance Assessment.

Each compliance element in the annual contract compliance audit will be separately determined on a pass-fail basis as either "in compliance" or "not in compliance". There is an extensive list of compliance items to be verified, and a satisfactory level of compliance may not require a 100 percent rating. Rather, the Program Administrator will develop an annual standard against which all contractors providing service to the STSB are objectively and equally rated. Many contractual requirements may be excluded from this rating in any given contract year, but **under no circumstance is the contractor relieved of any contractual requirement that is excluded from the rating in any given year**. The contractor will not be rated for compliance on any element outside of its contractual responsibilities. The overall results of the compliance audit will support the Program Administrator's assessment of the contractor's performance. The assessment of the contractor's performance will form the basis of any performance improvement objectives or plans created and agreed to by the STSB and the contractor.

There are three primary elements to the annual contract compliance audit.

- *Compliance Audit Checklist* – A compliance audit checklist is the mechanism that will be utilized in gathering the data required to determine compliance with contractual obligations. The number of, and specific compliance items to be tracked and verified annually will be determined by, and at the sole discretion of the Program Administrator. The checklist to be used will be developed by the Program Manager and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Procedures & Standards* – The checklist for each year will be accompanied by a set of procedures that describes how it is to be applied and the

standards against which compliance is measured. For example, the procedures will define when and how the audit will be conducted, whether compliance is to be measured only at the time of the audit or whether the contractor will be provided with an opportunity to correct any discrepancies, and the consequences for non-compliance. The procedures to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Report* – The results of the audit will be submitted to, and discussed with the contractor in a compliance audit report that summarizes and describes the results of the audit, the implications for the contractor, and any requirements for improvement. This report will become an integral component of the contractor's annual performance assessment, and part of the contractor's permanent performance record with the Hawaii Department of Education.

Periodic Bus Route Audits – A second critical mechanism within the Contract Compliance Monitoring Plan is the completion of periodic bus route audits. These audits serve a dual purpose. First, they provide for compliance monitoring of contractual requirements that cannot be satisfied through the annual compliance audit. Second, the route audits provide a means to collect data that also supports the Contract Performance Measurement Plan.

A route audit checklist is the mechanism that will be utilized in gathering the performance measurement data and other information required to determine contract compliance. Methods for conducting route audits will vary with the technology and staffing resources available over the contract term, and the operational proximity of STSB staff and the contractor. The approach to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

Contract Performance Measurement Plan

The primary tool supporting this portion of the program is a package of interrelated performance measures. This provides for an integrated performance measurement and reporting program that facilitates a comprehensive understanding of contractor performance, and that provides for feedback to contractors. **This is not designed to be evaluative in the sense that contractors will be judged one against the other. Rather, it is designed to provide STSB managers with a structured and consistent tool to first understand, and then take action to improve contractor *and* STSB performance.** The compliance monitoring plan ensures that contractors meet their contractual obligations. The performance measurement plan provides an opportunity for the contractors to demonstrate their commitment and wherewithal to provide service above and beyond the minimum requirements established by the contract.

The structure for the package of performance indicators is based on four major categories of outcome-driven measures:

- *Safety* – Measures that assist the STSB in determining and improving the overall safety of transportation operations
- *Cost* - Measures that assist the STSB to improve the overall efficiency of its operations.
- *Reliability* – Measures that assist the STSB in determining and improving the reliability of the bus contractors' operations and fleet
- *Responsiveness* – Measures that assist the STSB in determining and improving the responsiveness of the bus contractors to the needs of the STSB and its customers

The actual measures will be determined annually and submitted to the contractors prior to the start of service in each contract year in a Performance Measure Matrix. The matrix will describe whether each measure is a primary, secondary, or tertiary measure, which will also be utilized by the STSB for prioritization and phase-in planning. The Performance Measure Matrix further describes which of the four categories each measure belongs to, and whether the measure relates to a contractual compliance item or is a separate performance measurement item. **This package of performance measures will not be definitive. Rather, it will be designed to provide a consistent framework, with the expectation that the list of measures will expand and evolve over time.**

A companion Performance Measure Glossary will be provided that describes, for each measure:

- *The standard of performance* – These are not presented as benchmarks, but rather describe the type of standard (e.g., manufacturer standard, peer comparison, internal STSB standard, contractual standard, etc.) that will be utilized for the specific measure.
- *What will be measured* – This describes whether the measure will be subject to instance sampling, an average over time, or some other method.
- *How the measure will be calculated* – This describes the actual calculation of the measure to provide consistency across all contractors.
- *The sources of required data* – This describes how the data required for calculating the measure can be collected or developed.
- *When and how frequently the factor will be measured* – This provides the timing and periodicity of measurement.

- *How the results will be reported and tracked* – This provides a description for how the measure will be summarized.

These two matrices combined will provide the core reference tools for the Contract Performance Measurement Plan. Unlike the Contract Compliance Monitoring Plan where the elements are clearly articulated and ascribed in a series of checklists and forms, the Contract Performance Measurement Plan will be considered as ongoing. Data collection, measurement, analysis, and reporting of contractor performance will be a continuous effort.

Annual Contract Performance Assessment

The capstone for the program will be the Annual Contract Performance Assessment, which will be completed for each bus contractor. This is the primary formal method of feedback to be provided to the contractor. The Annual Contract Compliance Audit Report and the results of the performance measurement plan will provide the primary source information for completing the assessment.

With a high quality Contract Performance Measurement Program in place, this formal annual assessment will be productive and collaborative. The Contract Manager and contractor designee will have been in constant communication throughout the service year. Information will have been flowing back and forth between the contractor and the STSB to support specific elements of the compliance monitoring and performance measurement plans, and informally between the staff of the two organizations to manage day-to-day requirements and solve problems. With the expectations of the program clearly established and rigidly enforced, the Annual Contract Performance Assessment therefore becomes an opportunity to celebrate accomplishments and work collaboratively to improve performance. The assessment will consist of the following key elements:

- *STSB Assessment of Contractor Performance* – A formal letter, with the Annual Contract Compliance Audit Report and the Contractor Performance Report as attachments, will be provided to the contractor in advance of the assessment meeting summarizing the Program Administrator's assessment of contractor performance for the service year, and making recommendations for improvement. A key element of this report will be a statement of compliance with contractual requirements. If the contractor is found to be out of compliance and remedial steps have not been taken, contract termination provisions may be invoked. This initial assessment document serves as a discussion piece and guide for the balance of the assessment process.
- *Assessment Meeting* – The Program Administrator, Contract Manager, and contractor designees will meet to discuss the STSB report and determine action items for the following service year. The form and content for each bus contractor assessment meeting

will depend on the circumstances surrounding each contractor's performance. For the sake of equity, however, the agenda will be roughly consistent for all contractors.

- *Contractor Response* – The bus contractor will be provided with the opportunity, and encouraged to submit a formal written response to the STSB report and assessment meeting. This response should lay out the contractor's response to the improvement recommendations, and plans for implementation. This response and the actions taken can then be utilized as an additional input to the following annual performance assessment.

- end of Exhibit B-

Exhibit C: School Bus Camera Equipment Specifications

Digital Video Camera – While the DOE recognizes that the bus contractor will be the owner of the camera hardware and software, all necessary equipment must be provided to allow authorized DOE personnel to view and store video recordings. Therefore, DOE expects each vendor to provide access to both video files and viewing software for the camera manufacturer it has provided. DOE will work with each vendor to establish acquisition methodology and distribution procedures for video recordings that will ensure that all necessary confidentiality requirements are met. This may include the requirement that each vendor provide for the purchase of additional recording or viewing equipment. The cost of this equipment will be treated as a pass through expense to DOE with no markup allowed.

- The digital video recorder must be capable of allowing audio to be recorded
- The digital video recorder must provide video data in AVI, MP4 or other industry standard formats.
- The digital video recorder must be capable of providing continuous, smooth recording in all normal operating conditions inherent to school bus operations and operations within the State of Hawaii.
- The digital video recorder must utilize solid state Secure Digital Extended Capacity (SDXC) Cards with capacities up to 128GB. The digital video recorder must include a USB 2.0 interface that can be used for external data storage capacity expansion up to 2TB in addition to the primary SDXC Card data storage device.
- The digital video recorder must allow for the SDXC Card to interface with a PC without the need for a docking station and the SDXC Card shall connect to a PC directly when the PC has an integral SDXC Card Reader, or via an available SDXC Card Reader with a USB 2.0 interface to a PC. The system should also allow for a RJ-45 LAN connection that is capable of file transfer, remote configuration, and video streaming.
- The digital video recorder must begin recording upon activation of 12V trigger such as the vehicles ignition to ensure full coverage of all route activities.
- The digital video recorder must ensure that coverage is provided on a regular schedule through preprogrammed recording schedules of up to three times over a 24 hour period.
- The digital video recorder must have the capability of Event Alarm Recording that is driver controlled by an alarm push button switch / event marker button. The digital video recorder must allow Alarm Recording Duration to be programmed to continue for

up to 15 minutes after the alarm has been triggered.

- The digital video recorder must be capable of having previously recorded video reviewed directly from the system when appropriately connected to a viewing monitor while the system simultaneously records.

Camera(s)

- The system camera(s) must be color and have the capability to support low light recording and viewing.

- The camera must provide video coverage of persons entering the door, the driver, front row passengers and the rear seating area.

Viewing Software

- The viewing software must display Bus ID, time, date, and event triggers. It is preferable but not required that the software display location data and speed.

- The viewing software must allow the slow motion, fast forward, rewind, pause and play of all video files.

- The viewing software must allow the capture of a still image at any point in a video. The viewing software must allow a still image to a saved as a JPEG file.

- The viewing software must allow the search for video by a specific date and time. The viewing software must allow the selection of a single day of video and the playback of all videos consecutively from that selected day.

- The viewing software must operate on at least a Microsoft Windows 7 platform.

- The viewing software must be based on an embedded operating system with the ability to upgrade software in the field without return to the manufacturer.

YAMAGUCHI BUS SERVICE, INC.
P. O. Box 1127
Kilauea, HI 96754

RESOLUTION

I, Dennis S. Yamaguchi, Secretary of Yamaguchi Bus Service, Inc., a Hawaii Corporation, do hereby certify that the following is a full, true, & correct copy of a resolution duly adopted by the Board of Directors of said Corporation at its meeting duly called and held on the 25th day of June, 1983, at which a quorum was present and acting throughout and that said resolution has not been modified, amended, or rescinded, and continues in full force and effect:

> "RESOLVED, that any individual at the time holding the position of President, Vice President, Secretary, or Treasurer, be, and each of them hereby is authorized to execute on behalf of the Corporation any bid, proposal, or contract with the United States Government or the State of Hawaii or any County or Municipal Government of said State, or any department or subdivision of any of them."

IN WITNESS WHEREOF, I have hereunto, set my hand and affixed the corporate seal of said Yamaguchi Bus Service, Inc., this 19th day of January, 2017.

Secretary

DEPARTMENT OF EDUCATION

AUXILIARY SERVICES BRANCH

Contract No. COF1009

AWARDED PURSUANT TO

REQUEST FOR PROPOSALS RFP D17-002

WITH

AKITA ENTERPRISES, LTD.

TO

PROVIDE STUDENT BUS TRANSPORTATION SERVICES

FOR

CLUSTER 2 – KAPAA

ON THE ISLAND OF KAUAI

FOR THE PERIOD

JULY 1, 2017 TO JUNE 30, 2024

STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of

July 1, 2017, between STATE OF HAWAII, DEPARTMENT OF EDUCATION
(Insert name of state department, agency, board or commission)
State of Hawaii ("STATE"), by its SUPERINTENDENT
(Insert title of person signing for State)
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")), whose address is 1390 Miller Street, Honolulu, Hawaii 96813
and AKITA ENTERPRISES, LTD.
("CONTRACTOR"), a CORPORATION
(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)
under the laws of the State of HAWAII, whose business address and federal and state taxpayer identification numbers are as follows: 2960 Aukele Street, Lihue, Hawaii 96766
Federal ID No. 99-0092699; Hawaii GET License I.D. No. W20273564-01

RECITALS

A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.

B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.

C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").

D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.

E. Pursuant to HRS §103D-303 and HAR § 3-122-112, the STATE is
(Legal authority to enter into this Contract)
authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:
(1) PROGRAM ID 19097
(Identify state sources)
or (2) _____
(Identify federal sources)
or both, in the following amounts: State $: 1,587,780.00
Federal $: _____

NOW THEREFORE in consideration of the promise contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number RFP D17-002 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), and Attachment-S1, Scope of Services, all of which, even if not physically attached to this Contract, are made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed ELEVEN MILLION ONE HUNDRED FOURTEEN THOUSAND FOUR HUNDRED SIXTY AND NO/100 DOLLARS ($ 11,114,460.00), including approved costs

incurred and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal and the Compensation and Payment Schedule set forth in Attachment-S2, which is made a part of this Contract.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S-3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☒ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of _____ DOLLARS ($ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments, and Exhibits, and amendments; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of N/A _____ DOLLARS ($ N/A) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any changes of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

_____
(Signature)

Kathryn Matayoshi
(Print Name)

Superintendent
(Print Title)

1/27/17
(Date)

CONTRACTOR

Akita Enterprises, Ltd.
(Name of Contractor)

_____
(Signature)

Wendy Akita
(Print Name)

President
(Print Title)

January 13, 2017
(Date)

CORPORATE SEAL
(If available)

APPROVED AS TO FORM:

_____
Deputy Attorney General 1-12-17

*Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.

STATE OF HAWAII
CONTRACTOR'S ACKNOWLEDGEMENT

STATE OF Hawaii)
) SS.
COUNTY OF Kauai)

On this 13th day of January, 2017, before me appeared

Wendy Akita and _____, to me known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are President and _____ of Akita Enterprises, Limited, the CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said instrument as the free act and deed of the CONTRACTOR.

THOMAS J. CANUTE NOTARY PUBLIC No. 82-912 STATE OF HAWAII

(Notary Stamp or Seal)

(Signature)

Thomas J. Canute

(Print Name)

Notary Public, State of Hawaii

My commission expires: 12/1/2018

Doc. Date: Undated # Pages: 53

Notary Name: Thomas J. Canute 5th Circuit

Doc. Description: STATE OF HAWAII CONTRACT FOR GOODS OR SERVICES BASED UPON COMPETITIVE SEALED PROPOSALS

THOMAS J. CANUTE NOTARY PUBLIC No. 82-912 STATE OF HAWAII

(Notary Stamp or Seal)

1/13/2017

Notary Signature Date

NOTARY CERTIFICATION

STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of Akita Enterprises, Ltd., CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is* ☒ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84- 15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of $10.000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive seated proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By Wendy Akita
(Signature)

Print Name Wendy Akita

Print Title President

Name of Contractor Akita Enterprises, Ltd.

Date January 13, 2017

STATE OF HAWAII

SCOPE OF SERVICES

1) Student Transportation Service Requirements

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Exhibit C. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

(1) Coordination of student behavior management on school buses with school officials

(2) State and Department mandated data collection and reporting

(3) Accident investigation

(4) Customer service activities to the Department, school officials, parents and guardians

h) Cooperation with Department

i) The Contractor will work cooperatively with the Department to ensure safe, effective, and efficient Transportation Services throughout the term of this Agreement. The Contractor will be responsive to the Department's requirements for unscheduled bus or rider-related events and special requests. No additional compensation shall be provided for complying with these requests. These requests may include, but shall not be limited to:

(1) emergency preparedness activities

(2) student or community safety matters

(3) student or community health matters

ii) If other services or issues arise that are previously unaddressed by the Department, the Contractor will make a good faith effort to address or resolve such until the matter can be referred to the Department.

i) Insurance requirements

i) Insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate. To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions and coverage of Insurance Service Office (ISO) policies, forms and endorsements.

(1) Commercial General Liability: The Contractor shall maintain commercial general liability insurance covering all operations by or on behalf of the Contractor on an occurrence basis against claims for personal injury (including bodily injury and death) and property damage (including loss of use). Such insurance shall have these minimum limits and coverage:

- $2,000,000 each occurrence;

- $2,000,000 general aggregate on a "per project" basis;

- $2,000,000 products and completed operations aggregate.

(2) Automobile Liability: The Contractor shall maintain business auto liability covering liability arising out of any auto (including owned, hired and non-owned autos). Such insurance shall have these minimum limits and coverage:

- $2,000,000 combined single limit.

(3) Workers' Compensation: The Contractor shall maintain workers' compensation and employer's liability insurance that comply with statutory limits

3) Contractor Performance

a) Contract Performance Management Program

i) **Exhibit B** provides a description of the Department's Contract Performance Management Program. The Contractor will be an active participant in, and will be responsive to the requirements of this program.

ii) The Contract Performance Management Program is a non-punitive, joint, supportive program of contract compliance monitoring and performance measurement designed to enhance and improve Transportation service delivery in a continuous improvement cycle.

b) Minimum Service Levels and Standards of Performance

i) In addition, and as a supplement to the Contract Performance Management Program, the Contractor will be responsible for meeting or exceeding certain minimally acceptable service levels and standards of performance. The Contractor will monitor, track, account for, and report to the Department the data and information required to determine the Contractor's success in meeting or exceeding the established standards.

ii) The Contractor will comply with three minimally acceptable standards of performance. For the purpose of this section, a bus route is defined as either the morning or afternoon component of a regularly planned and assigned daily bus route as provided to the Contractor by the Department.

(1) No more than two (2) percent of all bus routes operated by the Contractor in each week of the service month shall be delayed or missed as a result of the Contractor's inability to provide an adequate number of qualified bus drivers or monitors as defined within this Agreement. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner.

(2) No more than two (2) percent of all bus routes operated by the Contractor in each service week shall be delayed or missed as a result of mechanical problems with the Contractor's assigned vehicle. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that is delayed over the course of its scheduled route as a result of a mechanical problem with the assigned vehicle.

(3) The Contractor shall report every incidence of delay as defined in subparagraph (1) and (2) of this section to the Department within fifteen (15) minutes of occurrence in a manner and format acceptable to the Department. This is a zero tolerance standard of performance.

iii) The Contractor is responsible for recording and tracking all data and information required to calculate Contractor performance relative to the minimum service levels and standards of performance. These data will be provided to the Department not later than the 15th of each month for service completed in the prior service month. The data and information will be submitted in a verifiable manner and format acceptable to the Department.

iv) If a non-compliance situation occurs, the Contractor is considered to be automatically on notice whether or not the Department sends a formal written notice.

v) The Contractor will comply with Department directives to improve operations and outcomes that fall below the established standards.

c) Performance Withholding

i) The Department may impose a **Minimum Service Level Performance Withholding** factor for non-compliance with the Minimum Service Levels and Standards of Performance.

(1) The Department may defer payment of up to one (1) percent of the Contractor's next regular monthly Transportation Services invoice for any single weekly instance of non-compliance.

(2) The Department may defer payment of up to three (3) percent of the Contractor's next regular monthly Transportation Services invoice should non-compliance continue for two consecutive service weeks.

(3) The Department may defer payment of up to seven (7) percent of the Contractor's next regular monthly invoice should non-compliance continue for three consecutive service weeks.

(4) The Department may defer payment of up to ten (10) percent of the Contractor's next regular monthly invoice should non-compliance continue for four (4) consecutive weeks.

ii) The number of withholding instances is unlimited, and may be repeated for each instance of non-compliance with the Minimum Service Levels and Standards of Performance requirements.

iii) The withheld amount may be paid in full to the Contractor if the non-compliance factor resulting in the Performance Withholding instance is cured to the satisfaction of the Department following the deferral decision.

iv) If the non-compliance factor is not cured to the satisfaction of the Department following the deferral decision, the Department may retain the withholding without obligation to pay the Contractor the withheld amounts.

v) The Department will notify the Contractor in formal letter delivered via a traceable method to the address of record for the Contractor contained in this Agreement if a decision to retain a Performance Withholding is reached.

d) Contractor Fiscal Efficiency

i) The Contractor will make an ongoing good-faith effort to identify opportunities to improve the efficiency and effectiveness of the bus routes and route packages assigned to the Contractor by this Agreement. Where feasible, the Contractor will identify opportunities to modify, pair, combine, or repackage bus routes with the objective to perform Transportation services in the most efficient and effective manner possible. If identified, such opportunities will be communicated to the Department not later than one (1) week following the identification. At a minimum, the Contractor will submit a written report to the Department, to accompany each regular invoice submission, summarizing the opportunities identified in the period covered by the invoice or, if no opportunities were identified, making an affirmative statement attesting to this fact.

ii) The Contractor will immediately notify the Department, in a manner deemed acceptable by the Department, of any new programs or services that are requested of the Contractor by school officials or representatives, including any school building or program bell time changes. The Contractor shall not fulfill such requests until and if authorized by the Department.

4) <u>Basis for Contractor Compensation</u>

a) Daily Bus Service Time

i) The Contractor's pricing for Transportation will primarily be structured upon the length of time required for a vehicle to complete its regularly assigned daily route package. The Department will assemble individual Transportation routes in time tiers, potentially serving multiple schools in succession. The route package time of service will start when the first scheduled student rider boarding occurs for either the morning home-to-school, or afternoon school-to-home component and ends when the last scheduled student debarkation occurs at the final school destination in the morning or the final scheduled stop in the afternoon. The combination of the morning and the afternoon route package time of service constitutes the **Daily Bus Service Time**. The Daily Bus Service Time of any individual route may also include all or a portion of mid-day and/or post-day bus route at the discretion of the Department. If mid-day or post-day segments are included, then the morning or afternoon route package time of service will continue from the last scheduled student debarkation at the final morning home-to-school destination (or from the final scheduled home-to-school stop in the afternoon) to the final scheduled stop of the mid-day or post-day routing component to be included in the Daily Bus Service Time.

(1) Vehicle operating time expended transiting from the Contractor's assigned vehicle parking location to the first scheduled student boarding in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(2) Vehicle operating time expended transiting from the final scheduled student debarkation to the Contractor's assigned vehicle parking location in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(3) Vehicle operating time expended transiting empty of student riders at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(4) Vehicle time expended empty of student riders and waiting for a subsequent component of the route package to start at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(5) Daily Bus Service Time is calculated in accordance with scheduled route data as determined by the Department and operated by the Contractor following all of the requirements of this Agreement.

(6) Daily Bus Service Time will be rounded to the nearest fifteen (15) minute increment.

(7) Occasional variances in planned versus actual Daily Bus Service Time of fifteen (15) minutes or less will receive no adjustment to compensation.

(8) Recurring variances in planned versus actual Daily Bus Service Time of any length may result in a compensation change following verification by the Department and adjustment to the scheduled route data. The Contractor must report recurring variances to the Department immediately on their identification notwithstanding any other reporting requirements of this Agreement.

b) Route Packages

i) The Daily Bus Service Time will be comprised of a package of routing components as determined by the Department. Route components may include any combination of regular or special needs students of any grade level, one or multiple schools or program types, any number of bus stops, and service to any location within the geographic area defined by this Agreement.

ii) Route packages will be assembled such that individual assigned vehicles are performing logical and efficient combinations of routing components in the morning and again in the afternoon, to the extent feasible.

iii) Route packages will be assembled such that the assigned vehicle type, size and equipment requirements are common to all routing components in the package, to the extent feasible.

iv) Route packages will be assembled such that the composition of the Contractor fleet is considered in matching requirements to available bus types, to the extent feasible.

v) The Department will schedule some routing components on a recurring, but not on a daily basis. The Department will treat any such component occurring on three (3) or more service days during a regular five (5) day service week as a regular recurring service for compensation purposes.

vi) Any regular routing component that occurs on a recurring basis but less than three (3) service days in any regular five (5) day service week will be treated as an additional supplemental service for compensation purposes.

vii) Morning and afternoon route packages will be paired as efficiently as possible by the Department, with the morning and afternoon schools and programs served being the same, to the extent feasible.

viii) The Contractor will assign the same driver to both the morning and afternoon package of runs, to the extent feasible.

c) Time Gaps in Service Requirements

i) When any individual morning, mid-day, afternoon or post-day routing component cannot be assigned to a route package such that the wait time before or after another contiguous component would exceed thirty (30) minutes, the Department will have the option of either treating the component as part of the Daily Bus Service Time or an additional supplemental service for the purpose of compensation. If the Department opts to include the routing component in the Daily Bus Service Time, the time gap will be included in the daily service

time and the mileage between the components will be included in eligible service miles for fuel cost adjustment purposes.

ii) The Contractor shall not invoice the Department for any service time more than once.

d) Pricing Elements

i) The Compensation and Payment Schedule provides a matrix describing each element for which the Contractor will be provided compensation and the rate of compensation associated with each element.

ii) The Contractor is guaranteed compensation for a minimum Daily Bus Service Time of three and one-half (3.5) hours for each vehicle assigned to a regular routing package under this Agreement. Any Daily Bus Service Time of three and one-half (3.5) hours or less will receive this rate of compensation.

iii) Additional compensation for Daily Bus Service Time in excess of three and one-half (3.5) hours will be provided based on the regular service incremental hourly rate, calculated in fifteen (15) minute increments.

iv) Compensation for additional supplemental services will be provided for each instance of service, at the rates specified in the Agreement's Compensation and Payment Schedule.

v) The Department reserves the right to alter, add, or delete route components or route packages at any time within the requirements specified by this Agreement.

vi) The Department will compensate the Contractor for each regular education and special education route package for the actual number of days transported.

vii) The Contractor and the Department shall keep accurate records of all services provided. , and shall be detailed on each Contractor invoice submitted.

5) <u>Invoicing and Compensation Adjustments</u>

a) Invoicing

i) The Contractor will receive an invoice from the Department at least once, and not more than twice per month. The invoice shall be received not later than five business days following the last service day of the month.

ii) The invoice will include sufficient information and detail to support the amounts billed, and will reconcile to this Agreement.

iii) The invoice will be received, reviewed, and approved by the Contractor within three business days of receipt. If the Department does not receive any notice from the Contractor after three business days, the Department will assume that the Contractor approves the amount due.

iv) If the Contractor notifies the Department of an error on the invoice, the error will be reconciled and the invoice revised within two days of receiving notice. A revised invoice will be submitted to the Contractor for review and approval. The Contractor will have one (1) business day to review the revised invoice. If the Department does not receive any notice

from the Contractor after one business day, the Department will assume that the Contractor approves the revised amount due.

b) Annual Price Escalators

i) All prices shall be adjusted upward or downward annually based upon the United States Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year covered by the term of this Agreement for the following service year.

ii) Any upward adjustment:

(1) Shall not exceed three (3) percent if the previous year increase was one (1) percent or more.

(2) Shall not exceed four (4) percent if the previous year increase was less than one (1) percent.

iii) Any downward adjustment shall not exceed negative two (-2) percent.

c) Fuel Cost Adjustment

i) The Contractor will purchase and provide fuel for all Transportation services provided.

ii) The Contractor's fuel costs will be limited to a targeted maximum threshold of $4.25 per gallon. The actual fuel cost overage (if any) will be calculated by the Department as follows and added to the Contractor payment:

(1) The Monthly System-Wide Cost per Gallon will be determined by referencing the AAA Daily Fuel Gauge Report, Hawaii Average, Wailuku website at:

http://fuelgaugereport.aaa.com/states/hawaii/hawaii-metro/

(a) Determine the average price for the four (or five) weeks reported for the calendar month to be invoiced.

(b) Subtract $4.25 from the Monthly System-Wide Cost per Gallon

(c) Subtract the federal fuel excise tax from the difference of the average price and the Monthly System-Wide Cost per Gallon

(d) This provides the cost in excess of the targeted cost per gallon, or the Cost per Gallon Recovery Amount

(2) Determine the number of Contractor gallons eligible for cost recovery

(a) Determine the number of miles operated for Department services for the calendar month to be invoiced.

(i) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(ii) For Type II buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(b) Divide those miles by these fuel consumption rates

(i) For buses with a seating capacity greater than 24, 7

(ii) For I buses with a seating capacity less than or equal to 24, 10

(c) This provides the total Number of Gallons Eligible for Cost Recovery

(3) Multiply the Cost per Gallon Recovery Amount times the Number of Gallons Eligible for Cost Recovery

(4) Add that amount to the monthly payment to the Contractor

d) Ancillary Services and Costs

i) The Contractor will bear all costs associated with performing services not identified in this Agreement or in the Exhibits.

ii) The Contractor will bear all penalties, fines, damages, levies, taxes, etc. that may arise from performing Transportation services.

6) <u>Vehicle Disposition Option at Contract Termination</u>

a) Upon expiration of the contract and if the incumbent Contractor has not been renewed then the Contractor has the option of leasing those displaced daily use route and spare vehicles to the Department.

i) The Contractor will notify the Department of this election no later than 120 days from contract expiration.

ii) The Department must agree to lease those daily use route vehicles and a number of spares not to exceed 10% of the daily use route vehicles for a period of 12 months.

(1) The lease amount will be:

(a) A rate of 8% of the average daily rate of the vehicles leased

(b) Multiplied by an assumed 18 compensation days per month (180 school days over 10 months)

iii) During that 12 month period, any entity can purchase vehicles from the Contractor at a procurement price determined as follows:

(1) Reference the most recently issued Yellow Bus School Book, a source of used school bus market values. (www.yellowschoolbusbook.com) as the primary source or a mutually agreed upon valuation if the primary source is not available.

(2) Locate the bus type and model year to determine.

(3) Apply an odometer mileage deduction per the table as necessary

(4) Apply no markup or markdown for time elapsed since book issuance

iv) In the 13th month the Department is obligated to purchase the vehicle according to the preceding valuation, discounted by the total value of all previous lease payments made from under the guidelines established in ii above. If the value of the lease payments exceeded the valuation, no additional payments would be made but the Department would take ownership of the vehicle.

b) The same option is available to the contractor if less than 75% of its current daily route vehicle count has been renewed.

7) Contract Administration

a) Contract Administrator

i) For purposes of this contract, the person named below or his/her duly authorized representative or successor in office is designated Contract Administrator (CA). The CA may be contacted as follows:

Contract Administrator:	James Kauhi
Telephone Number:	(808) 586-0170
E-mail Address:	james_kauhi@notes.k12.hi.us

ii) The CA is responsible for:

(1) The terms, conditions, quantities, specifications, scope of services, other contract terms, and all decisions relating to the contract;

(2) Monitoring the contractor's work, documenting the contractor maintains the required insurance coverage (if applicable), resolving disputes and discrepancies, evaluating the work of the contractor, assuring the services or goods are delivered as required in the contract, and processing payment for services rendered;

(3) Executing the Contract Performance Management Program (Exhibit B)

iii) Notwithstanding the responsibilities set forth hereinabove, any coordination of services falling outside those articulated above shall remain with the head of the purchasing agency, as set forth in the attached General Conditions (see General Conditions, paragraph 1, entitled "Coordination of Services by the STATE.")

b) Contractor administrative requirements

i) Contractor's primary point of contact is as follows:

Name:	Wendy Akita
Telephone Number:	808-245-5344
E-mail Address:	wwakita@gmail.com

ii) Contractor shall notify the STATE, verbally within twenty-four (24) hours, upon the occurrence of any of the events indicated below:

(1) Change in Contractor's business address or phone number;

(2) Change in Contractor's tax identification number; or

(3) Any other situation that could reasonably be expected to affect Contractor's ability to carry out its obligation under this contract.

8) Exhibits

a) Exhibit A: Transportation Contract Service Pricing Form
b) Exhibit B: Contract Performance Management Program
c) Exhibit C: School Bus Camera Equipment Specifications

- end of Attachment-S1 --

STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

1. TOTAL COMPENSATION

In full consideration of the goods delivered and/or the services performed by the CONTRACTOR under the terms and conditions of this contract, the STATE agrees to pay the CONTRACTOR the total sum not to exceed:
ELEVEN MILLION ONE HUNDRED FOURTEEN THOUSAND FOUR HUNDRED SIXTY AND NO/100 DOLLARS ($ 11,114,460.00).

2. PAYMENT SCHEDULE

Payment shall be made according to the provisions set forth in Attachment-S1, sections 4 and 5, and in Exhibit A.

3. AVAILABILITY OF FUNDS

This contract is subject to the availability of funds. Pursuant to Section 103D-309, HRS, except in certain instances, no contract entered into between the STATE and the CONTRACTOR shall be binding or of any force unless the Chief Financial Officer (CFO) certifies that there is an available unexpended appropriation or balance of an appropriation over and above all outstanding contracts sufficient to cover the amount required by the contract.

4. FINAL PAYMENT

The final payment on the contract shall be for services rendered during the billing period just prior to the contract expiration date. In addition to the requirements in the General Conditions, the following shall accompany the final payment invoice:

a) A tax clearance certificate, not over two months old and with an original green "certified copy" stamp, must accompany the invoice for final payment. In addition to the tax clearance certificate, the "Certification of Compliance for Final Payment" (DOE Form-22) with an original signature will be required for final payment.

b) In lieu of the above, CONTRACTOR may also submit an original CERTIFICATE OF VENDOR COMPLIANCE as issued by the State Procurement Office via an online system, also referred to as "Hawaii Compliance Express". Details regarding this online application process can be viewed at: http://vendors.ehawaii.gov/hce/.

- end of Attachment-S2 -

STATE OF HAWAII

TIME OF PERFORMANCE

1. CONTRACT TERM

The term of the contract shall be from the effective date of July 1, 2017 through June 30, 2024.

2. CONTRACT RENEWAL

This contract may be extended for not more than three (3) additional twelve-month periods i) upon mutual written agreement of the parties, and ii) prior to expiration of the term of the contract.

- end of Attachment-S3 -

STATE OF HAWAII

SPECIAL CONDITIONS

1. VERIFICATION OF EMPLOYEES

In accordance with State rules and regulations, CONTRACTOR shall conduct mandatory criminal background checks at no cost to the STATE, on any employee, agent, volunteer, or prospective employee working directly with students.

The CONTRACTOR shall maintain the background check records, and shall make the records available for review upon request. Upon review of these records, the STATE reserves the right to request additional background information.

2. CONFIDENTIALITY OBLIGATIONS

The following serves to supplement provision 24 of the General Conditions, entitled "Confidentiality of Material" and provision 42, entitled "Confidentiality of Personal Information":

While performing under this Agreement, the Contractor may receive, be exposed to or acquire confidential information. Such information may include names, addresses, telephone numbers, birthdates, social security numbers, medical information, and other educational, student, or personal employment information. The information maybe in written or oral form, fixed in hard copy or contained in a computer data base or computer readable form. Hereinafter, such language shall be collectively referred to as "Confidential Information."

The Contractor, including its employees, agents, representatives, and assigns shall abide by the following with regards to Confidential information: (i) They shall not disclose to any unauthorized party any Confidential Information, except as specifically permitted by the DOE and subject to the STATE's limitations on confidentiality of information and relevant legal requirements of the State to include, but not limited to the Family Educational Rights and Privacy Act ("FERPA"). Permission will be granted through a formal written agreement concerning the disclosure of personally identifiable information (PII) from student education records, signed by HIDOE and the Contractor, and must be provided as an attachment to this contract; (ii) They shall only permit access to Confidential Information to employees, agents, representatives, and assigns having a specific need to know in connection with performance under this Agreement; and (iii) They shall advise each of their employees, agents, representatives, and assigns of their obligations to keep such Confidential Information confidential.

CONTRACTOR, its employees, agents, representatives, or assigns shall ensure the security of the Confidential Information. The CONTRACTOR shall provide the DOE with a list of individuals (by name and position) who are authorized to handle the Confidential Information (hereinafter referred to as "Authorized Handlers"). Authorized Handlers shall ensure the security of the Confidential Information. Only Authorized Handlers shall have access to the Confidential Information, which will be kept on password protected computers with the hard copy documents kept in a locked file cabinet. CONTRACTOR shall ensure that procedures exist to prohibit access to the Confidential Information by anyone other than an Authorized Handler.

CONTRACTOR will be responsible for safeguarding the confidentiality of all Confidential Information it receives from the DOE and shall safeguard and protect such documents from unauthorized use, handling, or viewing. CONTRACTOR shall be liable to the DOE and to any person whose records the CONTRACTOR receives custody of under this Contract for records protection for any unpermitted release, viewing, or loss of such records. Contractor shall assume liability responsibility for records protection and for the inappropriate or unlawful release of Confidential Information. CONTRACTOR shall return all documents containing Confidential Information upon completion of the services CONTRACTOR is contracted to provide under this Agreement.

a) Prior written Approval: CONTRACTOR may not i) share Confidential Information or any other data received under this contract, ii) publish, or iii) distribute such information without the prior written approval of the STATE.
b) In the event of termination of this contract, CONTRACTOR shall return to the STATE all student information received under this contract and further agrees to destroy any and all copies of, or references to, any student information shared by the STATE as a result of this contract.

3. RELIEF AVAILABLE TO THE STATE

In addition to all rights and remedies available to the STATE provided in this Contract or otherwise provided under the law, if the CONTRACTOR is in non-compliance with the contract requirements, the STATE may:

a) Suspend Payments – Temporarily withhold or disallow all or part of the billing cost/payments pending correction of a deficiency or a non-submission of a required deliverable by the CONTRACTOR; and
b) Suspend Referrals – Suspend referrals to the CONTRACTOR should the CONTRACTOR fail to comply with any of the requirements or other term(s) or condition(s) of this Contract and, further, the STATE may maintain the suspension of referrals until such time as the deficiency or non-compliance is corrected and the CONTRACTOR's corrective actions are determined to be acceptable by the STATE; and
c) Seek Reimbursement – Seek reimbursement from the CONTRACTOR or withhold future payments for any funds paid to the CONTRACTOR subsequent to a determination that such was unauthorized, fraudulently obtained, or inappropriately billed.
d) Seek Market Value – In the event the CONTRACTOR fails, refuses or neglects to perform the services in accordance with the requirements of these Special Conditions, the Scope of Services, or the General Conditions, the STATE reserves the right to purchase, in the open market, a corresponding quantity of the services specified herein and to deduct form any monies due or that may thereafter become due to the CONTRACTOR, the difference between the price named in the Contract and the actual cost to the STATE. In case any money due the CONTRACTOR is insufficient for said purpose, the CONTRACTOR shall pay the difference upon demand from the STATE. The STATE may also utilize all other remedies provided by law.

4. EXCLUSION OF SPECIFIC WORKERS

The STATE reserves the right to require the CONTRACTOR to remove an employee, agent, subcontractor or volunteer (Worker) from performing work under this contract. The Contract Administrator shall notify the CONTRACTOR in writing and this exclusion of a specific Worker(s) shall take effect as indicated on the notice. The CONTRACTOR may appeal this decision to the Contract Administrator, in writing and within ten (10) working days of receipt of the notice. Removal of the employee, agent subcontractor or volunteer shall remain in effect pending the outcome of the appeal. This provision shall not infringe upon the right of the CONTRACTOR to employ the removed individual, but shall apply to any work requiring interaction with the STATE, its employees or students.

5. STATE'S GENERAL CONDITIONS

The Special Conditions shall serve to supplement the General Conditions; both documents remain part of this Contract with full force and effect. In the case of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control to the extent necessary to resolve the conflict.

- end of Special Conditions -

GENERAL CONDITIONS

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1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.

2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.

   a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.

   b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.

   c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.

   d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

   e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.

   f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.

b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

(1) The Assignee assumes all of the CONTRACTOR'S obligations;

(2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and

(3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.

d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.

7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.

8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.

9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.

10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.

11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.

12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.

a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

(1) Cancel the stop performance order; or

(2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

(1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and

(2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.

d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.

e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.

f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.

b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

(1) Any completed goods or work product; and

(2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

d. Compensation.

(1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.

(2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.

(3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:

(A) Contract prices for goods or services accepted under the Contract;

(B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);

(D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

(4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

(1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

(A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

(B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

(C) Within such further time as may be allowed by the Agency procurement officer in writing.

(2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

(3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

(4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.

b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.

c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.

b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.

c. Prompt payment.

(1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and

(2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.

d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.

b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:

(A) Changes in the work within the scope of the Contract; and

(B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.

d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.

e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.

f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.

g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least $25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.

h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.

i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.

20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:

(1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;

(2) Method of delivery; or

(3) Place of delivery.

a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.

c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.

d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:

(1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(2) By unit prices specified in the Contract or subsequently agreed upon;

(3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;

(4) In such other manner as the parties may mutually agree; or

(5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.

b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:

(1) Description of performance (Attachment 1);

(2) Time of performance (i.e., hours of the day, days of the week, etc.);

(3) Place of performance of services;

(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;

(5) Method of shipment or packing of supplies; or

(6) Place of delivery.

b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.

c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.

d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.

e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.

24. Confidentiality of Material.

a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.

25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.

26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.

27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:

a. The cost or pricing data, and

b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over $100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.

35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.

36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.

38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.

39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.

40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.

41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.

42. Confidentiality of Personal Information.

a. Definitions.

"Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:

(1) Social security number;

(2) Driver's license number or Hawaii identification card number; or

(3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

(1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.

(2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.

(3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.

(4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.

(5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.

(6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

(1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.

(2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:

(A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;

(B) Access to the personal information will be allowed only as necessary to perform the Contract; and

(C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

(1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or

(2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

Akita Enterprises, Ltd

EXHIBIT A: PRICING FORM

Cluster 2 – Kapaa

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	19	361	180	1234620.00	20	30	24
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	2	361	180	129960.00	20	30	24
Count of Special Needs Buses (Type II) with no special equipment	1	310	180	55800.00	17	65	22
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3	310	180	167400.00	17	65	22
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
			Cluster Total Cost	1,587,780.00			

Akita Enterprises, Ltd

EXHIBIT A: PRICING FORM

Hourly Rate for Bus Aide: $ 21.50

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

5%-20% of daily rate	based on availability
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Exhibit B - Contract Performance Management Program

Program Assignments & Responsibilities

Responsibility for determining the approach, assigning staff resources, providing oversight, and managing overall contractor relations within this program resides with the Assistant Superintendent, School Facilities and Support Services, Hawaii Department of Education. Specific responsibilities for program implementation include the following:

- *Program Administrator responsibilities* – The Program Administrator is the Director, Student Transportation Services Branch (STSB), Hawaii Department of Education. The Program Administrator maintains overall accountability for the program. The responsibilities of the administrator include the annual determination of the specific contract elements that will be subject to compliance monitoring and performance measurement, management of the annual program calendar, and management of the contractor annual performance assessment process.

- *Contract Manager responsibilities* – Each contract will have a named contract manager. The contract manager is responsible for executing all aspects of the program as it relates to the assigned contract. This is the primary point of contact for the contractor's management team as it relates to all contractual responsibilities.

- *STSB staff responsibilities* – Specific program tasks and requirements will be distributed throughout the STSB organization at the sole discretion of the Program Administrator and the Contract Manager.

- *Contractor responsibilities* – A successful program will be one in which the contractor is an active and engaged participant. The contractor is responsible for designating a management level staff member to serve as the contractor's counterpart to the Contract Manager. The contractor is furthermore responsible for ensuring their full understanding of the program's purpose and intent, and their specific contractual and program obligations.

- *Communications Protocol* – Regular communications, both structured and unstructured, will be a critical success factor. The most important element will be the regular formal and informal communications that occur between the contractor designee and the Contract Manager. It is an absolute requirement and responsibility of these two key individuals to establish open, ongoing, and consistent communications between them. **This program establishes a formal relationship between these individuals. All matters pertaining to the contractor's performance obligations must be passed via this channel of communications.**

- *Annual and ongoing data submission requirements* – The contract requires that various pieces of information be passed between the parties at the outset of the contractual relationship and periodically throughout the contract term. These requirements are summarized in the Contract itself, and will be detailed annually in the Contract Management Calendar, and the Contract Compliance Monitoring Plan.

Program Components

Contract Management Calendar

Embedded within the overall life cycle of the contract is an annual service delivery cycle that corresponds with the Hawaii Department of Education school calendar. The specific elements of the contract performance management program work within this annual cycle. The timing for the various elements of the program are summarized in the following contract management calendar.

Contract Month	Annual Service Cycle Requirement
July	Complete contract initiation tasks (new contracts) Establish contract management program (new contracts) Staff review of STSB contractual obligations (all contracts) Development and submission to the contractors of the annual compliance monitoring and performance measurement plan specifics for the year ahead. Contractor annual data and information submission requirements completed.
August	Begin service (all contracts)
September	Monthly performance data collection
October	Monthly performance data collection
November	Monthly performance data collection Route audits
December	Monthly performance data collection Route audits
January	Monthly performance data collection Route audits
February	Monthly performance data collection Route audits Customer satisfaction survey
March	Monthly performance data collection Route audits

Contract Month	Annual Service Cycle Requirement
April	Monthly performance data collection Route efficiency analysis and begin route planning Compliance audits
May	Compliance audit reports Performance assessment reports Performance assessment meetings

Contract Compliance Monitoring Plan

Annual Contract Compliance Audit – The primary mechanism supporting this portion of the Contract Performance Management program is the annual contract compliance audit. The purpose for this audit is to ensure that the contractor meets the minimum requirements established by the contract. The result of the audit will also provide input to the Contract Performance Measurement Plan and will be an integral part of the Annual Contract Performance Assessment.

Each compliance element in the annual contract compliance audit will be separately determined on a pass-fail basis as either "in compliance" or "not in compliance". There is an extensive list of compliance items to be verified, and a satisfactory level of compliance may not require a 100 percent rating. Rather, the Program Administrator will develop an annual standard against which all contractors providing service to the STSB are objectively and equally rated. Many contractual requirements may be excluded from this rating in any given contract year, but **under no circumstance is the contractor relieved of any contractual requirement that is excluded from the rating in any given year**. The contractor will not be rated for compliance on any element outside of its contractual responsibilities. The overall results of the compliance audit will support the Program Administrator's assessment of the contractor's performance. The assessment of the contractor's performance will form the basis of any performance improvement objectives or plans created and agreed to by the STSB and the contractor.

There are three primary elements to the annual contract compliance audit.

- *Compliance Audit Checklist* – A compliance audit checklist is the mechanism that will be utilized in gathering the data required to determine compliance with contractual obligations. The number of, and specific compliance items to be tracked and verified annually will be determined by, and at the sole discretion of the Program Administrator. The checklist to be used will be developed by the Program Manager and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Procedures & Standards* – The checklist for each year will be accompanied by a set of procedures that describes how it is to be applied and the

standards against which compliance is measured. For example, the procedures will define when and how the audit will be conducted, whether compliance is to be measured only at the time of the audit or whether the contractor will be provided with an opportunity to correct any discrepancies, and the consequences for non-compliance. The procedures to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Report* – The results of the audit will be submitted to, and discussed with the contractor in a compliance audit report that summarizes and describes the results of the audit, the implications for the contractor, and any requirements for improvement. This report will become an integral component of the contractor's annual performance assessment, and part of the contractor's permanent performance record with the Hawaii Department of Education.

Periodic Bus Route Audits – A second critical mechanism within the Contract Compliance Monitoring Plan is the completion of periodic bus route audits. These audits serve a dual purpose. First, they provide for compliance monitoring of contractual requirements that cannot be satisfied through the annual compliance audit. Second, the route audits provide a means to collect data that also supports the Contract Performance Measurement Plan.

A route audit checklist is the mechanism that will be utilized in gathering the performance measurement data and other information required to determine contract compliance. Methods for conducting route audits will vary with the technology and staffing resources available over the contract term, and the operational proximity of STSB staff and the contractor. The approach to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

Contract Performance Measurement Plan

The primary tool supporting this portion of the program is a package of interrelated performance measures. This provides for an integrated performance measurement and reporting program that facilitates a comprehensive understanding of contractor performance, and that provides for feedback to contractors. **This is not designed to be evaluative in the sense that contractors will be judged one against the other. Rather, it is designed to provide STSB managers with a structured and consistent tool to first understand, and then take action to improve contractor *and* STSB performance.** The compliance monitoring plan ensures that contractors meet their contractual obligations. The performance measurement plan provides an opportunity for the contractors to demonstrate their commitment and wherewithal to provide service above and beyond the minimum requirements established by the contract.

The structure for the package of performance indicators is based on four major categories of outcome-driven measures:

- *Safety* – Measures that assist the STSB in determining and improving the overall safety of transportation operations
- *Cost* - Measures that assist the STSB to improve the overall efficiency of its operations.
- *Reliability* – Measures that assist the STSB in determining and improving the reliability of the bus contractors' operations and fleet
- *Responsiveness* – Measures that assist the STSB in determining and improving the responsiveness of the bus contractors to the needs of the STSB and its customers

The actual measures will be determined annually and submitted to the contractors prior to the start of service in each contract year in a Performance Measure Matrix. The matrix will describe whether each measure is a primary, secondary, or tertiary measure, which will also be utilized by the STSB for prioritization and phase-in planning. The Performance Measure Matrix further describes which of the four categories each measure belongs to, and whether the measure relates to a contractual compliance item or is a separate performance measurement item. **This package of performance measures will not be definitive. Rather, it will be designed to provide a consistent framework, with the expectation that the list of measures will expand and evolve over time.**

A companion Performance Measure Glossary will be provided that describes, for each measure:

- *The standard of performance* – These are not presented as benchmarks, but rather describe the type of standard (e.g., manufacturer standard, peer comparison, internal STSB standard, contractual standard, etc.) that will be utilized for the specific measure.
- *What will be measured* – This describes whether the measure will be subject to instance sampling, an average over time, or some other method.
- *How the measure will be calculated* – This describes the actual calculation of the measure to provide consistency across all contractors.
- *The sources of required data* – This describes how the data required for calculating the measure can be collected or developed.
- *When and how frequently the factor will be measured* – This provides the timing and periodicity of measurement.

- *How the results will be reported and tracked* – This provides a description for how the measure will be summarized.

These two matrices combined will provide the core reference tools for the Contract Performance Measurement Plan. Unlike the Contract Compliance Monitoring Plan where the elements are clearly articulated and ascribed in a series of checklists and forms, the Contract Performance Measurement Plan will be considered as ongoing. Data collection, measurement, analysis, and reporting of contractor performance will be a continuous effort.

Annual Contract Performance Assessment

The capstone for the program will be the Annual Contract Performance Assessment, which will be completed for each bus contractor. This is the primary formal method of feedback to be provided to the contractor. The Annual Contract Compliance Audit Report and the results of the performance measurement plan will provide the primary source information for completing the assessment.

With a high quality Contract Performance Measurement Program in place, this formal annual assessment will be productive and collaborative. The Contract Manager and contractor designee will have been in constant communication throughout the service year. Information will have been flowing back and forth between the contractor and the STSB to support specific elements of the compliance monitoring and performance measurement plans, and informally between the staff of the two organizations to manage day-to-day requirements and solve problems. With the expectations of the program clearly established and rigidly enforced, the Annual Contract Performance Assessment therefore becomes an opportunity to celebrate accomplishments and work collaboratively to improve performance. The assessment will consist of the following key elements:

- *STSB Assessment of Contractor Performance* – A formal letter, with the Annual Contract Compliance Audit Report and the Contractor Performance Report as attachments, will be provided to the contractor in advance of the assessment meeting summarizing the Program Administrator's assessment of contractor performance for the service year, and making recommendations for improvement. A key element of this report will be a statement of compliance with contractual requirements. If the contractor is found to be out of compliance and remedial steps have not been taken, contract termination provisions may be invoked. This initial assessment document serves as a discussion piece and guide for the balance of the assessment process.
- *Assessment Meeting* – The Program Administrator, Contract Manager, and contractor designees will meet to discuss the STSB report and determine action items for the following service year. The form and content for each bus contractor assessment meeting

will depend on the circumstances surrounding each contractor's performance. For the sake of equity, however, the agenda will be roughly consistent for all contractors.

- *Contractor Response* – The bus contractor will be provided with the opportunity, and encouraged to submit a formal written response to the STSB report and assessment meeting. This response should lay out the contractor's response to the improvement recommendations, and plans for implementation. This response and the actions taken can then be utilized as an additional input to the following annual performance assessment.

- end of Exhibit B-

Exhibit C: School Bus Camera Equipment Specifications

Digital Video Camera – While the DOE recognizes that the bus contractor will be the owner of the camera hardware and software, all necessary equipment must be provided to allow authorized DOE personnel to view and store video recordings. Therefore, DOE expects each vendor to provide access to both video files and viewing software for the camera manufacturer it has provided. DOE will work with each vendor to establish acquisition methodology and distribution procedures for video recordings that will ensure that all necessary confidentiality requirements are met. This may include the requirement that each vendor provide for the purchase of additional recording or viewing equipment. The cost of this equipment will be treated as a pass through expense to DOE with no markup allowed.

- The digital video recorder must be capable of allowing audio to be recorded
- The digital video recorder must provide video data in AVI, MP4 or other industry standard formats.
- The digital video recorder must be capable of providing continuous, smooth recording in all normal operating conditions inherent to school bus operations and operations within the State of Hawaii.
- The digital video recorder must utilize solid state Secure Digital Extended Capacity (SDXC) Cards with capacities up to 128GB. The digital video recorder must include a USB 2.0 interface that can be used for external data storage capacity expansion up to 2TB in addition to the primary SDXC Card data storage device.
- The digital video recorder must allow for the SDXC Card to interface with a PC without the need for a docking station and the SDXC Card shall connect to a PC directly when the PC has an integral SDXC Card Reader, or via an available SDXC Card Reader with a USB 2.0 interface to a PC. The system should also allow for a RJ-45 LAN connection that is capable of file transfer, remote configuration, and video streaming.
- The digital video recorder must begin recording upon activation of 12V trigger such as the vehicles ignition to ensure full coverage of all route activities.
- The digital video recorder must ensure that coverage is provided on a regular schedule through preprogrammed recording schedules of up to three times over a 24 hour period.
- The digital video recorder must have the capability of Event Alarm Recording that is driver controlled by an alarm push button switch / event marker button. The digital video recorder must allow Alarm Recording Duration to be programmed to continue for

up to 15 minutes after the alarm has been triggered.

- The digital video recorder must be capable of having previously recorded video reviewed directly from the system when appropriately connected to a viewing monitor while the system simultaneously records.

Camera(s)

- The system camera(s) must be color and have the capability to support low light recording and viewing.

- The camera must provide video coverage of persons entering the door, the driver, front row passengers and the rear seating area.

Viewing Software

- The viewing software must display Bus ID, time, date, and event triggers. It is preferable but not required that the software display location data and speed.

- The viewing software must allow the slow motion, fast forward, rewind, pause and play of all video files.

- The viewing software must allow the capture of a still image at any point in a video. The viewing software must allow a still image to a saved as a JPEG file.

- The viewing software must allow the search for video by a specific date and time. The viewing software must allow the selection of a single day of video and the playback of all videos consecutively from that selected day.

- The viewing software must operate on at least a Microsoft Windows 7 platform.

- The viewing software must be based on an embedded operating system with the ability to upgrade software in the field without return to the manufacturer.

AKITA ENTERPRISES LTD.

2960 AUKELE STREET
LIHUE, HI 96766
(808) 245-5344

I, Edward Matsukawa, Secretary of Akita Enterprises, Ltd., a Hawaii Corporation, do hereby certify that the following is a full, true, and correct copy of a resolution duly adopted by the Board of Directors of said Corporation, at its special meeting duly called and held on the 15th day of June 2015, at which a quorum was present and acting throughout; and that said resolution has not been modified, amended and continues in full force and effect:

> "RESOLVED, that any individual at the time holding the position of President, Vice President, Secretary, or Treasurer, be, and each of them hereby, is authorized to execute on behalf of the Corporation, any bid, proposal, or contract for the sale of the services of the Corporation, and to execute any bond required by any such bid, proposal, or contract with the United State Government or the State of Hawaii or any County or Municipal Government of said State, or any department or subdivision of any of them"

IN WITNESS THEREOF, I have hereunto set my hand and affixed the corporate seal of said Akita Enterprises, Ltd., this 7th day of June 2016

Edward Matsukawa
Secretary

Officers:

Wendy Akita - President and Director
Josephine Aurelio- Vice President, Treasurer and Director
Edward Matsukawa- Secretary and Director
Lindbergh Akita- Chief Executive Officer and Director

DEPARTMENT OF EDUCATION

AUXILIARY SERVICES BRANCH

Contract No. COF1010

AWARDED PURSUANT TO

REQUEST FOR PROPOSALS RFP D17-002

WITH

AKITA ENTERPRISES, LTD.

TO

PROVIDE STUDENT BUS TRANSPORTATION SERVICES

FOR

CLUSTER 3 – KAUAI

ON THE ISLAND OF KAUAI

FOR THE PERIOD

JULY 1, 2017 TO JUNE 30, 2024

STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of

July 1, 2017, between STATE OF HAWAII, DEPARTMENT OF EDUCATION
(Insert name of state department, agency, board or commission)
State of Hawaii ("STATE"), by its SUPERINTENDENT
(Insert title of person signing for State)
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")), whose address is 1390 Miller Street, Honolulu, Hawaii 96813
and AKITA ENTERPRISES, LTD.
("CONTRACTOR"), a CORPORATION
(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)
under the laws of the State of HAWAII, whose business address and federal and state taxpayer identification numbers are as follows: 2960 Aukele Street, Lihue, Hawaii 96766
Federal ID No. 99-0092699; Hawaii GET License I.D. No. W20273564-01

RECITALS

A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.

B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.

C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").

D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.

E. Pursuant to HRS §103D-303 and HAR § 3-122-112, the STATE is
(Legal authority to enter into this Contract)
authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:
(1) PROGRAM ID 19097
(Identify state sources)
or (2) _____
(Identify federal sources)
or both, in the following amounts: State $: 1,334,880.00
Federal $: _____

NOW THEREFORE in consideration of the promise contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number RFP D17-002 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), and Attachment-S1, Scope of Services, all of which, even if not physically attached to this Contract, are made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed NINE MILLION THREE HUNDRED FORTY-FOUR THOUSAND ONE HUNDRED SIXTY AND NO/100 DOLLARS ($ 9,344,160.00), including approved costs

incurred and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal and the Compensation and Payment Schedule set forth in Attachment-S2, which is made a part of this Contract.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S-3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☒ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of _____ DOLLARS ($ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments, and Exhibits, and amendments; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of N/A _____ DOLLARS ($ N/A) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any changes of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

_____
(Signature)

Kathryn Matayoshi
(Print Name)

Superintendent
(Print Title)

1/23/17
(Date)

CONTRACTOR

Akita Enterprises, Ltd.
(Name of Contractor)

_____
(Signature)

Wendy Akita
(Print Name)

President
(Print Title)

January 13, 2017
(Date)

CORPORATE SEAL
(If available)

APPROVED AS TO FORM:

_____
Deputy Attorney General 1-12-17

*Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.

STATE OF HAWAII
CONTRACTOR'S ACKNOWLEDGEMENT

STATE OF Hawaii)
) SS.
COUNTY OF Kauai)

On this 13th day of January, 2017, before me appeared

Wendy Akita and _____, to me known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are President and _____ of Akita Enterprises, Limited, the CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said instrument as the free act and deed of the CONTRACTOR.

THOMAS J. CANUTE NOTARY PUBLIC No. 82-912 STATE OF HAWAII
(Notary Stamp or Seal)

(Signature)
Thomas J. Canute
(Print Name)
Notary Public, State of Hawaii
My commission expires: 12/1/2018

Doc. Date: Undated # Pages: 53
Notary Name: Thomas J. Canute 5th Circuit
Doc. Description: STATE OF HAWAII CONTRACT FOR GOODS OR SERVICES BASED UPON COMPETITIVE SEALED PROPOSALS

THOMAS J. CANUTE NOTARY PUBLIC No. 82-912 STATE OF HAWAII
(Notary Stamp or Seal)

1/13/2017
Notary Signature Date

NOTARY CERTIFICATION

STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of Akita Enterprises, Ltd., CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is* ☒ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84- 15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of $10.000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive seated proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By Wendy Akita
(Signature)

Print Name Wendy Akita

Print Title President

Name of Contractor Akita Enterprises, Ltd.

Date January 13, 2017

STATE OF HAWAII

SCOPE OF SERVICES

1) Student Transportation Service Requirements

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Exhibit C. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

(1) Coordination of student behavior management on school buses with school officials

(2) State and Department mandated data collection and reporting

(3) Accident investigation

(4) Customer service activities to the Department, school officials, parents and guardians

h) Cooperation with Department

i) The Contractor will work cooperatively with the Department to ensure safe, effective, and efficient Transportation Services throughout the term of this Agreement. The Contractor will be responsive to the Department's requirements for unscheduled bus or rider-related events and special requests. No additional compensation shall be provided for complying with these requests. These requests may include, but shall not be limited to:

(1) emergency preparedness activities

(2) student or community safety matters

(3) student or community health matters

ii) If other services or issues arise that are previously unaddressed by the Department, the Contractor will make a good faith effort to address or resolve such until the matter can be referred to the Department.

i) Insurance requirements

i) Insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate. To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions and coverage of Insurance Service Office (ISO) policies, forms and endorsements.

(1) Commercial General Liability: The Contractor shall maintain commercial general liability insurance covering all operations by or on behalf of the Contractor on an occurrence basis against claims for personal injury (including bodily injury and death) and property damage (including loss of use). Such insurance shall have these minimum limits and coverage:

- $2,000,000 each occurrence;

- $2,000,000 general aggregate on a "per project" basis;

- $2,000,000 products and completed operations aggregate.

(2) Automobile Liability: The Contractor shall maintain business auto liability covering liability arising out of any auto (including owned, hired and non-owned autos). Such insurance shall have these minimum limits and coverage:

- $2,000,000 combined single limit.

(3) Workers' Compensation: The Contractor shall maintain workers' compensation and employer's liability insurance that comply with statutory limits

3) Contractor Performance

a) Contract Performance Management Program

i) **Exhibit B** provides a description of the Department's Contract Performance Management Program. The Contractor will be an active participant in, and will be responsive to the requirements of this program.

ii) The Contract Performance Management Program is a non-punitive, joint, supportive program of contract compliance monitoring and performance measurement designed to enhance and improve Transportation service delivery in a continuous improvement cycle.

b) Minimum Service Levels and Standards of Performance

i) In addition, and as a supplement to the Contract Performance Management Program, the Contractor will be responsible for meeting or exceeding certain minimally acceptable service levels and standards of performance. The Contractor will monitor, track, account for, and report to the Department the data and information required to determine the Contractor's success in meeting or exceeding the established standards.

ii) The Contractor will comply with three minimally acceptable standards of performance. For the purpose of this section, a bus route is defined as either the morning or afternoon component of a regularly planned and assigned daily bus route as provided to the Contractor by the Department.

(1) No more than two (2) percent of all bus routes operated by the Contractor in each week of the service month shall be delayed or missed as a result of the Contractor's inability to provide an adequate number of qualified bus drivers or monitors as defined within this Agreement. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner.

(2) No more than two (2) percent of all bus routes operated by the Contractor in each service week shall be delayed or missed as a result of mechanical problems with the Contractor's assigned vehicle. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that is delayed over the course of its scheduled route as a result of a mechanical problem with the assigned vehicle.

(3) The Contractor shall report every incidence of delay as defined in subparagraph (1) and (2) of this section to the Department within fifteen (15) minutes of occurrence in a manner and format acceptable to the Department. This is a zero tolerance standard of performance.

iii) The Contractor is responsible for recording and tracking all data and information required to calculate Contractor performance relative to the minimum service levels and standards of performance. These data will be provided to the Department not later than the 15th of each month for service completed in the prior service month. The data and information will be submitted in a verifiable manner and format acceptable to the Department.

iv) If a non-compliance situation occurs, the Contractor is considered to be automatically on notice whether or not the Department sends a formal written notice.

v) The Contractor will comply with Department directives to improve operations and outcomes that fall below the established standards.

c) Performance Withholding

i) The Department may impose a **Minimum Service Level Performance Withholding** factor for non-compliance with the Minimum Service Levels and Standards of Performance.

(1) The Department may defer payment of up to one (1) percent of the Contractor's next regular monthly Transportation Services invoice for any single weekly instance of non-compliance.

(2) The Department may defer payment of up to three (3) percent of the Contractor's next regular monthly Transportation Services invoice should non-compliance continue for two consecutive service weeks.

(3) The Department may defer payment of up to seven (7) percent of the Contractor's next regular monthly invoice should non-compliance continue for three consecutive service weeks.

(4) The Department may defer payment of up to ten (10) percent of the Contractor's next regular monthly invoice should non-compliance continue for four (4) consecutive weeks.

ii) The number of withholding instances is unlimited, and may be repeated for each instance of non-compliance with the Minimum Service Levels and Standards of Performance requirements.

iii) The withheld amount may be paid in full to the Contractor if the non-compliance factor resulting in the Performance Withholding instance is cured to the satisfaction of the Department following the deferral decision.

iv) If the non-compliance factor is not cured to the satisfaction of the Department following the deferral decision, the Department may retain the withholding without obligation to pay the Contractor the withheld amounts.

v) The Department will notify the Contractor in formal letter delivered via a traceable method to the address of record for the Contractor contained in this Agreement if a decision to retain a Performance Withholding is reached.

d) Contractor Fiscal Efficiency

i) The Contractor will make an ongoing good-faith effort to identify opportunities to improve the efficiency and effectiveness of the bus routes and route packages assigned to the Contractor by this Agreement. Where feasible, the Contractor will identify opportunities to modify, pair, combine, or repackage bus routes with the objective to perform Transportation services in the most efficient and effective manner possible. If identified, such opportunities will be communicated to the Department not later than one (1) week following the identification. At a minimum, the Contractor will submit a written report to the Department, to accompany each regular invoice submission, summarizing the opportunities identified in the period covered by the invoice or, if no opportunities were identified, making an affirmative statement attesting to this fact.

ii) The Contractor will immediately notify the Department, in a manner deemed acceptable by the Department, of any new programs or services that are requested of the Contractor by school officials or representatives, including any school building or program bell time changes. The Contractor shall not fulfill such requests until and if authorized by the Department.

4) <u>Basis for Contractor Compensation</u>

a) Daily Bus Service Time

i) The Contractor's pricing for Transportation will primarily be structured upon the length of time required for a vehicle to complete its regularly assigned daily route package. The Department will assemble individual Transportation routes in time tiers, potentially serving multiple schools in succession. The route package time of service will start when the first scheduled student rider boarding occurs for either the morning home-to-school, or afternoon school-to-home component and ends when the last scheduled student debarkation occurs at the final school destination in the morning or the final scheduled stop in the afternoon. The combination of the morning and the afternoon route package time of service constitutes the **Daily Bus Service Time**. The Daily Bus Service Time of any individual route may also include all or a portion of mid-day and/or post-day bus route at the discretion of the Department. If mid-day or post-day segments are included, then the morning or afternoon route package time of service will continue from the last scheduled student debarkation at the final morning home-to-school destination (or from the final scheduled home-to-school stop in the afternoon) to the final scheduled stop of the mid-day or post-day routing component to be included in the Daily Bus Service Time.

(1) Vehicle operating time expended transiting from the Contractor's assigned vehicle parking location to the first scheduled student boarding in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(2) Vehicle operating time expended transiting from the final scheduled student debarkation to the Contractor's assigned vehicle parking location in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(3) Vehicle operating time expended transiting empty of student riders at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(4) Vehicle time expended empty of student riders and waiting for a subsequent component of the route package to start at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(5) Daily Bus Service Time is calculated in accordance with scheduled route data as determined by the Department and operated by the Contractor following all of the requirements of this Agreement.

(6) Daily Bus Service Time will be rounded to the nearest fifteen (15) minute increment.

(7) Occasional variances in planned versus actual Daily Bus Service Time of fifteen (15) minutes or less will receive no adjustment to compensation.

(8) Recurring variances in planned versus actual Daily Bus Service Time of any length may result in a compensation change following verification by the Department and adjustment to the scheduled route data. The Contractor must report recurring variances to the Department immediately on their identification notwithstanding any other reporting requirements of this Agreement.

b) Route Packages

i) The Daily Bus Service Time will be comprised of a package of routing components as determined by the Department. Route components may include any combination of regular or special needs students of any grade level, one or multiple schools or program types, any number of bus stops, and service to any location within the geographic area defined by this Agreement.

ii) Route packages will be assembled such that individual assigned vehicles are performing logical and efficient combinations of routing components in the morning and again in the afternoon, to the extent feasible.

iii) Route packages will be assembled such that the assigned vehicle type, size and equipment requirements are common to all routing components in the package, to the extent feasible.

iv) Route packages will be assembled such that the composition of the Contractor fleet is considered in matching requirements to available bus types, to the extent feasible.

v) The Department will schedule some routing components on a recurring, but not on a daily basis. The Department will treat any such component occurring on three (3) or more service days during a regular five (5) day service week as a regular recurring service for compensation purposes.

vi) Any regular routing component that occurs on a recurring basis but less than three (3) service days in any regular five (5) day service week will be treated as an additional supplemental service for compensation purposes.

vii) Morning and afternoon route packages will be paired as efficiently as possible by the Department, with the morning and afternoon schools and programs served being the same, to the extent feasible.

viii) The Contractor will assign the same driver to both the morning and afternoon package of runs, to the extent feasible.

c) Time Gaps in Service Requirements

i) When any individual morning, mid-day, afternoon or post-day routing component cannot be assigned to a route package such that the wait time before or after another contiguous component would exceed thirty (30) minutes, the Department will have the option of either treating the component as part of the Daily Bus Service Time or an additional supplemental service for the purpose of compensation. If the Department opts to include the routing component in the Daily Bus Service Time, the time gap will be included in the daily service

time and the mileage between the components will be included in eligible service miles for fuel cost adjustment purposes.

ii) The Contractor shall not invoice the Department for any service time more than once.

d) Pricing Elements

i) The Compensation and Payment Schedule provides a matrix describing each element for which the Contractor will be provided compensation and the rate of compensation associated with each element.

ii) The Contractor is guaranteed compensation for a minimum Daily Bus Service Time of three and one-half (3.5) hours for each vehicle assigned to a regular routing package under this Agreement. Any Daily Bus Service Time of three and one-half (3.5) hours or less will receive this rate of compensation.

iii) Additional compensation for Daily Bus Service Time in excess of three and one-half (3.5) hours will be provided based on the regular service incremental hourly rate, calculated in fifteen (15) minute increments.

iv) Compensation for additional supplemental services will be provided for each instance of service, at the rates specified in the Agreement's Compensation and Payment Schedule.

v) The Department reserves the right to alter, add, or delete route components or route packages at any time within the requirements specified by this Agreement.

vi) The Department will compensate the Contractor for each regular education and special education route package for the actual number of days transported.

vii) The Contractor and the Department shall keep accurate records of all services provided. , and shall be detailed on each Contractor invoice submitted.

5) <u>Invoicing and Compensation Adjustments</u>

a) Invoicing

i) The Contractor will receive an invoice from the Department at least once, and not more than twice per month. The invoice shall be received not later than five business days following the last service day of the month.

ii) The invoice will include sufficient information and detail to support the amounts billed, and will reconcile to this Agreement.

iii) The invoice will be received, reviewed, and approved by the Contractor within three business days of receipt. If the Department does not receive any notice from the Contractor after three business days, the Department will assume that the Contractor approves the amount due.

iv) If the Contractor notifies the Department of an error on the invoice, the error will be reconciled and the invoice revised within two days of receiving notice. A revised invoice will be submitted to the Contractor for review and approval. The Contractor will have one (1) business day to review the revised invoice. If the Department does not receive any notice

from the Contractor after one business day, the Department will assume that the Contractor approves the revised amount due.

b) Annual Price Escalators

i) All prices shall be adjusted upward or downward annually based upon the United States Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year covered by the term of this Agreement for the following service year.

ii) Any upward adjustment:

(1) Shall not exceed three (3) percent if the previous year increase was one (1) percent or more.

(2) Shall not exceed four (4) percent if the previous year increase was less than one (1) percent.

iii) Any downward adjustment shall not exceed negative two (-2) percent.

c) Fuel Cost Adjustment

i) The Contractor will purchase and provide fuel for all Transportation services provided.

ii) The Contractor's fuel costs will be limited to a targeted maximum threshold of $4.25 per gallon. The actual fuel cost overage (if any) will be calculated by the Department as follows and added to the Contractor payment:

(1) The Monthly System-Wide Cost per Gallon will be determined by referencing the AAA Daily Fuel Gauge Report, Hawaii Average, Wailuku website at:

http://fuelgaugereport.aaa.com/states/hawaii/hawaii-metro/

(a) Determine the average price for the four (or five) weeks reported for the calendar month to be invoiced.

(b) Subtract $4.25 from the Monthly System-Wide Cost per Gallon

(c) Subtract the federal fuel excise tax from the difference of the average price and the Monthly System-Wide Cost per Gallon

(d) This provides the cost in excess of the targeted cost per gallon, or the Cost per Gallon Recovery Amount

(2) Determine the number of Contractor gallons eligible for cost recovery

(a) Determine the number of miles operated for Department services for the calendar month to be invoiced.

(i) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(ii) For Type II buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(b) Divide those miles by these fuel consumption rates

(i) For buses with a seating capacity greater than 24, 7

(ii) For I buses with a seating capacity less than or equal to 24, 10

(c) This provides the total Number of Gallons Eligible for Cost Recovery

(3) Multiply the Cost per Gallon Recovery Amount times the Number of Gallons Eligible for Cost Recovery

(4) Add that amount to the monthly payment to the Contractor

d) Ancillary Services and Costs

i) The Contractor will bear all costs associated with performing services not identified in this Agreement or in the Exhibits.

ii) The Contractor will bear all penalties, fines, damages, levies, taxes, etc. that may arise from performing Transportation services.

6) <u>Vehicle Disposition Option at Contract Termination</u>

a) Upon expiration of the contract and if the incumbent Contractor has not been renewed then the Contractor has the option of leasing those displaced daily use route and spare vehicles to the Department.

i) The Contractor will notify the Department of this election no later than 120 days from contract expiration.

ii) The Department must agree to lease those daily use route vehicles and a number of spares not to exceed 10% of the daily use route vehicles for a period of 12 months.

(1) The lease amount will be:

(a) A rate of 8% of the average daily rate of the vehicles leased

(b) Multiplied by an assumed 18 compensation days per month (180 school days over 10 months)

iii) During that 12 month period, any entity can purchase vehicles from the Contractor at a procurement price determined as follows:

(1) Reference the most recently issued Yellow Bus School Book, a source of used school bus market values. (www.yellowschoolbusbook.com) as the primary source or a mutually agreed upon valuation if the primary source is not available.

(2) Locate the bus type and model year to determine.

(3) Apply an odometer mileage deduction per the table as necessary

(4) Apply no markup or markdown for time elapsed since book issuance

iv) In the 13th month the Department is obligated to purchase the vehicle according to the preceding valuation, discounted by the total value of all previous lease payments made from under the guidelines established in ii above. If the value of the lease payments exceeded the valuation, no additional payments would be made but the Department would take ownership of the vehicle.

b) The same option is available to the contractor if less than 75% of its current daily route vehicle count has been renewed.

7) Contract Administration

a) Contract Administrator

i) For purposes of this contract, the person named below or his/her duly authorized representative or successor in office is designated Contract Administrator (CA). The CA may be contacted as follows:

Contract Administrator:	James Kauhi
Telephone Number:	(808) 586-0170
E-mail Address:	james_kauhi@notes.k12.hi.us

ii) The CA is responsible for:

(1) The terms, conditions, quantities, specifications, scope of services, other contract terms, and all decisions relating to the contract;

(2) Monitoring the contractor's work, documenting the contractor maintains the required insurance coverage (if applicable), resolving disputes and discrepancies, evaluating the work of the contractor, assuring the services or goods are delivered as required in the contract, and processing payment for services rendered;

(3) Executing the Contract Performance Management Program (Exhibit B)

iii) Notwithstanding the responsibilities set forth hereinabove, any coordination of services falling outside those articulated above shall remain with the head of the purchasing agency, as set forth in the attached General Conditions (see General Conditions, paragraph 1, entitled "Coordination of Services by the STATE.")

b) Contractor administrative requirements

i) Contractor's primary point of contact is as follows:

Name:	Wendy Akita
Telephone Number:	808-245-5344
E-mail Address:	wwakita@gmail.com

ii) Contractor shall notify the STATE, verbally within twenty-four (24) hours, upon the occurrence of any of the events indicated below:

(1) Change in Contractor's business address or phone number;

(2) Change in Contractor's tax identification number; or

(3) Any other situation that could reasonably be expected to affect Contractor's ability to carry out its obligation under this contract.

8) Exhibits

a) Exhibit A: Transportation Contract Service Pricing Form
b) Exhibit B: Contract Performance Management Program
c) Exhibit C: School Bus Camera Equipment Specifications

- end of Attachment-S1 --

STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

1. TOTAL COMPENSATION

In full consideration of the goods delivered and/or the services performed by the CONTRACTOR under the terms and conditions of this contract, the STATE agrees to pay the CONTRACTOR the total sum not to exceed:
NINE MILLION THREE HUNDRED FORTY-FOUR THOUSAND ONE HUNDRED SIXTY AND NO/100 DOLLARS ($ 9,344,160.00).

2. PAYMENT SCHEDULE

Payment shall be made according to the provisions set forth in Attachment-S1, sections 4 and 5, and in Exhibit A.

3. AVAILABILITY OF FUNDS

This contract is subject to the availability of funds. Pursuant to Section 103D-309, HRS, except in certain instances, no contract entered into between the STATE and the CONTRACTOR shall be binding or of any force unless the Chief Financial Officer (CFO) certifies that there is an available unexpended appropriation or balance of an appropriation over and above all outstanding contracts sufficient to cover the amount required by the contract.

4. FINAL PAYMENT

The final payment on the contract shall be for services rendered during the billing period just prior to the contract expiration date. In addition to the requirements in the General Conditions, the following shall accompany the final payment invoice:

a) A tax clearance certificate, not over two months old and with an original green "certified copy" stamp, must accompany the invoice for final payment. In addition to the tax clearance certificate, the "Certification of Compliance for Final Payment" (DOE Form-22) with an original signature will be required for final payment.

b) In lieu of the above, CONTRACTOR may also submit an original CERTIFICATE OF VENDOR COMPLIANCE as issued by the State Procurement Office via an online system, also referred to as "Hawaii Compliance Express". Details regarding this online application process can be viewed at: http://vendors.ehawaii.gov/hce/.

- end of Attachment-S2 -

STATE OF HAWAII

TIME OF PERFORMANCE

1. CONTRACT TERM

The term of the contract shall be from the effective date of July 1, 2017 through June 30, 2024.

2. CONTRACT RENEWAL

This contract may be extended for not more than three (3) additional twelve-month periods i) upon mutual written agreement of the parties, and ii) prior to expiration of the term of the contract.

- end of Attachment-S3 -

STATE OF HAWAII

SPECIAL CONDITIONS

1. VERIFICATION OF EMPLOYEES

In accordance with State rules and regulations, CONTRACTOR shall conduct mandatory criminal background checks at no cost to the STATE, on any employee, agent, volunteer, or prospective employee working directly with students.

The CONTRACTOR shall maintain the background check records, and shall make the records available for review upon request. Upon review of these records, the STATE reserves the right to request additional background information.

2. CONFIDENTIALITY OBLIGATIONS

The following serves to supplement provision 24 of the General Conditions, entitled "Confidentiality of Material" and provision 42, entitled "Confidentiality of Personal Information":

While performing under this Agreement, the Contractor may receive, be exposed to or acquire confidential information. Such information may include names, addresses, telephone numbers, birthdates, social security numbers, medical information, and other educational, student, or personal employment information. The information maybe in written or oral form, fixed in hard copy or contained in a computer data base or computer readable form. Hereinafter, such language shall be collectively referred to as "Confidential Information."

The Contractor, including its employees, agents, representatives, and assigns shall abide by the following with regards to Confidential information: (i) They shall not disclose to any unauthorized party any Confidential Information, except as specifically permitted by the DOE and subject to the STATE's limitations on confidentiality of information and relevant legal requirements of the State to include, but not limited to the Family Educational Rights and Privacy Act ("FERPA"). Permission will be granted through a formal written agreement concerning the disclosure of personally identifiable information (PII) from student education records, signed by HIDOE and the Contractor, and must be provided as an attachment to this contract; (ii) They shall only permit access to Confidential Information to employees, agents, representatives, and assigns having a specific need to know in connection with performance under this Agreement; and (iii) They shall advise each of their employees, agents, representatives, and assigns of their obligations to keep such Confidential Information confidential.

CONTRACTOR, its employees, agents, representatives, or assigns shall ensure the security of the Confidential Information. The CONTRACTOR shall provide the DOE with a list of individuals (by name and position) who are authorized to handle the Confidential Information (hereinafter referred to as "Authorized Handlers"). Authorized Handlers shall ensure the security of the Confidential Information. Only Authorized Handlers shall have access to the Confidential Information, which will be kept on password protected computers with the hard copy documents kept in a locked file cabinet. CONTRACTOR shall ensure that procedures exist to prohibit access to the Confidential Information by anyone other than an Authorized Handler.

CONTRACTOR will be responsible for safeguarding the confidentiality of all Confidential Information it receives from the DOE and shall safeguard and protect such documents from unauthorized use, handling, or viewing. CONTRACTOR shall be liable to the DOE and to any person whose records the CONTRACTOR receives custody of under this Contract for records protection for any unpermitted release, viewing, or loss of such records. Contractor shall assume liability responsibility for records protection and for the inappropriate or unlawful release of Confidential Information. CONTRACTOR shall return all documents containing Confidential Information upon completion of the services CONTRACTOR is contracted to provide under this Agreement.

a) Prior written Approval: CONTRACTOR may not i) share Confidential Information or any other data received under this contract, ii) publish, or iii) distribute such information without the prior written approval of the STATE.
b) In the event of termination of this contract, CONTRACTOR shall return to the STATE all student information received under this contract and further agrees to destroy any and all copies of, or references to, any student information shared by the STATE as a result of this contract.

3. RELIEF AVAILABLE TO THE STATE

In addition to all rights and remedies available to the STATE provided in this Contract or otherwise provided under the law, if the CONTRACTOR is in non-compliance with the contract requirements, the STATE may:

a) Suspend Payments – Temporarily withhold or disallow all or part of the billing cost/payments pending correction of a deficiency or a non-submission of a required deliverable by the CONTRACTOR; and
b) Suspend Referrals – Suspend referrals to the CONTRACTOR should the CONTRACTOR fail to comply with any of the requirements or other term(s) or condition(s) of this Contract and, further, the STATE may maintain the suspension of referrals until such time as the deficiency or non-compliance is corrected and the CONTRACTOR's corrective actions are determined to be acceptable by the STATE; and
c) Seek Reimbursement – Seek reimbursement from the CONTRACTOR or withhold future payments for any funds paid to the CONTRACTOR subsequent to a determination that such was unauthorized, fraudulently obtained, or inappropriately billed.
d) Seek Market Value – In the event the CONTRACTOR fails, refuses or neglects to perform the services in accordance with the requirements of these Special Conditions, the Scope of Services, or the General Conditions, the STATE reserves the right to purchase, in the open market, a corresponding quantity of the services specified herein and to deduct form any monies due or that may thereafter become due to the CONTRACTOR, the difference between the price named in the Contract and the actual cost to the STATE. In case any money due the CONTRACTOR is insufficient for said purpose, the CONTRACTOR shall pay the difference upon demand from the STATE. The STATE may also utilize all other remedies provided by law.

4. EXCLUSION OF SPECIFIC WORKERS

The STATE reserves the right to require the CONTRACTOR to remove an employee, agent, subcontractor or volunteer (Worker) from performing work under this contract. The Contract Administrator shall notify the CONTRACTOR in writing and this exclusion of a specific Worker(s) shall take effect as indicated on the notice. The CONTRACTOR may appeal this decision to the Contract Administrator, in writing and within ten (10) working days of receipt of the notice. Removal of the employee, agent subcontractor or volunteer shall remain in effect pending the outcome of the appeal. This provision shall not infringe upon the right of the CONTRACTOR to employ the removed individual, but shall apply to any work requiring interaction with the STATE, its employees or students.

5. STATE'S GENERAL CONDITIONS

The Special Conditions shall serve to supplement the General Conditions; both documents remain part of this Contract with full force and effect. In the case of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control to the extent necessary to resolve the conflict.

- end of Special Conditions -

GENERAL CONDITIONS

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1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.

2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.

   a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.

   b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.

   c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.

   d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

   e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.

   f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.

b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

(1) The Assignee assumes all of the CONTRACTOR'S obligations;

(2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and

(3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.

d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.

7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.

8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.

9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.

10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.

11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.

12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.

a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

(1) Cancel the stop performance order; or

(2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

(1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and

(2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.

d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.

e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.

f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.

b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

(1) Any completed goods or work product; and

(2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

d. Compensation.

(1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.

(2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.

(3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:

(A) Contract prices for goods or services accepted under the Contract;

(B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);

(D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

(4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

(1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

(A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

(B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

(C) Within such further time as may be allowed by the Agency procurement officer in writing.

(2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

(3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

(4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.

b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.

c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.

b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.

c. Prompt payment.

(1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and

(2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.

d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.

b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:

(A) Changes in the work within the scope of the Contract; and

(B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.

d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.

e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.

f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.

g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least $25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.

h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.

i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.

20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:

(1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;

(2) Method of delivery; or

(3) Place of delivery.

a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.

c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.

d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:

(1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(2) By unit prices specified in the Contract or subsequently agreed upon;

(3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;

(4) In such other manner as the parties may mutually agree; or

(5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.

b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:

(1) Description of performance (Attachment 1);

(2) Time of performance (i.e., hours of the day, days of the week, etc.);

(3) Place of performance of services;

(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;

(5) Method of shipment or packing of supplies; or

(6) Place of delivery.

b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.

c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.

d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.

e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.

24. Confidentiality of Material.

a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.

25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.

26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.

27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:

a. The cost or pricing data, and

b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over $100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.

35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.

36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.

38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.

39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.

40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.

41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.

42. Confidentiality of Personal Information.

a. Definitions.

"Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:

(1) Social security number;

(2) Driver's license number or Hawaii identification card number; or

(3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

(1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.

(2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.

(3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.

(4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.

(5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.

(6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

(1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.

(2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:

(A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;

(B) Access to the personal information will be allowed only as necessary to perform the Contract; and

(C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

(1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or

(2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

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EXHIBIT A: PRICING FORM

Cluster 3 – Kauai

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	15	368	180	993600.00	20	30	24
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	4	316	180	227520.00	17	65	22
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2	316	180	113760.00	17	65	22
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
			Cluster Total Cost	1334880.00			

Akita Enterprises, Ltd

EXHIBIT A: PRICING FORM

Hourly Rate for Bus Aide: $ 21.50

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

5%-20% Of daily rate	based on availability
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Exhibit B - Contract Performance Management Program

Program Assignments & Responsibilities

Responsibility for determining the approach, assigning staff resources, providing oversight, and managing overall contractor relations within this program resides with the Assistant Superintendent, School Facilities and Support Services, Hawaii Department of Education. Specific responsibilities for program implementation include the following:

- *Program Administrator responsibilities* – The Program Administrator is the Director, Student Transportation Services Branch (STSB), Hawaii Department of Education. The Program Administrator maintains overall accountability for the program. The responsibilities of the administrator include the annual determination of the specific contract elements that will be subject to compliance monitoring and performance measurement, management of the annual program calendar, and management of the contractor annual performance assessment process.

- *Contract Manager responsibilities* – Each contract will have a named contract manager. The contract manager is responsible for executing all aspects of the program as it relates to the assigned contract. This is the primary point of contact for the contractor's management team as it relates to all contractual responsibilities.

- *STSB staff responsibilities* – Specific program tasks and requirements will be distributed throughout the STSB organization at the sole discretion of the Program Administrator and the Contract Manager.

- *Contractor responsibilities* – A successful program will be one in which the contractor is an active and engaged participant. The contractor is responsible for designating a management level staff member to serve as the contractor's counterpart to the Contract Manager. The contractor is furthermore responsible for ensuring their full understanding of the program's purpose and intent, and their specific contractual and program obligations.

- *Communications Protocol* – Regular communications, both structured and unstructured, will be a critical success factor. The most important element will be the regular formal and informal communications that occur between the contractor designee and the Contract Manager. It is an absolute requirement and responsibility of these two key individuals to establish open, ongoing, and consistent communications between them. **This program establishes a formal relationship between these individuals. All matters pertaining to the contractor's performance obligations must be passed via this channel of communications.**

- *Annual and ongoing data submission requirements* – The contract requires that various pieces of information be passed between the parties at the outset of the contractual relationship and periodically throughout the contract term. These requirements are summarized in the Contract itself, and will be detailed annually in the Contract Management Calendar, and the Contract Compliance Monitoring Plan.

Program Components

Contract Management Calendar

Embedded within the overall life cycle of the contract is an annual service delivery cycle that corresponds with the Hawaii Department of Education school calendar. The specific elements of the contract performance management program work within this annual cycle. The timing for the various elements of the program are summarized in the following contract management calendar.

Contract Month	Annual Service Cycle Requirement
July	Complete contract initiation tasks (new contracts) Establish contract management program (new contracts) Staff review of STSB contractual obligations (all contracts) Development and submission to the contractors of the annual compliance monitoring and performance measurement plan specifics for the year ahead. Contractor annual data and information submission requirements completed.
August	Begin service (all contracts)
September	Monthly performance data collection
October	Monthly performance data collection
November	Monthly performance data collection Route audits
December	Monthly performance data collection Route audits
January	Monthly performance data collection Route audits
February	Monthly performance data collection Route audits Customer satisfaction survey
March	Monthly performance data collection Route audits

Contract Month	Annual Service Cycle Requirement
April	Monthly performance data collection Route efficiency analysis and begin route planning Compliance audits
May	Compliance audit reports Performance assessment reports Performance assessment meetings

Contract Compliance Monitoring Plan

Annual Contract Compliance Audit – The primary mechanism supporting this portion of the Contract Performance Management program is the annual contract compliance audit. The purpose for this audit is to ensure that the contractor meets the minimum requirements established by the contract. The result of the audit will also provide input to the Contract Performance Measurement Plan and will be an integral part of the Annual Contract Performance Assessment.

Each compliance element in the annual contract compliance audit will be separately determined on a pass-fail basis as either "in compliance" or "not in compliance". There is an extensive list of compliance items to be verified, and a satisfactory level of compliance may not require a 100 percent rating. Rather, the Program Administrator will develop an annual standard against which all contractors providing service to the STSB are objectively and equally rated. Many contractual requirements may be excluded from this rating in any given contract year, but **under no circumstance is the contractor relieved of any contractual requirement that is excluded from the rating in any given year**. The contractor will not be rated for compliance on any element outside of its contractual responsibilities. The overall results of the compliance audit will support the Program Administrator's assessment of the contractor's performance. The assessment of the contractor's performance will form the basis of any performance improvement objectives or plans created and agreed to by the STSB and the contractor.

There are three primary elements to the annual contract compliance audit.

- *Compliance Audit Checklist* – A compliance audit checklist is the mechanism that will be utilized in gathering the data required to determine compliance with contractual obligations. The number of, and specific compliance items to be tracked and verified annually will be determined by, and at the sole discretion of the Program Administrator. The checklist to be used will be developed by the Program Manager and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Procedures & Standards* – The checklist for each year will be accompanied by a set of procedures that describes how it is to be applied and the

standards against which compliance is measured. For example, the procedures will define when and how the audit will be conducted, whether compliance is to be measured only at the time of the audit or whether the contractor will be provided with an opportunity to correct any discrepancies, and the consequences for non-compliance. The procedures to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Report* – The results of the audit will be submitted to, and discussed with the contractor in a compliance audit report that summarizes and describes the results of the audit, the implications for the contractor, and any requirements for improvement. This report will become an integral component of the contractor's annual performance assessment, and part of the contractor's permanent performance record with the Hawaii Department of Education.

Periodic Bus Route Audits – A second critical mechanism within the Contract Compliance Monitoring Plan is the completion of periodic bus route audits. These audits serve a dual purpose. First, they provide for compliance monitoring of contractual requirements that cannot be satisfied through the annual compliance audit. Second, the route audits provide a means to collect data that also supports the Contract Performance Measurement Plan.

A route audit checklist is the mechanism that will be utilized in gathering the performance measurement data and other information required to determine contract compliance. Methods for conducting route audits will vary with the technology and staffing resources available over the contract term, and the operational proximity of STSB staff and the contractor. The approach to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

Contract Performance Measurement Plan

The primary tool supporting this portion of the program is a package of interrelated performance measures. This provides for an integrated performance measurement and reporting program that facilitates a comprehensive understanding of contractor performance, and that provides for feedback to contractors. **This is not designed to be evaluative in the sense that contractors will be judged one against the other. Rather, it is designed to provide STSB managers with a structured and consistent tool to first understand, and then take action to improve contractor *and* STSB performance.** The compliance monitoring plan ensures that contractors meet their contractual obligations. The performance measurement plan provides an opportunity for the contractors to demonstrate their commitment and wherewithal to provide service above and beyond the minimum requirements established by the contract.

The structure for the package of performance indicators is based on four major categories of outcome-driven measures:

- *Safety* – Measures that assist the STSB in determining and improving the overall safety of transportation operations
- *Cost* - Measures that assist the STSB to improve the overall efficiency of its operations.
- *Reliability* – Measures that assist the STSB in determining and improving the reliability of the bus contractors' operations and fleet
- *Responsiveness* – Measures that assist the STSB in determining and improving the responsiveness of the bus contractors to the needs of the STSB and its customers

The actual measures will be determined annually and submitted to the contractors prior to the start of service in each contract year in a Performance Measure Matrix. The matrix will describe whether each measure is a primary, secondary, or tertiary measure, which will also be utilized by the STSB for prioritization and phase-in planning. The Performance Measure Matrix further describes which of the four categories each measure belongs to, and whether the measure relates to a contractual compliance item or is a separate performance measurement item. **This package of performance measures will not be definitive. Rather, it will be designed to provide a consistent framework, with the expectation that the list of measures will expand and evolve over time.**

A companion Performance Measure Glossary will be provided that describes, for each measure:

- *The standard of performance* – These are not presented as benchmarks, but rather describe the type of standard (e.g., manufacturer standard, peer comparison, internal STSB standard, contractual standard, etc.) that will be utilized for the specific measure.
- *What will be measured* – This describes whether the measure will be subject to instance sampling, an average over time, or some other method.
- *How the measure will be calculated* – This describes the actual calculation of the measure to provide consistency across all contractors.
- *The sources of required data* – This describes how the data required for calculating the measure can be collected or developed.
- *When and how frequently the factor will be measured* – This provides the timing and periodicity of measurement.

- *How the results will be reported and tracked* – This provides a description for how the measure will be summarized.

These two matrices combined will provide the core reference tools for the Contract Performance Measurement Plan. Unlike the Contract Compliance Monitoring Plan where the elements are clearly articulated and ascribed in a series of checklists and forms, the Contract Performance Measurement Plan will be considered as ongoing. Data collection, measurement, analysis, and reporting of contractor performance will be a continuous effort.

Annual Contract Performance Assessment

The capstone for the program will be the Annual Contract Performance Assessment, which will be completed for each bus contractor. This is the primary formal method of feedback to be provided to the contractor. The Annual Contract Compliance Audit Report and the results of the performance measurement plan will provide the primary source information for completing the assessment.

With a high quality Contract Performance Measurement Program in place, this formal annual assessment will be productive and collaborative. The Contract Manager and contractor designee will have been in constant communication throughout the service year. Information will have been flowing back and forth between the contractor and the STSB to support specific elements of the compliance monitoring and performance measurement plans, and informally between the staff of the two organizations to manage day-to-day requirements and solve problems. With the expectations of the program clearly established and rigidly enforced, the Annual Contract Performance Assessment therefore becomes an opportunity to celebrate accomplishments and work collaboratively to improve performance. The assessment will consist of the following key elements:

- *STSB Assessment of Contractor Performance* – A formal letter, with the Annual Contract Compliance Audit Report and the Contractor Performance Report as attachments, will be provided to the contractor in advance of the assessment meeting summarizing the Program Administrator's assessment of contractor performance for the service year, and making recommendations for improvement. A key element of this report will be a statement of compliance with contractual requirements. If the contractor is found to be out of compliance and remedial steps have not been taken, contract termination provisions may be invoked. This initial assessment document serves as a discussion piece and guide for the balance of the assessment process.
- *Assessment Meeting* – The Program Administrator, Contract Manager, and contractor designees will meet to discuss the STSB report and determine action items for the following service year. The form and content for each bus contractor assessment meeting

will depend on the circumstances surrounding each contractor's performance. For the sake of equity, however, the agenda will be roughly consistent for all contractors.

- *Contractor Response* – The bus contractor will be provided with the opportunity, and encouraged to submit a formal written response to the STSB report and assessment meeting. This response should lay out the contractor's response to the improvement recommendations, and plans for implementation. This response and the actions taken can then be utilized as an additional input to the following annual performance assessment.

- end of Exhibit B-

Exhibit C: School Bus Camera Equipment Specifications

Digital Video Camera – While the DOE recognizes that the bus contractor will be the owner of the camera hardware and software, all necessary equipment must be provided to allow authorized DOE personnel to view and store video recordings. Therefore, DOE expects each vendor to provide access to both video files and viewing software for the camera manufacturer it has provided. DOE will work with each vendor to establish acquisition methodology and distribution procedures for video recordings that will ensure that all necessary confidentiality requirements are met. This may include the requirement that each vendor provide for the purchase of additional recording or viewing equipment. The cost of this equipment will be treated as a pass through expense to DOE with no markup allowed.

- The digital video recorder must be capable of allowing audio to be recorded
- The digital video recorder must provide video data in AVI, MP4 or other industry standard formats.
- The digital video recorder must be capable of providing continuous, smooth recording in all normal operating conditions inherent to school bus operations and operations within the State of Hawaii.
- The digital video recorder must utilize solid state Secure Digital Extended Capacity (SDXC) Cards with capacities up to 128GB. The digital video recorder must include a USB 2.0 interface that can be used for external data storage capacity expansion up to 2TB in addition to the primary SDXC Card data storage device.
- The digital video recorder must allow for the SDXC Card to interface with a PC without the need for a docking station and the SDXC Card shall connect to a PC directly when the PC has an integral SDXC Card Reader, or via an available SDXC Card Reader with a USB 2.0 interface to a PC. The system should also allow for a RJ-45 LAN connection that is capable of file transfer, remote configuration, and video streaming.
- The digital video recorder must begin recording upon activation of 12V trigger such as the vehicles ignition to ensure full coverage of all route activities.
- The digital video recorder must ensure that coverage is provided on a regular schedule through preprogrammed recording schedules of up to three times over a 24 hour period.
- The digital video recorder must have the capability of Event Alarm Recording that is driver controlled by an alarm push button switch / event marker button. The digital video recorder must allow Alarm Recording Duration to be programmed to continue for

up to 15 minutes after the alarm has been triggered.

- The digital video recorder must be capable of having previously recorded video reviewed directly from the system when appropriately connected to a viewing monitor while the system simultaneously records.

Camera(s)

- The system camera(s) must be color and have the capability to support low light recording and viewing.

- The camera must provide video coverage of persons entering the door, the driver, front row passengers and the rear seating area.

Viewing Software

- The viewing software must display Bus ID, time, date, and event triggers. It is preferable but not required that the software display location data and speed.

- The viewing software must allow the slow motion, fast forward, rewind, pause and play of all video files.

- The viewing software must allow the capture of a still image at any point in a video. The viewing software must allow a still image to a saved as a JPEG file.

- The viewing software must allow the search for video by a specific date and time. The viewing software must allow the selection of a single day of video and the playback of all videos consecutively from that selected day.

- The viewing software must operate on at least a Microsoft Windows 7 platform.

- The viewing software must be based on an embedded operating system with the ability to upgrade software in the field without return to the manufacturer.

AKITA ENTERPRISES LTD.

2960 AUKELE STREET
LIHUE, HI 96766
(808) 245-5344

I, Edward Matsukawa, Secretary of Akita Enterprises, Ltd., a Hawaii Corporation, do hereby certify that the following is a full, true, and correct copy of a resolution duly adopted by the Board of Directors of said Corporation, at its special meeting duly called and held on the 15th day of June 2015, at which a quorum was present and acting throughout; and that said resolution has not been modified, amended and continues in full force and effect:

> "RESOLVED, that any individual at the time holding the position of President, Vice President, Secretary, or Treasurer, be, and each of them hereby, is authorized to execute on behalf of the Corporation, any bid, proposal, or contract for the sale of the services of the Corporation, and to execute any bond required by any such bid, proposal, or contract with the United State Government or the State of Hawaii or any County or Municipal Government of said State, or any department or subdivision of any of them"

IN WITNESS THEREOF, I have hereunto set my hand and affixed the corporate seal of said Akita Enterprises, Ltd., this 7th day of June 2016

Edward Matsukawa
Secretary

Officers:

Wendy Akita - President and Director
Josephine Aurelio- Vice President, Treasurer and Director
Edward Matsukawa- Secretary and Director
Lindbergh Akita- Chief Executive Officer and Director

DEPARTMENT OF EDUCATION

PROCUREMENT AND CONTRACTS BRANCH

July 20, 2016

RFP D17-001
REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF MAUI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

Proposals will be received up to 2:00 p.m.

on

October 5, 2016

at the Auxiliary Services Branch
3633 Waialae Ave
Honolulu, HI 96816

Questions relating to this solicitation may be directed to
Christian Butt,
Section Administrator
Project Control Section
via telephone at (808) 784-5012
via facsimile at (808) 733-2102
via email addressed to christian_butt@notes.k12.hi.us

State of Hawaii
Department of Education
3633 Waialae Ave
Honolulu, HI 96816
T: (808) 784-5012 F: (808) 733-2102

Registration Form
For Online Solicitations

- The Project Control Section is not notified when a particular solicitation is viewed or downloaded. Therefore, Proponents interested in responding to this solicitation must first register their participation by completing and submitting this Registration Form.
- The completed Registration Form must be e-mailed or faxed to the Contact Person listed below as soon as possible after downloading this solicitation, but in any case, prior to the deadline for offers.
- Only Proponents who are registered will be forwarded addenda and/or other notices related to this solicitation when issued, if any. Failure to register may result in the Proponent not receiving addenda and/or other solicitation related notices, and such offers may therefore be rejected, and not considered for award.
- Failure of the Proponent to receive any such addenda shall not relieve the Proponent of any obligation under this solicitation. It remains the responsibility of the Proponent to complete and submit its offer in accordance with the instructions contained in this solicitation, as well as subsequent interpretations and addenda, if any.

Solicitation Information:
Number: RFP D17-001
Title: Student Transportation Services for the State of Hawaii DOE
Deadline: 2:00 p.m. Hawaii Standard Time, **October 5, 2016**
Contact Person: Christian Butt
Contact's e-mail Address: Christian_Butt@notes.k12.hi.us

Proponent Information:	
Name of Company Registering:	
Mailing Address:	
Name of Contact Person:	
Contact's e-mail Address:	
Contact's Telephone:	
Contact's Facsimile No.:	

NOTICE TO PROVIDERS OF
SERVICES
Request for Proposals No. RFP D17-001
STUDENT TRANSPORTATION SERVICES
FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

A. PROCUREMENT BACKGROUND

1. Student Transportation Services in Hawaii

The Hawaii Department of Education (DOE) provides transportation services to approximately 36,000 regular education students and 3,600 special needs students on 670 daily bus routes distributed across 5 islands. The bus routes are currently operated by 8 separate DOE contractors. The services are managed and administered by the DOE Student Transportation Services Branch (STSB) with a total staff of 19 located throughout the islands and with a central office on Oahu.

2. Student Transportation Reform Initiative

This solicitation represents the culmination of a four-year transportation reform initiative. A near doubling of transportation expenditures over the three years prior to the 2012/13 school year provided impetus for action by the State legislature. Student transportation funding was dramatically reduced as part of an effort to better control the growth in transportation costs and to establish a more detailed understanding of the causes and departmental responses to the expenditure increases. The funding reductions resulted in the elimination of a significant number of bus routes. The proposed and actual reductions resulted in substantial public concern and calls for action on multiple fronts to reform the structure and operations of the student transportation services program.

The resulting transportation reform initiative, of which this Request for Proposals is a fundamental part, is retaining the current contracted service model but with major revisions to virtually every associated business process. This heavily revised business model is reliant on three interdependent parts:

- *Contracted service provision* – A continuation of the current contracted service delivery model, but with significant changes to existing procurement, contracting, and contract management methodologies.
- *Centralized planning and information management* – The DOE, through the STSB, is assuming full responsibility and accountability for the performance of the transportation system. The foundation for this is a centralized planning, information, and contract performance management function within the STSB.
- *A functionally-oriented organization structure* – A transition is underway to a technology-enabled, functionally and data-oriented STSB that will ensure the DOE of proper contractor oversight while relying on the operational wherewithal and expertise of qualified school bus contractors to deliver the actual transportation service.

A primary implementation mechanism was a pilot program implemented on Oahu for the 2013/14 school year. This pilot program served as a proof-of-concept and test-bed for a revised, functionally-oriented STSB business model. A second major initiative was a concurrent RFP process for bus contractors to provide services commencing with the 2014/15 school year on Oahu. These contracts have been awarded and commenced on July 1, 2014. With lessons learned in-hand, a RFP process was conducted for services on Hawaii Island commencing in July, 2015. This RFP represents the culmination of the overall transportation reform initiative, including the base service specifications and service delivery requirements contained within both the Oahu and Hawaii RFP, but with some modification due to lessons-learned and unique operating conditions on Maui.

3. Statement of Purpose

The purpose of this RFP is to establish a contractual agreement with vendors interested in becoming a service delivery partner with the DOE. Only vendors interested in establishing a joint goal of providing safe, effective, and efficient transportation services to the eligible student population should consider responding. A demonstrated willingness to work collaboratively with the DOE over the term of the contract to implement the required reforms, and to continually improve and enhance the quality and efficiency of student transportation services is an absolute requirement for contract award.

B. SCOPE OF SERVICES

1. General Description of the Service Requirement

The successful proponent(s) will be required to execute a contract based on the template included as **Attachment A** to this RFP. The scope of services specifications contained therein fully describe the responsibilities, requirements, and accountabilities of the contractor and the DOE as parties to the agreement. Any inconsistency between the contract, this RFP, or any other information provided as part of the procurement process will be resolved in favor of the contract.

The following summary of service requirements is provided *by means of introduction only*. The proponent should be thoroughly familiar with the contract specifications in **Attachment A** before developing their proposal submission.

The successful proponents will provide all school bus transportation services (the service) to eligible students and programs throughout the island of Maui. These services shall include:

- Regularly scheduled service to and from school for:
    - Regular education students
    - Special education students
- Regularly scheduled midday or shuttle services, as required
- The DOE reserves the right to negotiate with successful proponent's further work requirements if they should arise

A successful proponent will provide his ceiling trip rate for school athletic, activit12y, and co-curricular trips. However, those trips are scheduled and managed by the individual school sites. Student Transportation Services Branch has no specific role in the scheduling or assignment of these trips.

As an integral component of the service, the successful proponents shall provide the following resources:

- All required transportation vehicles, including facilities and related resources for their proper fueling, care and maintenance;
- Appropriate employee operating facilities;
- All necessary vehicle dispatch and communications staffing and systems;
- Adequate numbers of trained bus drivers, monitors, and attendants;
- Such other management and support staff as may be required; and
- Systems, processes, skills, and staffing to support the data gathering, compilation, reporting, and customer response requirements of the contractor performance management program defined in **Attachment A**.

The successful proponent(s) will be responsible for executing the delivery of the transportation services described above. These services will be planned by the Student Transportation Services Branch (STSB), which will be the responsible agency for any contract resulting from this RFP. In this role, the STSB will execute the DOE Contract Performance Management Program (CPMP) and will be responsible for the development, updating, and distribution of all required bus scheduling and routing information to the successful proponents.

2. Contract Term

The initial period of performance for any contract resulting from this solicitation will be seven (7) years beginning August 1, 2017 and ending on May 31, 2024. Subsequently, the contract may be extended by mutual agreement of the contractor and DOE for up three (3) one (1) year periods, resulting in a maximum potential period of performance of ten (10) years.

3. Service Volume by Location

The required transportation services have been allocated to four (4) separate service clusters. These service clusters have been established on the basis of geographic, logistical, and volume considerations. The estimated volume of service required in each cluster is summarized in Table 1. These are the volume estimates on which the proponent is to base their proposal, and is the baseline from which any contractual adjustments will be calculated over the term of the agreement. A more detailed listing of all current bus routes that align with these summary statistics is included as **Attachment C** to this RFP. The number of school service days will also vary somewhat by type of service and school location. **Attachment D** to this RFP includes a listing of the current service days by school that align with each of the current bus routes.

Table 1 – Service Cluster Volume Estimates

Clusters	1-Makawao	2-Baldwin	3-Lahaina	4- Maui
Location/ Description:	Haiku, Makawao, Pukalani, Kula, Paia	Wailuku	Lahaina	Kahului, Kihei
Count of School Buildings Served:	7	5	4	9
Count Regular Education Buses:	30	12	15	19
Count of Special Education Buses:	12	6	4	15
Total Buses in Service:	42	18	19	34

4. Proposal Options – Service Volume & Award

All contract awards pursuant to this procurement shall be for the entirety of each individual service cluster as defined. Vendors must submit a proposal for each of the clusters as defined in Table 1 for which it intends to bid. Therefore, if a company wishes to submit for three clusters, it will be required to submit three separate cost proposals.

Within these constraints the proponent may, at its sole discretion, choose to submit a proposal to provide service in one, two, or all four of the identified service clusters. The proponent's choice is limited only by the description provided in each of the following lettered options.

Proposal Option A *Multiple clusters, unlimited award*

The proponent may choose any combination of service clusters on which to propose. The proposal and pricing will be evaluated competitively and separately against all of the other proponents submitting a proposal for service in each of the individual service clusters identified by the proponent. The proponent may be successful in all, some, one, or none of the clusters for which it submitted a proposal. However, the State shall award no more than three (3) clusters or eighty-five percent (85%) of all buses to any single proponent.

Proposal Option B *Multiple clusters, limited award*

The proponent may choose any combination of service clusters on which it wishes to propose. However, in this option the proponent must choose a maximum number of route buses it is willing to operate. The proposal pricing will be evaluated

competitively and separately against all of the other proponents submitting a proposal for service in each of the individual service clusters identified by the proponent. The proponent will be considered for award wherever it is the highest rated up to, but not to exceed the maximum allowable number of route buses identified by the proponent. No service cluster will be subdivided to achieve either the minimum or the maximum. The DOE will be the sole determinant of which service clusters will be awarded should the proponent be the highest rated in a combination of clusters that would exceed the proponent-defined maximum number of route buses.

Proposal Option C *Single cluster, single award*
The proponent may choose a single service cluster on which to submit a proposal. The proposal will be evaluated competitively against all of the other proponents submitting a proposal for service in that service cluster.

5. Proposal Options – Proponent Alignments

Only one (1) proposal per cluster may be submitted by any proponent. Therefore, an offeror may choose to submit a proposal for one cluster, and be part of a cooperative venture for another. It may not submit a proposal for a cluster as a sole entity and also be part of a cooperative offer for the same cluster. The proponent must be a single legal entity. Within these constraints, the State encourages the development of creative solutions and proponent combinations that will enhance the efficiency and operating effectiveness of the service. This includes the use of local subcontracted services wherever feasible and practical. In particular, the State encourages, but does not require, the use of existing local vendors for vehicle repair and maintenance services.

C. SOLICITATION PROCESS, PROPOSAL EVALUATION, & VENDOR SELECTION

1. Calendar of Events

This procurement is being conducted on an extended timeline to facilitate the submission of comprehensive, thoughtful, thorough proposals and to permit an extended timeframe from award to the start of services. A limited start will be required to support Extended School Year programs at the end of the 2016/17 school year, with all services to commence with the beginning of the 2017/18 school year. Table 3 outlines the major milestones in this process.

Table 3 – Calendar of Events

Milestone	Date
Public release of Request for Proposals	July 20, 2016
Mandatory Proposal Conference	July 26, 2016
Final date to submit questions	July 29, 2016

Milestone	Date
RFP Addenda No. 1 Released	August 5, 2016
Proposals submissions due to DOE	October 5, 2016
Mandatory onsite interviews	October 19-20, 2016
Notice of award(s) (approximate)	November 1, 2016
Contract start date	July 1, 2017
Services commence	August 1, 2017

The following notes and explanations are provided for each of the identified milestones in the Calendar of Events:

Mandatory Proposal Conference – Attendance at this conference is MANDATORY for any proponent intending to submit a proposal. Attendance can be in-person or via teleconference. The location and time for the conference are as follows:

Time: 9:00 AM to 11:00 AM HST

Location: McKinley Community School for Adults, Room 110
634 Pensacola Street, Honolulu, HI 96814

For organizations that will attend via web or teleconference:

- For the audio portion of our meeting you will need to dial (808) 587-4300, or (866) 254-4555, then enter the conference code of 7039# when prompted. After entering the conference code, please announce your name so we know who is entering this meeting.
- Organizations connecting via WebEx web conferencing services must submit an email address to Mr. James Kauhi at James_Kauhi@notes.k12.hi.us no later than July 22, 2016 at 4:00PM HST in order to receive an invitation to the session.

Final date to submit questions – This is the final date on which questions regarding the RFP will be accepted by the DOE. Questions may be emailed, sent via regular mail, or faxed to (808) 733-2102 ***All inquiries must be clearly marked to the attention of Christian Butt, and reference this RFP***. Any exceptions to the proposed specifications or the items in the Request for Proposals must be identified in the submitted questions. The answers to all questions will be addressed to all registered proponents.

RFP Addendum No. 1 Released – Addendum No. 1 to the RFP will include answers to all questions submitted by the due date, and will make any required modifications to the RFP on the basis of feedback received during the Proposal Conference or as a result of questions received. Subsequent addenda may be released if the State determines that further clarifications are required.

Proposals submissions due to DOE – Proposals must be received at the location and by the time indicated on page 1 and page 2 of the RFP. Late proposals will not be evaluated and will be returned unopened to the proponent.

Mandatory interviews – The DOE will require an onsite presentation of the top two proponents' proposals for each cluster and interview of key staff as part of the selection process. These interviews will be conducted on Oahu and will be scheduled on the dates indicated in the Calendar of Events.

Notice of award(s) – The DOE will publicly announce the award of contract(s) to the successful proponents on the date indicated in the Calendar of Events.

Contract start date, services commence – This will be the effective date of the contracts. The successful proponents shall be fully prepared with all required resources and services as per the contract. Earlier readiness may be sufficient to support Extended School Year services prior to the start of regular 2017/18 school year services. The State will evaluate readiness for inclusion of any new contractor to provide services and such services will be provided at the contracted rates and at the option of the proponent.

2. Proposal Evaluation & Vendor Selection Process

This is a value-based procurement. The successful proponents must have the demonstrable experience and qualifications, staffing, and financial resources to deliver the required services for the entire term of the contract. Cost will be a significant factor in the evaluation process. However, cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* – The proposal must be received in good order, with all required forms, tabs, and information as required.

B. *Technical Evaluation* – An evaluation committee will evaluate the proponent's Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated service volume in each identified category on **Attachment B** to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The lowest cost proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the maximum available points.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

F. *Notice of Award* – the final results will be shared with the preferred vendors and with the next highest scoring vendor in each service cluster.

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.

D. PROPOSAL SUBMISSION REQUIREMENTS

1. Instructions to Proponents

A. GENERAL

Proponents shall be incorporated or organized under the laws of the State or be registered to do business in the State as a separate branch or division that is capable of fully performing under the contract. The following definitions are used in the solicitation documents:

Hawaii Business §3-122-112 HAR: A Proponent who is registered and incorporated or organized under the laws of the State is a "Hawaii Business" and eligible for an award.

Compliant non-Hawaii Business §3-122-112 HAR: A Proponent not incorporated or organized under the laws of the State, but is registered to do business in the State and complies with or is exempt from the requirements of §3-122-112 HAR, is a "Compliant Non-Hawaii Business" and eligible for an award.

Non-compliant Proponent: If a Proponent is a non-Hawaii business and is not registered with the DCCA Business Registration Division (BREG) or cannot comply with §3-122-112 HAR, than the Proponent is non-compliant and is ineligible for an award.

Proponents shall submit the sealed proposal Pricing Forms (**Attachment B)**, Hawaii business certificates, and all other documents required with all pages and sections clearly numbered or referenced.

Elaborate bindings, displays, and promotional material are neither required nor desired unless they add significant information to the Proponent's response. Additional information not specifically required for submittal must be provided in clearly labeled Appendices to the proposal.

The contract template General Conditions (**Attachment A**) set forth additional terms and conditions for the RFP and award process. The General Conditions will be part of the contract documents by which the State and the Proponent will be bound. Proponents are directed to the General Conditions for contract and statutory requirements and for Execution of Contract Requirements. Proponent is also directed to the Special Conditions of the contract template for these specifications for definitions and modifications to the General Conditions.

Where a Proponent qualified for this RFP using a sub-contractor's qualifications, any request to substitute the sub-contractor upon which a Proponent's qualification status is based must be requested in writing to the DOE and must provide information certifying that the new subcontractor meets or exceeds the qualifications of the subcontractor that is being replaced.

B. DISQUALIFICATION OF PROPOSALS

The State reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in the RFP, and which demonstrate an understanding of the scope of services required. The State reserves the right to reject, in whole or in part, a proposal which is not in the best interest of the State. Any proposal not meeting the guidelines and requirements outlined, or offering terms and conditions contrary to those included in this RFP, may be rejected without further consideration.

The selection criterion assures the DOE of the Proponent's qualifications. The requirements do not allow for any exceptions. Any qualifications that are missing or lacking supporting documentation represent a non-conforming submittal.

C. CONFIDENTIAL INFORMATION

If a person believes that any portion of a response contains information that should be withheld as confidential, then the Procurement Officer should be so advised in writing and provided with justification to support the confidentiality claim. Pricing information is not considered confidential and will not be withheld.

A Proponent shall request in writing nondisclosure of designated trade secrets or other proprietary data considered confidential. Such data shall accompany the response, be clearly marked and shall be readily separable from the rest of the response in order to facilitate eventual public inspection of the non-confidential portion of the response.

Pursuant of HAR Section 3-122-58, the head of the purchasing agency or designee shall consult with the Office of the Attorney General and make a written determination in accordance with Chapter 92F. If the request for confidentiality is denied, such information shall be disclosed as public information, unless the person appeals the denial to the Office of Information Practices in accordance with HRS Section 92F-42(12).

D. TERMS AND CONDITIONS

Proposals must be submitted using the instructions in this RFP.

All proposals must comply with Section 3-122-112, Hawaii Administrative Rules (HAR).

2. Technical Proposal – 60 Points Available

Each section of the proposal will be evaluated based on the number of points identified for each respective tab described below. The evaluation process will include each proposal being reviewed by an appointed evaluation committee. Those proposals that are determined to be responsive (those that offer all of the basic requirements requested in the RFP and contain all of the required information and forms properly completed) will be further reviewed using the comparative criteria outlined in this section.

The committee will use the comparative criterion for each separate rating area, and based upon these criteria, will assign an overall rating to each tab. Each of the tabs will be rated based on the following guidelines:

- Complete response with no omissions will receive 100% of available points
- Minor omissions will receive 75% of available points
- Many minor omissions or a major omission will receive 50% of available points
- Many major omissions or major deficiency will receive 25% of available points
- Incomplete or missing response will receive 0 points

Tab 1 Transmittal Letter – Total points available is three (3). Shall not exceed one (1) page:

Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing.

Tab 2 Executive Summary – Total points available is three (3). Shall not to exceed five (5) pages:

Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format.

In addition, the following three specific questions must be addressed under separate headings within this section:

- What makes your company, and your proposal, uniquely well suited to the State's requirements?
- What specific elements of your proposal do you believe will exceed the State's service requirements?
- What factors differentiate your company's approach to service delivery from that of your competitors?

Tab 3 Qualifications & Experience – Total points available is nine (9). Shall not to exceed five (5) pages:

Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements:

- Corporate lineage in the provision of student transportation bus services
- A brief description of comparable and currently active service delivery contracts being operated by the company
- The total number of school buses operated by the company
- The total number of student transportation clients served by the company
- Any relevant company qualifications or experience outside of the student transportation industry

Tab 4 References and Testimonials - Total points available is six (6). No page limitation:

Provide the following specific information:

- No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years.
    - Complete client contact information may be substituted for up to two (2) letters of reference.
- If applicable, a brief description of a contract that was lost or not renewed and why it was lost.

Tab 5 Proponent's Service Approach – Total points available is nine (9). Shall not to exceed ten (10) pages.

Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach:

- Management philosophy
- Driver recruitment, retention, and training
- Daily operations (driver assignment, dispatch, on-road supervision, etc.)
- Use of information technology

In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements:

- Accountability

- Reliability
- Responsiveness
- Efficiency

Tab 6 Proponent's Commitment to Safety – Total points available is fifteen (15). Shall not to exceed five (5) pages.

Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety:

- What are the most relevant aspects of your company's safety program?
- How does your firm measure its safety success?
- How has that measurement or metric changed over the past three years?
- How does your firm ensure operations are safe from day to day?

Tab 7 Vehicles & Fleet Management – Total points available is three (3). Shall not to exceed five (5) pages.

Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program.

- What types and age of vehicles to you propose to provide?
- How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)?
- What are the particular strengths of your company's fleet inspection, maintenance, and repair program?

Tab 8 Proponent's Staff – Total points available is three (3). Shall not to exceed five (5) pages, excluding bios.

Provide the required information:

- Provide a proposed organizational chart to deliver the proposed services.
- Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements.
- Provide brief biographical information for the key management personnel you expect to assign to the proposed services.

Tab 9 Transition Plan – Total points available is three (3). Shall not to exceed five (5) pages.

Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan.

- Facility identification & acquisition

- Fleet acquisition
- Management and driver staffing
- Service location familiarization (schools, geography, etc.)
- Client communications during the transition

Tab 10 Financial Stability - Total points available is four (4). No page limitation

Provide the following required information:

- A sample certificate of insurance that meets the contract requirements
- Income statements and balance sheets or tax returns for past two years
- Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation

Tab 11 APPENDIX: Additional Information – Total points available is two (2). No page limitation.

Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.

3. Cost Proposal – 40 Points Available

A total of 36 points will be applies to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in **Attachment B.**

No pricing information is to be included in the proposal. One hard copy of **Attachment B** or an exact replica, in its entirety, with all required information must be included in a separate, marked, sealed envelope as part of the proponent's submission.

For purposes of this RFP, bidders are directed to use the Type II requirements per Hawaii Administrative Rules Title 19, Chapter 143 for all references to Special Needs buses with a minimum capacity of 12 passengers and a maximum manufacturer rated seating capacity of 24; and to use the Type I per Hawaii Administrative Rules Title 19, Chapter 143 requirements for all references to Regular Home-to-School buses with a maximum manufacturer rated seating capacity of 72.

E. List of Attachments

Attachment A – Contract Template
Attachment B – Pricing Forms
Attachment C – Route Descriptions
Attachment D – School listing
Attachment E – Student Transportation Services Branch Standard Operating Procedures and baseline camera specifications

Attachment A – Student Transportation Contract Template
Template Documents

Notice to proponents: The standard State of Hawaii form of contract will be utilized in this procurement. The consolidated contract document will consist of the following templates, followed by the detailed Scope of Services Specifications*, the* Special Conditions *that apply to this contract, the standard* Hawaii General Conditions*, and any subsequent exhibits to the contract.*

The template documents will include the following:

1. Cover page
2. Contract document template for "Goods or Services Based Upon Competitive Sealed Proposals" (form ag004-1a)
3. Contractor's Acknowledgement (form ag009) available for download at:
4. Contractor Board of Directors resolution for signature authority, or equivalent
5. Contractor insurance certificate, per requirements in contract specifications
6. Contractor Certificate of Vendor Compliance – available through Hawaii Department of Taxation
7. Contractor Standards of Conduct Declaration (form ag010)

Attachment A - Student Transportation Contract
Service Specifications

1) Student Transportation Service Requirements

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Attachment E. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

(1) Coordination of student behavior management on school buses with school officials

(2) State and Department mandated data collection and reporting

(3) Accident investigation

(4) Customer service activities to the Department, school officials, parents and guardians

h) Cooperation with Department

i) The Contractor will work cooperatively with the Department to ensure safe, effective, and efficient Transportation Services throughout the term of this Agreement. The Contractor will be responsive to the Department's requirements for unscheduled bus or rider-related events and special requests. No additional compensation shall be provided for complying with these requests. These requests may include, but shall not be limited to:

(1) emergency preparedness activities

(2) student or community safety matters

(3) student or community health matters

ii) If other services or issues arise that are previously unaddressed by the Department, the Contractor will make a good faith effort to address or resolve such until the matter can be referred to the Department.

i) Insurance requirements

i) Insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate. To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions and coverage of Insurance Service Office (ISO) policies, forms and endorsements.

(1) Commercial General Liability: The Contractor shall maintain commercial general liability insurance covering all operations by or on behalf of the Contractor on an occurrence basis against claims for personal injury (including bodily injury and death) and property damage (including loss of use). Such insurance shall have these minimum limits and coverage:

- $2,000,000 each occurrence;

- $2,000,000 general aggregate on a "per project" basis;

- $2,000,000 products and completed operations aggregate.

(2) Automobile Liability: The Contractor shall maintain business auto liability covering liability arising out of any auto (including owned, hired and non-owned autos). Such insurance shall have these minimum limits and coverage:

- $2,000,000 combined single limit.

(3) Workers' Compensation: The Contractor shall maintain workers' compensation and employer's liability insurance that comply with statutory limits

3) Contractor Performance

a) Contract Performance Management Program

i) **Attachment A, Exhibit B** provides a description of the Department's Contract Performance Management Program. The Contractor will be an active participant in, and will be responsive to the requirements of this program.

ii) The Contract Performance Management Program is a non-punitive, joint, supportive program of contract compliance monitoring and performance measurement designed to enhance and improve Transportation service delivery in a continuous improvement cycle.

b) Minimum Service Levels and Standards of Performance

i) In addition, and as a supplement to the Contract Performance Management Program, the Contractor will be responsible for meeting or exceeding certain minimally acceptable service levels and standards of performance. The Contractor will monitor, track, account for, and report to the Department the data and information required to determine the Contractor's success in meeting or exceeding the established standards.

ii) The Contractor will comply with three minimally acceptable standards of performance. For the purpose of this section, a bus route is defined as either the morning or afternoon component of a regularly planned and assigned daily bus route as provided to the Contractor by the Department.

(1) No more than two (2) percent of all bus routes operated by the Contractor in each week of the service month shall be delayed or missed as a result of the Contractor's inability to provide an adequate number of qualified bus drivers or monitors as defined within this Agreement. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner.

(2) No more than two (2) percent of all bus routes operated by the Contractor in each service week shall be delayed or missed as a result of mechanical problems with the Contractor's assigned vehicle. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that is delayed over the course of its scheduled route as a result of a mechanical problem with the assigned vehicle.

(3) The Contractor shall report every incidence of delay as defined in subparagraph (1) and (2) of this section to the Department within fifteen (15) minutes of occurrence in a manner and format acceptable to the Department. This is a zero tolerance standard of performance.

iii) The Contractor is responsible for recording and tracking all data and information required to calculate Contractor performance relative to the minimum service levels and standards of performance. These data will be provided to the Department not later than the 15th of each month for service completed in the prior service month. The data and information will be submitted in a verifiable manner and format acceptable to the Department.

iv) If a non-compliance situation occurs, the Contractor is considered to be automatically on notice whether or not the Department sends a formal written notice.

v) The Contractor will comply with Department directives to improve operations and outcomes that fall below the established standards.

c) Performance Withholding

i) The Department may impose a **Minimum Service Level Performance Withholding** factor for non-compliance with the Minimum Service Levels and Standards of Performance.

(1) The Department may defer payment of up to one (1) percent of the Contractor's next regular monthly Transportation Services invoice for any single weekly instance of non-compliance.

(2) The Department may defer payment of up to three (3) percent of the Contractor's next regular monthly Transportation Services invoice should non-compliance continue for two consecutive service weeks.

(3) The Department may defer payment of up to seven (7) percent of the Contractor's next regular monthly invoice should non-compliance continue for three consecutive service weeks.

(4) The Department may defer payment of up to ten (10) percent of the Contractor's next regular monthly invoice should non-compliance continue for four (4) consecutive weeks.

ii) The number of withholding instances is unlimited, and may be repeated for each instance of non-compliance with the Minimum Service Levels and Standards of Performance requirements.

iii) The withheld amount may be paid in full to the Contractor if the non-compliance factor resulting in the Performance Withholding instance is cured to the satisfaction of the Department following the deferral decision.

iv) If the non-compliance factor is not cured to the satisfaction of the Department following the deferral decision, the Department may retain the withholding without obligation to pay the Contractor the withheld amounts.

v) The Department will notify the Contractor in formal letter delivered via a traceable method to the address of record for the Contractor contained in this Agreement if a decision to retain a Performance Withholding is reached.

d) Contractor Fiscal Efficiency

i) The Contractor will make an ongoing good-faith effort to identify opportunities to improve the efficiency and effectiveness of the bus routes and route packages assigned to the Contractor by this Agreement. Where feasible, the Contractor will identify opportunities to modify, pair, combine, or repackage bus routes with the objective to perform Transportation services in the most efficient and effective manner possible. If identified, such opportunities will be communicated to the Department not later than one (1) week following the identification. At a minimum, the Contractor will submit a written report to the Department, to accompany each regular invoice submission, summarizing the opportunities identified in the period covered by the invoice or, if no opportunities were identified, making an affirmative statement attesting to this fact.

ii) The Contractor will immediately notify the Department, in a manner deemed acceptable by the Department, of any new programs or services that are requested of the Contractor by school officials or representatives, including any school building or program bell time changes. The Contractor shall not fulfill such requests until and if authorized by the Department.

4) <u>Basis for Contractor Compensation</u>

a) Daily Bus Service Time

i) The Contractor's pricing for Transportation will primarily be structured upon the length of time required for a vehicle to complete its regularly assigned daily route package. The Department will assemble individual Transportation routes in time tiers, potentially serving multiple schools in succession. The route package time of service will start when the first scheduled student rider boarding occurs for either the morning home-to-school, or afternoon school-to-home component and ends when the last scheduled student debarkation occurs at the final school destination in the morning or the final scheduled stop in the afternoon. The combination of the morning and the afternoon route package time of service constitutes the **Daily Bus Service Time**. The Daily Bus Service Time of any individual route may also include all or a portion of mid-day and/or post-day bus route at the discretion of the Department. If mid-day or post-day segments are included, then the morning or afternoon route package time of service will continue from the last scheduled student debarkation at the final morning home-to-school destination (or from the final scheduled home-to-school stop in the afternoon) to the final scheduled stop of the mid-day or post-day routing component to be included in the Daily Bus Service Time.

(1) Vehicle operating time expended transiting from the Contractor's assigned vehicle parking location to the first scheduled student boarding in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(2) Vehicle operating time expended transiting from the final scheduled student debarkation to the Contractor's assigned vehicle parking location in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(3) Vehicle operating time expended transiting empty of student riders at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(4) Vehicle time expended empty of student riders and waiting for a subsequent component of the route package to start at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(5) Daily Bus Service Time is calculated in accordance with scheduled route data as determined by the Department and operated by the Contractor following all of the requirements of this Agreement.

(6) Daily Bus Service Time will be rounded to the nearest fifteen (15) minute increment.

(7) Occasional variances in planned versus actual Daily Bus Service Time of fifteen (15) minutes or less will receive no adjustment to compensation.

(8) Recurring variances in planned versus actual Daily Bus Service Time of any length may result in a compensation change following verification by the Department and adjustment to the scheduled route data. The Contractor must report recurring variances to the Department immediately on their identification notwithstanding any other reporting requirements of this Agreement.

b) Route Packages

i) The Daily Bus Service Time will be comprised of a package of routing components as determined by the Department. Route components may include any combination of regular or special needs students of any grade level, one or multiple schools or program types, any number of bus stops, and service to any location within the geographic area defined by this Agreement.

ii) Route packages will be assembled such that individual assigned vehicles are performing logical and efficient combinations of routing components in the morning and again in the afternoon, to the extent feasible.

iii) Route packages will be assembled such that the assigned vehicle type, size and equipment requirements are common to all routing components in the package, to the extent feasible.

iv) Route packages will be assembled such that the composition of the Contractor fleet is considered in matching requirements to available bus types, to the extent feasible.

v) The Department will schedule some routing components on a recurring, but not on a daily basis. The Department will treat any such component occurring on three (3) or more service days during a regular five (5) day service week as a regular recurring service for compensation purposes.

vi) Any regular routing component that occurs on a recurring basis but less than three (3) service days in any regular five (5) day service week will be treated as an additional supplemental service for compensation purposes.

vii) Morning and afternoon route packages will be paired as efficiently as possible by the Department, with the morning and afternoon schools and programs served being the same, to the extent feasible.

viii) The Contractor will assign the same driver to both the morning and afternoon package of runs, to the extent feasible.

c) Time Gaps in Service Requirements

i) When any individual morning, mid-day, afternoon or post-day routing component cannot be assigned to a route package such that the wait time before or after another contiguous component would exceed thirty (30) minutes, the Department will have the option of either treating the component as part of the Daily Bus Service Time or an additional supplemental service for the purpose of compensation. If the Department opts to include the routing component in the Daily Bus Service Time, the time gap will be included in the daily service

time and the mileage between the components will be included in eligible service miles for fuel cost adjustment purposes.

ii) The Contractor shall not invoice the Department for any service time more than once.

d) Pricing Elements

i) The Compensation and Payment Schedule provides a matrix describing each element for which the Contractor will be provided compensation and the rate of compensation associated with each element.

ii) The Contractor is guaranteed compensation for a minimum Daily Bus Service Time of three and one-half (3.5) hours for each vehicle assigned to a regular routing package under this Agreement. Any Daily Bus Service Time of three and one-half (3.5) hours or less will receive this rate of compensation.

iii) Additional compensation for Daily Bus Service Time in excess of three and one-half (3.5) hours will be provided based on the regular service incremental hourly rate, calculated in fifteen (15) minute increments.

iv) Compensation for additional supplemental services will be provided for each instance of service, at the rates specified in the Agreement's Compensation and Payment Schedule.

v) The Department reserves the right to alter, add, or delete route components or route packages at any time within the requirements specified by this Agreement.

vi) The Department will compensate the Contractor for each regular education and special education route package for the actual number of days transported.

vii) The Contractor and the Department shall keep accurate records of all services provided. , and shall be detailed on each Contractor invoice submitted.

5) <u>Invoicing and Compensation Adjustments</u>

a) Invoicing

i) The Contractor will receive an invoice from the Department at least once, and not more than twice per month. The invoice shall be received not later than five business days following the last service day of the month.

ii) The invoice will include sufficient information and detail to support the amounts billed, and will reconcile to this Agreement.

iii) The invoice will be received, reviewed, and approved by the Contractor within three business days of receipt. If the Department does not receive any notice from the Contractor after three business days, the Department will assume that the Contractor approves the amount due.

iv) If the Contractor notifies the Department of an error on the invoice, the error will be reconciled and the invoice revised within two days of receiving notice. A revised invoice will be submitted to the Contractor for review and approval. The Contractor will have one (1) business day to review the revised invoice. If the Department does not receive any notice

from the Contractor after one business day, the Department will assume that the Contractor approves the revised amount due.

b) Annual Price Escalators

i) All prices shall be adjusted upward or downward annually based upon the United States Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year covered by the term of this Agreement for the following service year.

ii) Any upward adjustment:

(1) Shall not exceed three (3) percent if the previous year increase was one (1) percent or more.

(2) Shall not exceed four (4) percent if the previous year increase was less than one (1) percent.

iii) Any downward adjustment shall not exceed negative two (-2) percent.

c) Fuel Cost Adjustment

i) The Contractor will purchase and provide fuel for all Transportation services provided.

ii) The Contractor's fuel costs will be limited to a targeted maximum threshold of $4.25 per gallon. The actual fuel cost overage (if any) will be calculated by the Department as follows and added to the Contractor payment:

(1) The Monthly System-Wide Cost per Gallon will be determined by referencing the AAA Daily Fuel Gauge Report, Hawaii Average, Wailuku website at:

http://fuelgaugereport.aaa.com/states/hawaii/hawaii-metro/

(a) Determine the average price for the four (or five) weeks reported for the calendar month to be invoiced.

(b) Subtract $4.25 from the Monthly System-Wide Cost per Gallon

(c) Subtract the federal fuel excise tax from the difference of the average price and the Monthly System-Wide Cost per Gallon

(d) This provides the cost in excess of the targeted cost per gallon, or the Cost per Gallon Recovery Amount

(2) Determine the number of Contractor gallons eligible for cost recovery

(a) Determine the number of miles operated for Department services for the calendar month to be invoiced.

(i) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(ii) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(b) Divide those miles by these fuel consumption rates

(i) For buses with a seating capacity greater than 24, 7

(ii) For I buses with a seating capacity less than or equal to 24, 10

(c) This provides the total Number of Gallons Eligible for Cost Recovery

(3) Multiply the Cost per Gallon Recovery Amount times the Number of Gallons Eligible for Cost Recovery

(4) Add that amount to the monthly payment to the Contractor

d) Ancillary Services and Costs

i) The Contractor will bear all costs associated with performing services not identified in this Agreement or in the Exhibits.

ii) The Contractor will bear all penalties, fines, damages, levies, taxes, etc. that may arise from performing Transportation services.

6) <u>Vehicle Disposition Option at Contract Termination</u>

a) Upon expiration of the contract and if the incumbent Contractor has not been renewed then the Contractor has the option of leasing those displaced daily use route and spare vehicles to the Department.

i) The Contractor will notify the Department of this election no later than 120 days from contract expiration.

ii) The Department must agree to lease those daily use route vehicles and a number of spares not to exceed 10% of the daily use route vehicles for a period of 12 months.

(1) The lease amount will be:

(a) A rate of 8% of the average daily rate of the vehicles leased

(b) Multiplied by an assumed 18 compensation days per month (180 school days over 10 months)

iii) During that 12 month period, any entity can purchase vehicles from the Contractor at a procurement price determined as follows:

(1) Reference the most recently issued Yellow Bus School Book, a source of used school bus market values. (www.yellowschoolbusbook.com) as the primary source or a mutually agreed upon valuation if the primary source is not available.

(2) Locate the bus type and model year to determine.

(3) Apply an odometer mileage deduction per the table as necessary

(4) Apply no markup or markdown for time elapsed since book issuance

iv) In the 13th month the Department is obligated to purchase the vehicle according to the preceding valuation, discounted by the total value of all previous lease payments made from under the guidelines established in ii above. If the value of the lease payments exceeded the valuation, no additional payments would be made but the Department would take ownership of the vehicle.

b) The same option is available to the contractor if less than 75% of its current daily route vehicle count has been renewed.

7) Contract Administration

a) Contract Administrator

i) For purposes of this contract, the person named below or his/her duly authorized representative or successor in office is designated Contract Administrator (CA). The CA may be contacted as follows:

Contract Administrator:	James Kauhi
Telephone Number:	(808) 586-0170
E-mail Address:	james_kauhi@notes.k12.hi.us

ii) The CA is responsible for:

(1) The terms, conditions, quantities, specifications, scope of services, other contract terms, and all decisions relating to the contract;

(2) Monitoring the contractor's work, documenting the contractor maintains the required insurance coverage (if applicable), resolving disputes and discrepancies, evaluating the work of the contractor, assuring the services or goods are delivered as required in the contract, and processing payment for services rendered;

(3) Executing the Contract Performance Management Program (Exhibit B)

iii) Notwithstanding the responsibilities set forth hereinabove, any coordination of services falling outside those articulated above shall remain with the head of the purchasing agency, as set forth in the attached General Conditions (see General Conditions, paragraph 1, entitled "Coordination of Services by the STATE.")

b) Contractor administrative requirements

i) Contractor's primary point of contact is as follows:

Name:	_____
Telephone Number:	_____
E-mail Address:	_____

ii) Contractor shall notify the STATE, verbally within twenty-four (24) hours, upon the occurrence of any of the events indicated below:

(1) Change in Contractor's business address or phone number;

(2) Change in Contractor's tax identification number; or

(3) Any other situation that could reasonably be expected to affect Contractor's ability to carry out its obligation under this contract.

8) Exhibits To Scope of Services Specifications

a) **Exhibit A**: Transportation Contract Service Pricing & Contract Time of Performance
b) **Exhibit B**: Contract Performance Management Program

- end of document -

Attachment A - Student Transportation Contract
Compensation and Payment Schedule

1. TOTAL COMPENSATION

In full consideration of the goods delivered and/or the services performed by the CONTRACTOR under the terms and conditions of this contract, the STATE agrees to pay the CONTRACTOR the total sum not to exceed:

_____

2. PAYMENT SCHEDULE

Payment shall be made according to the provisions set forth in Attachment A, sections 4 and 5, and in Exhibit A.

3. AVAILABILITY OF FUNDS

This contract is subject to the availability of funds. Pursuant to Section 103D-309, HRS, except in certain instances, no contract entered into between the STATE and the CONTRACTOR shall be binding or of any force unless the
Chief Financial Officer (CFO) certifies that there is an available unexpended appropriation or balance of an appropriation over and above all outstanding contracts sufficient to cover the amount required by the contract.

4. FINAL PAYMENT

The final payment on the contract shall be for services rendered during the billing period just prior to the contract expiration date. In addition to the requirements in the General Conditions, the following shall accompany the final payment invoice:

a) A tax clearance certificate, not over two months old and with an original green "certified copy" stamp, must accompany the invoice for final payment. In addition to the tax clearance certificate, the "Certification of Compliance for Final Payment" (DOE Form-22) with an original signature will be required for final payment.

b) In lieu of the above, CONTRACTOR may also submit an original CERTIFICATE OF VENDOR COMPLIANCE as issued by the State Procurement Office via an online system, also referred to as "Hawaii Compliance Express". Details regarding this online application process can be viewed at: http://vendors.ehawaii.gov/hce/.

Exhibit A - Student Transportation Contract
Time of Performance

1. CONTRACT TERM

The term of the contract shall be from the effective date of July 1, 2017 through June 30, 2024.

2. CONTRACT RENEWAL

This contract may be extended for not more than three (3) additional twelve-month periods i) upon mutual written agreement of the parties, and ii) prior to expiration of the term of the contract.

Attachment A - Student Transportation Contract
Special Conditions

1. VERIFICATION OF EMPLOYEES

In accordance with State rules and regulations, CONTRACTOR shall conduct mandatory criminal background checks at no cost to the STATE, on any employee, agent, volunteer, or prospective employee working directly with students.

The CONTRACTOR shall maintain the background check records, and shall make the records available for review upon request. Upon review of these records, the STATE reserves the right to request additional background information.

2. CONFIDENTIALITY OBLIGATIONS

The following serves to supplement provision 24 of the General Conditions, entitled "Confidentiality of Material" and provision 42, entitled "Confidentiality of Personal Information":

While performing under this Agreement, the Contractor may receive, be exposed to or acquire confidential information. Such information may include names, addresses, telephone numbers, birthdates, social security numbers, medical information, and other educational, student, or personal employment information. The information maybe in written or oral form, fixed in hard copy or contained in a computer data base or computer readable form. Hereinafter, such language shall be collectively referred to as "Confidential Information."

The Contractor, including its employees, agents, representatives, and assigns shall abide by the following with regards to Confidential information: (i) They shall not disclose to any unauthorized party any Confidential Information, except as specifically permitted by the DOE and subject to the STATE's limitations on confidentiality of information and relevant legal requirements of the State to include, but not limited to the Family Educational Rights and Privacy Act ("FERPA"). Permission will be granted through a formal written agreement concerning the disclosure of personally identifiable information (Pll) from student education records, signed by HIDOE and the Contractor, and must be provided as an attachment to this contract; (ii) They shall only permit access to Confidential Information to employees, agents, representatives, and assigns having a specific need to know in connection with performance under this Agreement; and (iii) They shall advise each of their employees, agents, representatives, and assigns of their obligations to keep such Confidential Information confidential.

CONTRACTOR, its employees, agents, representatives, or assigns shall ensure the security of the Confidential Information. The CONTRACTOR shall provide the DOE with a list of individuals (by name and position) who are authorized to handle the Confidential Information (hereinafter referred to as "Authorized Handlers"). Authorized Handlers shall ensure the security of the Confidential Information. Only Authorized Handlers shall have access to the Confidential Information, which will be kept on password protected computers with the hard copy documents kept in a locked file cabinet. CONTRACTOR shall ensure that procedures exist to prohibit access to the Confidential Information by anyone other than an Authorized Handler.

CONTRACTOR will be responsible for safeguarding the confidentiality of all Confidential Information it receives from the DOE and shall safeguard and protect such documents from unauthorized use, handling, or viewing.
CONTRACTOR shall be liable to the DOE and to any person whose records the CONTRACTOR receives custody of under this Contract for records protection for any unpermitted release, viewing, or loss of such records.
Contractor shall assume liability responsibility for records protection and for the inappropriate or unlawful release of Confidential Information. CONTRACTOR shall return all documents containing Confidential Information upon completion of the services CONTRACTOR is contracted to provide under this Agreement.

a) Prior written Approval: CONTRACTOR may not i) share Confidential Information or any other data received under this contract, ii) publish, or iii) distribute such information without the prior written approval of the STATE.
b) In the event of termination of this contract, CONTRACTOR shall return to the STATE all student information received under this contract and further agrees to destroy any and all copies of, or references to, any student information shared by the STATE as a result of this contract.

3. RELIEF AVAILABLE TO THE STATE

In addition to all rights and remedies available to the STATE provided in this Contract or otherwise provided under the law, if the CONTRACTOR is in non-compliance with the contract requirements, the STATE may:

a) Suspend Payments - Temporarily withhold or disallow all or part of the billing cost/payments pending correction of a deficiency or a non-submission of a required deliverable by the CONTRACTOR; and
b) Suspend Referrals - Suspend referrals to the CONTRACTOR should the CONTRACTOR fail to comply with any of the requirements or other term(s) or condition(s) of this Contract and, further, the STATE may maintain the suspension of referrals until such time as the deficiency or non-compliance is corrected and the CONTRACTOR's corrective actions are determined to be acceptable by the STATE; and
c) Seek Reimbursement - Seek reimbursement from the CONTRACTOR or withhold future payments for any funds paid to the CONTRACTOR subsequent to a determination that such was unauthorized, fraudulently obtained, or inappropriately billed.
d) Seek Market Value - In the event the CONTRACTOR fails, refuses or neglects to perform the services in accordance with the requirements of these Special Conditions, the Scope of Services, or the General Conditions, the STATE reserves the right to purchase, in the open market, a corresponding quantity of the services specified herein and to deduct form any monies due or that may thereafter become due to the CONTRACTOR, the difference between the price named in the Contract and the actual cost to the STATE. In case any money due the CONTRACTOR is insufficient for said purpose, the CONTRACTOR shall pay the difference upon demand from the STATE. The STATE may also utilize all other remedies provided by law.

4. EXCLUSION OF SPECIFIC WORKERS

The STATE reserves the right to require the CONTRACTOR to remove an employee, agent, subcontractor or volunteer (Worker) from performing work under this contract. The Contract Administrator shall

notify the CONTRACTOR in writing and this exclusion of a specific Worker(s) shall take effect as indicated on the notice. The CONTRACTOR may appeal this decision to the Contract Administrator, in writing and within ten (10) working days of receipt of the notice. Removal of the employee, agent subcontractor or volunteer shall remain in effect pending the outcome of the appeal. This provision shall not infringe upon the right of the CONTRACTOR to employ the removed individual, but shall apply to any work requiring interaction with the STATE, its employees or students.

5. STATE'S GENERAL CONDITIONS

The Special Conditions shall serve to supplement the General Conditions; both documents remain part of this Contract with full force and effect. In the case of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control to the extent necessary to resolve the conflict.

Attachment A - Student Transportation Contract Form and General Conditions

All proposals must comply with AG-008 General Conditions (GC) dated April 15, 2009.
The AG-008 General Conditions defines the general terms and conditions used by State Procurement Office and the Attorney General for all contracts associated with this RFP.

Attached is the most recent version of the contract template, General Conditions, Contractor's Acknowledgement, and Contractor's Standard's of Conduct Declaration.

The Proponent shall not assume that any desired changes to the AG-808 General Conditions (GC) will be accepted or approved.

Attachment A - Student Transportation Contract
Exhibit A – Pricing Forms

To be added to contract from proposal response.

Attachment A - Student Transportation Contract
Exhibit B - Contract Performance Management Program

Program Assignments & Responsibilities
Responsibility for determining the approach, assigning staff resources, providing oversight, and managing overall contractor relations within this program resides with the Assistant Superintendent, School Facilities and Support Services, Hawaii Department of Education. Specific responsibilities for program implementation include the following:

- *Program Administrator responsibilities* – The Program Administrator is the Director, Student Transportation Services Branch (STSB), Hawaii Department of Education. The Program Administrator maintains overall accountability for the program. The responsibilities of the administrator include the annual determination of the specific contract elements that will be subject to compliance monitoring and performance measurement, management of the annual program calendar, and management of the contractor annual performance assessment process.

- *Contract Manager responsibilities* – Each contract will have a named contract manager. The contract manager is responsible for executing all aspects of the program as it relates to the assigned contract. This is the primary point of contact for the contractor's management team as it relates to all contractual responsibilities.

- *STSB staff responsibilities* – Specific program tasks and requirements will be distributed throughout the STSB organization at the sole discretion of the Program Administrator and the Contract Manager.

- *Contractor responsibilities* – A successful program will be one in which the contractor is an active and engaged participant. The contractor is responsible for designating a management level staff member to serve as the contractor's counterpart to the Contract Manager. The contractor is furthermore responsible for ensuring their full understanding of the program's purpose and intent, and their specific contractual and program obligations.

- *Communications Protocol* – Regular communications, both structured and unstructured, will be a critical success factor. The most important element will be the regular formal and informal communications that occur between the contractor designee and the Contract Manager. It is an absolute requirement and responsibility of these two key individuals to establish open, ongoing, and consistent communications between them. **This program establishes a formal relationship between these individuals. All matters pertaining to the contractor's performance obligations must be passed via this channel of communications.**

- *Annual and ongoing data submission requirements* – The contract requires that various pieces of information be passed between the parties at the outset of the contractual relationship and periodically throughout the contract term. These requirements are summarized in the Contract itself, and will be detailed annually in the Contract Management Calendar, and the Contract Compliance Monitoring Plan.

Program Components

Contract Management Calendar

Embedded within the overall life cycle of the contract is an annual service delivery cycle that corresponds with the Hawaii Department of Education school calendar. The specific elements of the contract performance management program work within this annual cycle. The timing for the various elements of the program are summarized in the following contract management calendar.

Contract Month	Annual Service Cycle Requirement
July	Complete contract initiation tasks (new contracts) Establish contract management program (new contracts) Staff review of STSB contractual obligations (all contracts) Development and submission to the contractors of the annual compliance monitoring and performance measurement plan specifics for the year ahead. Contractor annual data and information submission requirements completed.
August	Begin service (all contracts)
September	Monthly performance data collection
October	Monthly performance data collection
November	Monthly performance data collection Route audits
December	Monthly performance data collection Route audits
January	Monthly performance data collection Route audits
February	Monthly performance data collection Route audits Customer satisfaction survey
March	Monthly performance data collection Route audits
April	Monthly performance data collection Route efficiency analysis and begin route planning Compliance audits
May	Compliance audit reports Performance assessment reports Performance assessment meetings

Contract Compliance Monitoring Plan

Annual Contract Compliance Audit – The primary mechanism supporting this portion of the Contract Performance Management program is the annual contract compliance audit. The purpose for this audit is to ensure that the contractor meets the minimum requirements established by the contract. The result of the audit will also provide input to the Contract Performance Measurement Plan and will be an integral part of the Annual Contract Performance Assessment.

Each compliance element in the annual contract compliance audit will be separately determined on a pass-fail basis as either "in compliance" or "not in compliance". There is an extensive list of compliance items to be verified, and a satisfactory level of compliance may not require a 100 percent rating. Rather, the Program Administrator will develop an annual standard against which all contractors providing service to the STSB are objectively and equally rated. Many contractual requirements may be excluded from this rating in any given contract year, but **under no circumstance is the contractor relieved of any contractual requirement that is excluded from the rating in any given year**. The contractor will not be rated for compliance on any element outside of its contractual responsibilities. The overall results of the compliance audit will support the Program Administrator's assessment of the contractor's performance. The assessment of the contractor's performance will form the basis of any performance improvement objectives or plans created and agreed to by the STSB and the contractor.

There are three primary elements to the annual contract compliance audit.

- *Compliance Audit Checklist* – A compliance audit checklist is the mechanism that will be utilized in gathering the data required to determine compliance with contractual obligations. The number of, and specific compliance items to be tracked and verified annually will be determined by, and at the sole discretion of the Program Administrator. The checklist to be used will be developed by the Program Manager and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Procedures & Standards* – The checklist for each year will be accompanied by a set of procedures that describes how it is to be applied and the standards against which compliance is measured. For example, the procedures will define when and how the audit will be conducted, whether compliance is to be measured only at the time of the audit or whether the contractor will be provided with an opportunity to correct any discrepancies, and the consequences for non-compliance. The procedures to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Report* – The results of the audit will be submitted to, and discussed with the contractor in a compliance audit report that summarizes and describes the results of the audit, the implications for the contractor, and any requirements for improvement. This report will become an integral component of the contractor's annual performance assessment, and part of the contractor's permanent performance record with the Hawaii Department of Education.

Periodic Bus Route Audits – A second critical mechanism within the Contract Compliance Monitoring Plan is the completion of periodic bus route audits. These audits serve a dual purpose. First, they provide for compliance monitoring of contractual requirements that cannot be satisfied through the annual compliance audit. Second, the route audits provide a means to collect data that also supports the Contract Performance Measurement Plan.

A route audit checklist is the mechanism that will be utilized in gathering the performance measurement data and other information required to determine contract compliance. Methods for conducting route audits will vary with the technology and staffing resources available over the contract term, and the operational proximity of STSB staff and the contractor. The approach to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

Contract Performance Measurement Plan

The primary tool supporting this portion of the program is a package of interrelated performance measures. This provides for an integrated performance measurement and reporting program that facilitates a comprehensive understanding of contractor performance, and that provides for feedback to contractors. **This is not designed to be evaluative in the sense that contractors will be judged one against the other. Rather, it is designed to provide STSB managers with a structured and consistent tool to first understand, and then take action to improve contractor *and* STSB performance.** The compliance monitoring plan ensures that contractors meet their contractual obligations. The performance measurement plan provides an opportunity for the contractors to demonstrate their commitment and wherewithal to provide service above and beyond the minimum requirements established by the contract.

The structure for the package of performance indicators is based on four major categories of outcome-driven measures:

- *Safety* – Measures that assist the STSB in determining and improving the overall safety of transportation operations
- *Cost* - Measures that assist the STSB to improve the overall efficiency of its operations.
- *Reliability* – Measures that assist the STSB in determining and improving the reliability of the bus contractors' operations and fleet
- *Responsiveness* – Measures that assist the STSB in determining and improving the responsiveness of the bus contractors to the needs of the STSB and its customers

The actual measures will be determined annually and submitted to the contractors prior to the start of service in each contract year in a Performance Measure Matrix. The matrix will describe whether each measure is a primary, secondary, or tertiary measure, which will also be utilized by the STSB for prioritization and phase-in planning. The Performance Measure Matrix further describes which of the four categories each measure belongs to, and whether the measure relates to a contractual compliance item or is a separate performance measurement item. **This package of performance measures will not be definitive. Rather, it will be designed to provide a consistent framework, with the expectation that the list of measures will expand and evolve over time.**

A companion Performance Measure Glossary will be provided that describes, for each measure:

- *The standard of performance* – These are not presented as benchmarks, but rather describe the type of standard (e.g., manufacturer standard, peer comparison, internal STSB standard, contractual standard, etc.) that will be utilized for the specific measure.

- *What will be measured* – This describes whether the measure will be subject to instance sampling, an average over time, or some other method.
- *How the measure will be calculated* – This describes the actual calculation of the measure to provide consistency across all contractors.
- *The sources of required data* – This describes how the data required for calculating the measure can be collected or developed.
- *When and how frequently the factor will be measured* – This provides the timing and periodicity of measurement.
- *How the results will be reported and tracked* – This provides a description for how the measure will be summarized.

These two matrices combined will provide the core reference tools for the Contract Performance Measurement Plan. Unlike the Contract Compliance Monitoring Plan where the elements are clearly articulated and ascribed in a series of checklists and forms, the Contract Performance Measurement Plan will be considered as ongoing. Data collection, measurement, analysis, and reporting of contractor performance will be a continuous effort.

Annual Contract Performance Assessment

The capstone for the program will be the Annual Contract Performance Assessment, which will be completed for each bus contractor. This is the primary formal method of feedback to be provided to the contractor. The Annual Contract Compliance Audit Report and the results of the performance measurement plan will provide the primary source information for completing the assessment.

With a high quality Contract Performance Measurement Program in place, this formal annual assessment will be productive and collaborative. The Contract Manager and contractor designee will have been in constant communication throughout the service year. Information will have been flowing back and forth between the contractor and the STSB to support specific elements of the compliance monitoring and performance measurement plans, and informally between the staff of the two organizations to manage day-to-day requirements and solve problems. With the expectations of the program clearly established and rigidly enforced, the Annual Contract Performance Assessment therefore becomes an opportunity to celebrate accomplishments and work collaboratively to improve performance. The assessment will consist of the following key elements:

- *STSB Assessment of Contractor Performance* – A formal letter, with the Annual Contract Compliance Audit Report and the Contractor Performance Report as attachments, will be provided to the contractor in advance of the assessment meeting summarizing the Program Administrator's assessment of contractor performance for the service year, and making recommendations for improvement. A key element of this report will be a statement of compliance with contractual requirements. If the contractor is found to be out of compliance and remedial steps have not been taken, contract termination provisions may be invoked. This initial assessment document serves as a discussion piece and guide for the balance of the assessment process.

- *Assessment Meeting* – The Program Administrator, Contract Manager, and contractor designees will meet to discuss the STSB report and determine action items for the following service year. The form and content for each bus contractor assessment meeting will depend on the circumstances surrounding each contractor's performance. For the sake of equity, however, the agenda will be roughly consistent for all contractors.
- *Contractor Response* – The bus contractor will be provided with the opportunity, and encouraged to submit a formal written response to the STSB report and assessment meeting. This response should lay out the contractor's response to the improvement recommendations, and plans for implementation. This response and the actions taken can then be utilized as an additional input to the following annual performance assessment.

Attachment B – Pricing Form

Cluster 1 – Makawao

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	21		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	9		180				
Count of Special Needs Buses (Type II) with no special equipment	6		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	4		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
Cluster Total Cost							

Attachment B – Pricing Form

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Baldwin

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	10		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	3		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
Cluster Total Cost							

Attachment B – Pricing Form

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Lahaina

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	13		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
Cluster Total Cost							

Attachment B – Pricing Form

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 4 – Maui

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	18		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	7		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
Cluster Total Cost							

Attachment B – Pricing Form

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment C – Route Descriptions

The route date presented below was gathered at the end of the 2015/16 school year. Some route information was not available at the time of collection and is not represented.

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
HL1	Pa'ia Elementary	9	50	6:00:00 AM	7:20:00 AM	20.7
HL1P	Pa'ia Elementary	9	11	1:50:00 PM	3:25:00 PM	20.1
HL2	Pa'ia Elementary	11	55	6:15:00 AM	7:20:00 AM	21.6
HL2P	Pa'ia Elementary	11	62	1:50:00 PM	3:15:00 PM	21.1
HL3A	Samuel Enoka Kalama Intermediate, King Kekaulike High	4	39	6:00:00 AM	7:25:00 AM	51.8
HL3AP	Samuel Enoka Kalama Intermediate, King Kekaulike High	4	29	1:50:00 PM	3:55:00 PM	50.7
HL4A	Pa'ia Elementary	5	38	6:34:00 AM	7:10:00 AM	15.6
HL4AP	Pa'ia Elementary	5	38	1:50:00 PM	2:46:00 PM	15.6
HL5A	Pa'ia Elementary	5	37	6:35:00 AM	7:10:00 AM	12.0
HL5AP	Pa'ia Elementary	5	37	1:50:00 PM	2:45:00 PM	12.0
P1A	Pa'ia Elementary	13	17	6:40:00 AM	7:05:00 AM	8.0
P1AP	Pa'ia Elementary	14	32	1:50:00 PM	2:59:00 PM	10.5
P2A	King Kekaulike High	15	40	6:35:00 AM	7:05:00 AM	15.1
P2AP	King Kekaulike High	15	38	1:50:00 PM	2:41:00 PM	15.6
P3A	Samuel Enoka Kalama Intermediate	11	23	6:35:00 AM	7:00:00 AM	11.9
P3AP	Samuel Enoka Kalama Intermediate	11	25	1:55:00 PM	3:14:00 PM	19.9
P3B	Samuel Enoka Kalama Intermediate	8	36	7:07:00 AM	7:22:00 AM	2.6
P3BP	Samuel Enoka Kalama Intermediate	8	36	1:55:00 PM	2:27:00 PM	2.4
SP1-B1	Kula Elementary	7	6	6:02:00 AM	7:30:00 AM	31.4
SP1-B1P	Kula Elementary	7	9	1:53:00 PM	3:26:00 PM	31.4
SP1-B2	King Kekaulike High	8	8	6:05:00 AM	7:45:00 AM	36.8
SP1-B2P	King Kekaulike High	8	8	1:55:00 PM	3:45:00 PM	37.0
SP1-B3	King Kekaulike High	9	8	6:58:00 AM	7:45:00 AM	13.8
SP1-B3P	King Kekaulike High	10	7	1:55:00 PM	3:15:00 PM	24.4
SP1-B4	Samuel Enoka Kalama Intermediate	9	7	6:55:00 AM	7:55:00 AM	14.7
SP1-B4P	Samuel Enoka Kalama Intermediate	7	6	2:00:00 PM	2:50:00 PM	14.0

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
SP2-B1	Ha'iku Elementary	12	10	6:05:00 AM	7:30:00 AM	37.3
SP2-B1P	Ha'iku Elementary	14	10	1:55:00 PM	3:49:00 PM	38.2
SP2-B2	Ha'iku Elementary, Pa'ia Elementary	9	5	6:14:00 AM	7:40:00 AM	28.1
SP2-B2P	Ha'iku Elementary, Pa'ia Elementary	9	6	2:00:00 PM	3:30:00 PM	35.9
SP3-B1	Makawao Elementary	7	6	6:51:00 AM	7:30:00 AM	10.9
SP3-B1P	Makawao Elementary	8	7	1:55:00 PM	2:46:00 PM	10.8
SP3-B2	Makawao Elementary	10	9	6:29:00 AM	7:30:00 AM	17.5
SP3-B2P	Makawao Elementary	10	9	1:55:00 PM	3:05:00 PM	16.8
SP3-B3 (aka U90)	Makawao Elementary, Samuel Enoka Kalama Intermediate, King Kekaulike High	3	0	7:30:00 AM	7:39:00 AM	4.1
SP3-B4	King Kekaulike High	10	9	6:22:00 AM	7:35:00 AM	22.4
SP3-B4P	King Kekaulike High	9	8	1:55:00 PM	3:13:00 PM	20.9
SP3-B5	Samuel Enoka Kalama Intermediate	6	5	6:18:00 AM	7:30:00 AM	25.5
SP3-B5P	Samuel Enoka Kalama Intermediate	6	5	2:00:00 PM	3:22:00 PM	23.7
SP3-B6	Makawao Elementary, Pukalani Elementary	14	14	6:26:00 AM	7:35:00 AM	17.0
SP3-B6P	Makawao Elementary, Pukalani Elementary	13	13	1:55:00 PM	3:17:00 PM	19.4
U12A	Makawao Elementary	15	33	6:46:00 AM	7:15:00 AM	7.7
U12AP	Makawao Elementary	15	39	1:55:00 PM	2:35:00 PM	7.4
U13A	Makawao Elementary	20	36	6:21:00 AM	7:00:00 AM	33.9
U13AP	Makawao Elementary	20	48	2:28:00 PM	2:56:00 PM	40.6
U13B	Makawao Elementary	12	0	7:05:00 AM	7:25:00 AM	3.0
U13BP	Makawao Elementary	12	0	1:55:00 PM	2:23:00 PM	3.3
U20A	Pukalani Elementary	22	12	6:20:00 AM	7:00:00 AM	10.7
U20AP	Pukalani Elementary	22	20	2:30:00 PM	3:12:00 PM	10.9
U20B	Pukalani Elementary	7	0	7:07:00 AM	7:20:00 AM	3.2
U20BP	Pukalani Elementary	7	0	1:55:00 PM	2:24:00 PM	3.4
U2A	Ha'iku Elementary	28	27	6:25:00 AM	7:20:00 AM	28.0
U2AP	Ha'iku Elementary	18	30	1:55:00 PM	2:58:00 PM	16.5
U30A	Kula Elementary	22	20	6:50:00 AM	7:15:00 AM	12.1

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
U30AP	Kula Elementary	22	29	1:53:00 PM	2:30:00 PM	13.0
U31A	Kula Elementary	17	20	6:33:00 AM	7:15:00 AM	12.9
U31AP	Kula Elementary	16	29	1:53:00 PM	2:55:00 PM	14.2
U33A	Kula Elementary	13	30	6:30:00 AM	7:10:00 AM	12.7
U33AP	Kula Elementary	16	36	1:53:00 PM	3:00:00 PM	13.8
U3A	Ha'iku Elementary	14	36	6:39:00 AM	7:05:00 AM	10.4
U3AP	Ha'iku Elementary	14	42	2:23:00 PM	2:55:00 PM	10.4
U3B	Ha'iku Elementary	8	0	7:07:00 AM	7:25:00 AM	5.5
U3BP	Ha'iku Elementary	8	0	1:55:00 PM	2:15:00 PM	4.7
U50A	King Kekaulike High	16	37	6:25:00 AM	7:02:00 AM	18.6
U50AP	King Kekaulike High	16	30	1:55:00 PM	3:05:00 PM	19.1
U51A	Samuel Enoka Kalama Intermediate	26	27	6:15:00 AM	7:00:00 AM	23.6
U51AP	Samuel Enoka Kalama Intermediate	26	24	1:55:00 PM	2:58:00 PM	37.1
U52A	King Kekaulike High	19	22	6:29:00 AM	7:00:00 AM	7.0
U52AP	King Kekaulike High	19	19	2:33:00 PM	3:03:00 PM	7.4
U52B	King Kekaulike High	11	16	7:05:00 AM	7:25:00 AM	4.2
U52BP	King Kekaulike High	11	23	1:55:00 PM	2:27:00 PM	4.8
U53A	Samuel Enoka Kalama Intermediate, King Kekaulike High	23	39	6:39:00 AM	7:10:00 AM	6.8
U53AP	Samuel Enoka Kalama Intermediate, King Kekaulike High	23	42	1:50:00 PM	2:51:00 PM	9.4
U60A	Samuel Enoka Kalama Intermediate, King Kekaulike High	11	34	6:40:00 AM	7:10:00 AM	14.4
U60AP	Samuel Enoka Kalama Intermediate, King Kekaulike High	11	25	2:00:00 PM	2:46:00 PM	15.0
U63A	Samuel Enoka Kalama Intermediate	16	48	6:30:00 AM	7:10:00 AM	18.6
U63AP	Samuel Enoka Kalama Intermediate	16	46	1:55:00 PM	3:05:00 PM	25.9
U70A	Samuel Enoka Kalama Intermediate, King Kekaulike High	23	18	6:35:00 AM	7:20:00 AM	25.0
U70AP	Samuel Enoka Kalama Intermediate, King Kekaulike High	23	20	1:55:00 PM	2:42:00 PM	19.4
U71A	King Kekaulike High	24	26	6:22:00 AM	7:05:00 AM	19.0

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
U71AP	King Kekaulike High	26	26	1:55:00 PM	2:40:00 PM	31.5
U72A	Samuel Enoka Kalama Intermediate, King Kekaulike High	19	24	6:35:00 AM	7:10:00 AM	27.2
U72AP	Samuel Enoka Kalama Intermediate, King Kekaulike High	19	19	1:50:00 PM	2:54:00 PM	28.1
U74A	Samuel Enoka Kalama Intermediate, King Kekaulike High	10	28	6:40:00 AM	7:15:00 AM	7.8
U74AP	Samuel Enoka Kalama Intermediate, King Kekaulike High	10	23	1:55:00 PM	2:30:00 PM	13.8
U84A	Samuel Enoka Kalama Intermediate, King Kekaulike High	21	7	6:30:00 AM	7:35:00 AM	18.4
U84AP	Samuel Enoka Kalama Intermediate, King Kekaulike High	21	13	2:00:00 PM	3:00:00 PM	17.1
U85A	Samuel Enoka Kalama Intermediate, King Kekaulike High	23	5	6:37:00 AM	7:13:00 AM	23.2
U85AP	Samuel Enoka Kalama Intermediate, King Kekaulike High	23	6	1:50:00 PM	2:39:00 PM	24.9
U90A	Makawao Elementary, Samuel Enoka Kalama Intermediate, King Kekaulike High	15	22	6:33:00 AM	7:25:00 AM	14.7
U90AP	Makawao Elementary, Samuel Enoka Kalama Intermediate, King Kekaulike High	15	26	1:55:00 PM	2:52:00 PM	14.7
U92A	Kula Elementary, Samuel Enoka Kalama Intermediate, King Kekaulike High	17	39	6:00:00 AM	7:15:00 AM	29.9
U92AP	Kula Elementary, Samuel Enoka Kalama Intermediate, King Kekaulike High	16	47	1:48:00 PM	3:10:00 PM	20.3
C14A	Iao Intermediate	8	16	6:35:00 AM	6:50:00 AM	3.7
C14AP	Iao Intermediate	8	26	2:30:00 PM	2:43:00 PM	3.5
C14B	Iao Intermediate	8	23	7:05:00 AM	7:25:00 AM	5.6
C14BP	Iao Intermediate	8	21	1:50:00 PM	2:24:00 PM	5.2

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
C15A (maui)	Iao Intermediate	9	46	6:40:00 AM	7:00:00 AM	5.8
C15AP (maui)	Iao Intermediate	9	47	2:22:00 PM	2:38:00 PM	5.7
C15B (maui)	Iao Intermediate	5	46	7:05:00 AM	7:15:00 AM	3.6
C15BP (maui)	Iao Intermediate	5	46	1:50:00 PM	2:17:00 PM	2.7
C1A	Iao Intermediate, Puu Kukui Elementary	15	61	6:37:00 AM	7:15:00 AM	9.3
C1AP	Puu Kukui Elementary	14	61	1:50:00 PM	2:53:00 PM	7.7
C1BP	Iao Intermediate	9	16	2:00:00 PM	2:53:00 PM	11.6
C2 AA	Wailuku Elementary	15	79	6:30:00 AM	7:05:00 AM	6.3
C2 BB	Wailuku Elementary	5	24	7:08:00 AM	7:30:00 AM	2.9
C20A	Waihe'e Elementary	10	18	6:55:00 AM	7:05:00 AM	5.0
C20AP	Waihe'e Elementary	10	18	1:50:00 PM	2:17:00 PM	5.0
C21A	Waihe'e Elementary	9	58	6:45:00 AM	7:00:00 AM	2.9
C21AP	Waihe'e Elementary	9	59	1:50:00 PM	2:17:00 PM	2.6
C22A	Waihe'e Elementary	8	63	6:50:00 AM	7:00:00 AM	1.4
C22AP	Waihe'e Elementary	8	65	2:19:00 PM	2:29:00 PM	1.4
C22B	Waihe'e Elementary	6	38	7:05:00 AM	7:15:00 AM	1.3
C22BP	Waihe'e Elementary	6	38	1:50:00 PM	2:15:00 PM	2.1
C23A	Waihe'e Elementary	9	36	6:45:00 AM	7:00:00 AM	3.3
C23AP	Waihe'e Elementary	9	37	1:50:00 PM	2:35:00 PM	3.2
C23B	Waihe'e Elementary	8	44	7:05:00 AM	7:20:00 AM	2.8
C23BP	Waihe'e Elementary	8	45	2:07:00 PM	2:18:00 PM	2.7
C30A	Maui Waena Intermediate	11	65	6:30:00 AM	6:55:00 AM	4.4
C30AP	Maui Waena Intermediate	11	67	1:55:00 PM	2:32:00 PM	4.9
C30B	Maui Waena Intermediate	11	31	7:05:00 AM	7:25:00 AM	5.6
C30BP	Maui Waena Intermediate	11	32	2:40:00 PM	3:02:00 PM	4.7
C31ABCDF	Kahului Elementary, Lihikai Elementary, Maui High, Maui Waena Intermediate, Puu Kukui Elementary	7	22	6:35:00 AM	7:25:00 AM	11.6
C31ABCDFP	Kahului Elementary, Lihikai Elementary, Maui High, Maui Waena Intermediate, Puu Kukui Elementary	7	22	2:07:00 PM	3:00:00 PM	12.8

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
C43A	Henry Perrine Baldwin High	15	77	6:35:00 AM	7:00:00 AM	7.5
C43AP	Henry Perrine Baldwin High	15	77	3:00:00 PM	3:40:00 PM	9.0
C43B	Henry Perrine Baldwin High	12	41	7:07:00 AM	7:30:00 AM	8.3
C43BP	Henry Perrine Baldwin High	12	41	2:53:00 PM	3:15:00 PM	8.1
C50A	Henry Perrine Baldwin High, Iao Intermediate	16	40	6:35:00 AM	7:05:00 AM	10.3
C50AP	Iao Intermediate	5	16	1:50:00 PM	2:21:00 PM	2.4
C50BP	Henry Perrine Baldwin High	15	24	2:36:00 PM	3:18:00 PM	7.5
C51A	Henry Perrine Baldwin High,Iao Intermediate, Waihe'e Elementary	10	28	6:15:00 AM	7:15:00 AM	15.6
C51AP	Iao Intermediate, Waihe'e Elementary	8	35	2:10:00 PM	3:17:00 PM	14.5
C51CP	Henry Perrine Baldwin High	7	35	2:52:00 PM	4:10:00 PM	14.6
C52A	Henry Perrine Baldwin High,Iao Intermediate, Wailuku Elementary, Puu Kukui Elementary	13	28	6:23:00 AM	7:20:00 AM	16.1
C52AP	Henry Perrine Baldwin High	10	24	2:54:00 PM	3:30:00 PM	16.3
C52BP	Iao Intermediate, Wailuku Elementary	12	14	2:07:00 PM	2:51:00 PM	16.1
C52DP	Puu Kukui Elementary	8	3	2:15:00 PM	2:51:00 PM	15.1
K10A	Lihikai Elementary	2	48	6:50:00 AM	7:00:00 AM	1.4
K10AP	Lihikai Elementary	2	52	1:55:00 PM	2:15:00 PM	1.5
K10BC	Lihikai Elementary, Maui Waena Intermediate	3	18	7:10:00 AM	7:25:00 AM	1.8
K10BCP	Lihikai Elementary, Maui Waena Intermediate	3	26	2:20:00 PM	2:35:00 PM	1.9
S11A	Lokelani Intermediate	7	37	7:15:00 AM	7:30:00 AM	3.1
S11AP	Lokelani Intermediate	7	37	3:00:00 PM	3:20:00 PM	3.7
S11B	Lokelani Intermediate	6	34	7:37:00 AM	7:52:00 AM	2.3
S11BP	Lokelani Intermediate	6	35	2:25:00 PM	2:53:00 PM	2.7
S14A	Lokelani Intermediate	8	59	7:10:00 AM	7:30:00 AM	4.2
S14AP	Lokelani Intermediate	8	59	3:00:00 PM	3:19:00 PM	3.6
S14B	Lokelani Intermediate	6	67	7:38:00 AM	7:55:00 AM	3.6
S14BP	Lokelani Intermediate	6	67	2:25:00 PM	2:54:00 PM	4.7

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
S15A	Lokelani Intermediate	19	47	7:03:00 AM	7:45:00 AM	12.9
S15AP	Lokelani Intermediate	19	47	2:25:00 PM	3:15:00 PM	12.7
S16A	Kamali'i Elementary	29	63	7:00:00 AM	8:00:00 AM	11.6
S16AP	Kamali'i Elementary	29	62	2:40:00 PM	3:55:00 PM	11.8
S1A	Kihei Elementary	15	55	6:35:00 AM	7:00:00 AM	6.5
S1AP	Kihei Elementary	15	56	2:30:00 PM	2:57:00 PM	5.3
S1B	Kihei Elementary	5	43	7:10:00 AM	7:30:00 AM	3.7
S1BP	Kihei Elementary	5	45	1:55:00 PM	2:22:00 PM	3.1
S21A	Maui High	17	49	6:17:00 AM	7:10:00 AM	20.4
S21AP	Maui High	17	50	1:55:00 PM	2:45:00 PM	19.2
S22A	Maui High	10	49	6:20:00 AM	7:10:00 AM	17.2
S22AP	Maui High	10	50	1:55:00 PM	2:36:00 PM	14.4
S23A	Maui High	5	57	6:40:00 AM	7:10:00 AM	10.0
S23AP	Maui High	5	58	1:55:00 PM	2:25:00 PM	10.0
S24A	Maui High	7	53	6:35:00 AM	7:05:00 AM	11.9
S24AP	Maui High	7	53	2:25:00 PM	2:51:00 PM	11.3
S24B	Maui High	3	30	7:10:00 AM	7:30:00 AM	2.4
S24BP	Maui High	3	32	1:55:00 PM	2:20:00 PM	3.3
S25A	Maui High	6	59	6:40:00 AM	7:00:00 AM	9.5
S25AP	Maui High	6	63	1:55:00 PM	2:26:00 PM	9.5
S26A	Maui High	4	56	6:40:00 AM	7:00:00 AM	9.1
S26AP	Maui High	4	59	1:55:00 PM	2:25:00 PM	9.2
S27A	Maui High	5	28	6:40:00 AM	7:00:00 AM	10.0
S27AP	Maui High	5	29	1:55:00 PM	2:25:00 PM	9.9
S28A	Maui High	5	53	6:40:00 AM	7:05:00 AM	9.2
S28AP	Maui High	5	55	2:25:00 PM	2:51:00 PM	9.7
S28B	Maui Waena Intermediate	5	64	7:08:00 AM	7:17:00 AM	2.2
S28BP	Maui Waena Intermediate	5	65	1:55:00 PM	2:23:00 PM	2.1
S29A	Maui High	5	33	6:40:00 AM	7:00:00 AM	9.4
S29AP	Maui High	5	35	1:55:00 PM	2:25:00 PM	9.7
S2A	Kihei Elementary	11	86	6:39:00 AM	7:00:00 AM	6.0
S2AP	Kihei Elementary	11	87	2:30:00 PM	2:53:00 PM	5.1

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
S2B	Kihei Elementary	4	27	7:10:00 AM	7:30:00 AM	1.5
S2BP	Kihei Elementary	4	29	1:55:00 PM	2:25:00 PM	1.8
S3A	Kihei Elementary	10	45	6:39:00 AM	7:00:00 AM	4.1
S3AP	Kihei Elementary	10	46	2:28:00 PM	2:53:00 PM	3.6
S3B	Kihei Elementary	5	25	7:06:00 AM	7:20:00 AM	2.1
S3BP	Kihei Elementary	5	24	1:55:00 PM	2:23:00 PM	1.4
SP4-B1	Kahului Elementary	9	6	7:02:00 AM	7:30:00 AM	4.5
SP4-B10	Wailuku Elementary	13	13	6:28:00 AM	7:30:00 AM	15.0
SP4-B10P	Wailuku Elementary	11	10	1:55:00 PM	2:55:00 PM	12.0
SP4-B11	Waihe'e Elementary	15	12	6:25:00 AM	7:30:00 AM	14.4
SP4-B11P	Waihe'e Elementary	16	13	1:55:00 PM	3:15:00 PM	15.7
SP4-B12	Henry Perrine Baldwin High	9	8	6:36:00 AM	7:45:00 AM	18.2
SP4-B12P	Henry Perrine Baldwin High	10	8	2:15:00 PM	3:39:00 PM	18.3
SP4-B13	Puu Kukui Elementary	15	9	6:37:00 AM	7:45:00 AM	9.2
SP4-B13P	Puu Kukui Elementary	14	6	1:25:00 PM	2:53:00 PM	7.9
SP4-B14	Iao Intermediate	10	9	6:42:00 AM	7:30:00 AM	11.8
SP4-B14P	Iao Intermediate	10	9	1:55:00 PM	2:53:00 PM	12.0
SP4-B1P	Kahului Elementary	7	4	1:55:00 PM	2:25:00 PM	2.8
SP4-B2	Kahului Elementary	8	8	7:02:00 AM	7:30:00 AM	5.4
SP4-B2P	Kahului Elementary	10	13	1:55:00 PM	2:38:00 PM	5.4
SP4-B3	Lihikai Elementary	8	11	7:11:00 AM	7:40:00 AM	5.9
SP4-B3P	Lihikai Elementary	10	8	1:55:00 PM	2:39:00 PM	6.1
SP4-B4	Pomaika'i Elementary	7	6	6:44:00 AM	7:30:00 AM	13.7
SP4-B4P	Pomaika'i Elementary	7	6	1:55:00 PM	2:52:00 PM	14.0
SP4-B5	Pomaika'i Elementary	8	8	6:50:00 AM	7:30:00 AM	10.2
SP4-B5P	Pomaika'i Elementary	7	6	1:55:00 PM	2:46:00 PM	11.4
SP4-B6	Maui Waena Intermediate	9	7	7:01:00 AM	7:55:00 AM	13.4
SP4-B6P	Maui Waena Intermediate	10	3	1:25:00 PM	3:05:00 PM	14.7
SP4-B7	Maui High	7	5	6:52:00 AM	7:40:00 AM	14.4
SP4-B7P	Maui High	7	2	1:55:00 PM	2:53:00 PM	14.4
SP4-B8	Maui High	16	14	6:23:00 AM	7:40:00 AM	18.4
SP4-B8P	Maui High	15	11	1:55:00 PM	3:37:00 PM	25.6

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
SP4-B9	Wailuku Elementary	7	7	7:04:00 AM	7:30:00 AM	6.3
SP4-B9P	Wailuku Elementary	8	8	1:55:00 PM	2:51:00 PM	13.7
SP5-B1	Kamali'i Elementary	7	6	7:42:00 AM	8:10:00 AM	6.3
SP5-B1P	Kamali'i Elementary	7	9	2:40:00 PM	3:22:00 PM	10.9
SP5-B2	Kihei Elementary	13	15	6:41:00 AM	7:25:00 AM	7.3
SP5-B2P	Kihei Elementary	11	13	1:55:00 PM	2:42:00 PM	6.4
SP5-B3	Kihei Elementary, Maui High	10	8	7:00:00 AM	8:10:00 AM	15.8
SP5-B3P	Kihei Elementary	6	5	1:55:00 PM	2:27:00 PM	4.5
SP5-B4	Lokelani Intermediate	7	5	7:36:00 AM	8:10:00 AM	8.8
SP5-B4P	Maui High, Lokelani Intermediate	9	6	1:25:00 PM	3:09:00 PM	20.3
SP5-B5	Maui High	12	11	6:08:00 AM	7:35:00 AM	26.2
SP5-B5P	Maui High	13	0	1:55:00 PM	3:19:00 PM	19.9
SP5-B6	Horizons Academy	6	2	6:14:00 AM	7:35:00 AM	29.3
SP5-B6P	Horizons Academy	6	1	2:55:00 PM	4:26:00 PM	29.2
SP6-B5	Maui High, Lokelani Intermediate	9	5	6:16:00 AM	8:15:00 AM	42.3
SP6-B5P	Maui High, Lokelani Intermediate	9	5	1:55:00 PM	4:24:00 PM	50.8
SP6-B1	King Kamehameha III Elementary	16	18	6:19:00 AM	7:30:00 AM	16.0
SP6-B1P	King Kamehameha III Elementary	16	18	1:55:00 PM	3:13:00 PM	14.7
SP6-B2	Princess Nahi'ena'ena Elementary	18	19	6:01:00 AM	7:25:00 AM	19.5
SP6-B2P	Princess Nahi'ena'ena Elementary	20	17	1:55:00 PM	3:37:00 PM	21.4
SP6-B3	Lahaina Intermediate	8	5	7:00:00 AM	7:40:00 AM	10.2
SP6-B3P	Lahaina Intermediate	8	9	2:05:00 PM	2:55:00 PM	10.3
SP6-B4	Lahainaluna High	8	7	6:47:00 AM	7:30:00 AM	11.4
SP6-B4P	Lahainaluna High	8	6	1:55:00 PM	2:48:00 PM	11.5
W11A	Lahaina Intermediate	12	22	6:27:00 AM	7:00:00 AM	12.9
W11AP	Lahaina Intermediate	12	22	2:00:00 PM	3:19:00 PM	12.9
W11B	Lahaina Intermediate	9	66	7:08:00 AM	7:25:00 AM	4.2
W11BP	Lahaina Intermediate	9	66	2:00:00 PM	2:37:00 PM	5.2
W12A	Lahaina Intermediate	7	55	6:35:00 AM	7:03:00 AM	11.2
W12AP	Lahaina Intermediate	7	56	2:40:00 PM	3:09:00 PM	10.0
W12B	Lahaina Intermediate	7	36	7:10:00 AM	7:25:00 AM	3.8
W12BP	Lahaina Intermediate	7	36	2:00:00 PM	2:33:00 PM	3.5

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
W13A	Lahaina Intermediate	8	72	6:35:00 AM	7:06:00 AM	10.5
W13AP	Lahaina Intermediate	8	72	2:40:00 PM	3:12:00 PM	5.6
W13B	Lahaina Intermediate	7	35	7:08:00 AM	7:25:00 AM	4.0
W13BP	Lahaina Intermediate	7	32	2:00:00 PM	2:31:00 PM	3.7
W1A	King Kamehameha III Elementary	12	76	6:40:00 AM	7:10:00 AM	9.5
W1AP	King Kamehameha III Elementary	12	76	1:50:00 PM	2:55:00 PM	9.5
W21 A	Lahainaluna High	10	30	6:33:00 AM	7:30:00 AM	11.5
W21 AP	Lahainaluna High	10	30	2:30:00 PM	3:06:00 PM	11.5
W21 B	Lahainaluna High	7	45	7:10:00 AM	7:25:00 AM	3.4
W21 BP	Lahainaluna High	7	45	1:55:00 PM	2:25:00 PM	4.0
W22 A	Lahainaluna High	7	48	6:34:00 AM	7:05:00 AM	11.4
W22 AP	Lahainaluna High	7	48	2:25:00 PM	2:59:00 PM	10.2
W22 B	Lahainaluna High	5	8	7:10:00 AM	7:25:00 AM	3.1
W22 BP	Lahainaluna High	5	8	1:55:00 PM	2:18:00 PM	3.5
W23A	Lahainaluna High	8	60	6:35:00 AM	7:00:00 AM	10.8
W23AP	Lahainaluna High	8	60	2:35:00 PM	3:10:00 PM	11.4
W23B	Lahainaluna High	7	37	7:08:00 AM	7:35:00 AM	4.2
W23BP	Lahainaluna High	7	38	1:55:00 PM	2:25:00 PM	4.0
W2A	King Kamehameha III Elementary	4	77	6:35:00 AM	7:00:00 AM	8.9
W2AP	King Kamehameha III Elementary	4	77	1:55:00 PM	2:38:00 PM	9.0
W30B	Lahaina Intermediate, Lahainaluna High	5	12	6:30:00 AM	7:20:00 AM	16.7
W30BP	Lahaina Intermediate, Lahainaluna High	5	27	1:55:00 PM	3:05:00 PM	16.5
W3A	King Kamehameha III Elementary	7	186	6:40:00 AM	7:00:00 AM	6.6
W3AP	King Kamehameha III Elementary	7	187	1:50:00 PM	2:30:00 PM	6.6
W40ABC	Lahaina Intermediate, Lahainaluna High, Princess Nahi'ena'ena Elementary	13	60	6:30:00 AM	7:15:00 AM	14.0
W40ABCP	Lahaina Intermediate, Lahainaluna High, Princess Nahi'ena'ena Elementary	12	60	1:55:00 PM	2:50:00 PM	12.4

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
W4A	King Kamehameha III Elementary	4	44	6:35:00 AM	7:00:00 AM	8.1
W4AP	King Kamehameha III Elementary	4	72	1:50:00 PM	2:47:00 PM	8.7
W5A	Princess Nahi'ena'ena Elementary	11	91	6:38:00 AM	7:00:00 AM	3.0
W5AP	Princess Nahi'ena'ena Elementary	11	91	1:55:00 PM	2:34:00 PM	4.1
W5B	Princess Nahi'ena'ena Elementary	5	33	7:06:00 AM	7:25:00 AM	4.7
W5BP	Princess Nahi'ena'ena Elementary	5	33	2:42:00 PM	3:05:00 PM	3.9
W6A	King Kamehameha III Elementary	7	33	6:30:00 AM	7:15:00 AM	19.4
W6AP	King Kamehameha III Elementary	7	34	1:50:00 PM	3:40:00 PM	15.8

Attachment D – School Listing

School Name	Days in Service
Henry Perrine Baldwin High	180
Ha'iku Elementary	180
Hana High & Elementary	180
Iao Intermediate	180
Kahului Elementary	180
King Kamehameha III Elementary	180
Kihei Elementary	180
Kula Elementary	180
Lahaina Intermediate	182
Lahainaluna High	180
Lanai High & Elementary	180
Lihikai Elementary	180
Makawao Elementary	180
Maui High	180
Samuel Enoka Kalama Intermediate	180
Pa'ia Elementary	180
Waihe'e Elementary	180
Wailuku Elementary	180
Pukalani Elementary	180
Maui Waena Intermediate	180
Princess Nahi'ena'ena Elementary	180
Lokelani Intermediate	180
Kamali'i Elementary	180
Pomaika'i Elementary	180
King Kekaulike High	180
Puu Kukui Elementary	180
Horizons Academy	180

Attachment E – Bus Camera Specifications and STSB Policies and Procedures

Attachment E - School Bus Camera Equipment Specifications

Digital Video Camera – While the DOE recognizes that the bus contractor will be the owner of the camera hardware and software, all necessary equipment must be provided to allow authorized DOE personnel to view and store video recordings. Therefore, DOE expects each vendor to provide access to both video files and viewing software for the camera manufacturer it has provided. DOE will work with each vendor to establish acquisition methodology and distribution procedures for video recordings that will ensure that all necessary confidentiality requirements are met. This may include the requirement that each vendor provide for the purchase of additional recording or viewing equipment. The cost of this equipment will be treated as a pass through expense to DOE with no markup allowed.

- The digital video recorder must be capable of allowing audio to be recorded
- The digital video recorder must provide video data in AVI, MP4 or other industry standard formats.
- The digital video recorder must be capable of providing continuous, smooth recording in all normal operating conditions inherent to school bus operations and operations within the State of Hawaii.
- The digital video recorder must utilize solid state Secure Digital Extended Capacity (SDXC) Cards with capacities up to 128GB. The digital video recorder must include a USB 2.0 interface that can be used for external data storage capacity expansion up to 2TB in addition to the primary SDXC Card data storage device.
- The digital video recorder must allow for the SDXC Card to interface with a PC without the need for a docking station and the SDXC Card shall connect to a PC directly when the PC has an integral SDXC Card Reader, or via an available SDXC Card Reader with a USB 2.0 interface to a PC. The system should also allow for a RJ-45 LAN connection that is capable of file transfer, remote configuration, and video streaming.
- The digital video recorder must begin recording upon activation of 12V trigger such as the vehicles ignition to ensure full coverage of all route activities.
- The digital video recorder must ensure that coverage is provided on a regular schedule through preprogrammed recording schedules of up to three times over a 24 hour period.
- The digital video recorder must have the capability of Event Alarm Recording that is driver controlled by an alarm push button switch / event marker button. The digital video recorder must allow Alarm Recording Duration to be programmed to continue for up to 15 minutes after the alarm has been triggered.
- The digital video recorder must be capable of having previously recorded video

reviewed directly from the system when appropriately connected to a viewing monitor while the system simultaneously records.

Camera(s)

- The system camera(s) must be color and have the capability to support low light recording and viewing.

- The camera must provide video coverage of persons entering the door, the driver, front row passengers and the rear seating area.

Viewing Software

- The viewing software must display Bus ID, time, date, and event triggers. It is preferable but not required that the software display location data and speed.

- The viewing software must allow the slow motion, fast forward, rewind, pause and play of all video files.

- The viewing software must allow the capture of a still image at any point in a video. The viewing software must allow a still image to a saved as a JPEG file.

- The viewing software must allow the search for video by a specific date and time. The viewing software must allow the selection of a single day of video and the playback of all videos consecutively from that selected day.

- The viewing software must operate on at least a Microsoft Windows 7 platform.

- The viewing software must be based on an embedded operating system with the ability to upgrade software in the field without return to the manufacturer.

DEPARTMENT OF EDUCATION

PROCUREMENT AND CONTRACTS BRANCH

August 5, 2016

RFP D17-001

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF MAUI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 1

Attached is the first addendum to RFP D17-001 for student transportation services on the island of Maui. This addendum provides clarification for questions asked as part of the RFP. This response and all of its attached documents are hereby incorporated and made a part of the RFP. Given the similarities to RFP D17-002, a number of questions and responses have been repeated here for purposes of clarification.

CLARIFICATIONS FROM THE PRE-BID CONFERENCE

As a result of questions raised during the pre-bid conference, the following changes are to be incorporated into the specifications.

- Table 1 on Page 6 is removed and replaced by the following to reflect the updated counts per cluster.

Table 1 – Service Cluster Volume Estimates

Clusters	1-Makawao	2-Baldwin	3-Lahaina	4- Maui
Location/ Description:	Haiku, Makawao, Pukalani, Kula, Paia	Wailuku	Lahaina	Kahului, Kihei
Count of School Buildings Served:	7	5	4	9
Count Regular Education Buses:	30	13	15	20
Count of Special Education Buses:	12	6	5	12
Total Buses in Service:	42	19	20	32

- Section 5(c)(ii)(2)(a)(ii) I removed and replaced by "For Type II buses as defined by Hawaii Administrative Rules Title 19, Chapter 143."

RESPONSE TO QUESTIONS

Bidders should note that in some instances questions that addressed the same topic have been combined and a single answer provided.

1. From page 16 number 3 and 7. Where are the contractors to find the forms listed?
    A. Form ag009 and ag010 can be found at http://hawaii.gov/forms.html/internal/department-of-the-attorney-general
2. From page 21 Section (e), how much storage is wanted on the camera system? How many days? Or hours?
    A. A. Department of Education policy is that 10 days storage be available for review.
3. From page 23 b) Minimum Service Levels and Standards, the Contractor is required to report within 15 minutes of the delay but what would STSB consider as a delayed route?

A. Per the Specifications Section 3(b)(2)(i) "A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner." Please note that this requirement is specific to instances where contractors have had to cover runs due to a lack of available drivers to cover all assigned routes.

4. From page 28 b) Annual Price Escalators, who will determine whether there is an increase, will the district automatically apply the increase, or must the contractor ask for it?

    A. The Escalator will be established as established by the Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year. The escalator will be applied automatically to the rates by the STSB and Contractors will not have to request the increase.

5. From page 6 Proposal Option A, does this 85% rule apply to all bus routes on all islands as a cumulative? Or is each bid looked at individually so that a single contractor may end up with more than 85% of student transportation services on all islands combined?

    A. The 85% maximum is applicable to the routes available on Maui only. The volume of routes on any island are not considered as part of the percentage calculation.

6. From page 17, would consideration be made to limit the total number of vehicle reduction to 10% for the life of the contract due to a considerable amount of investment for new equipment purchases prior to the contract effective date?

    A. No. Bidders are encourage to review the clause to ensure they recognize that the 10 percent addition or reduction is specifically related to the renegotiation of pricing. This provision recognizes the potential changes to a Contractor's fixed and variable cost profile if the number of units are revised during the term of the agreement.

7. In addition to the minimum of two (2) digital video cameras installed for recording footage within the vehicle and at the loading door, will the DOE allow cameras (additional) to record footage outside of the vehicle while in operation? The purpose is to record footage of unforeseen activities or incidents that may occur outside of the vehicle.

    A. Provided the Contractor meets the requirements of the specifications as defined, any additional cameras are at the discretion of the vendor and the vendor assumes full responsibility for the use of those cameras. Vendors should note that the permission to view recordings must be received from the Department of Education. This permission must be requested on an individual incident basis and permission will not be unreasonably withheld.

8. From page 28, targeted maximum threshold of $4.25 per gallon for Fuel. Is this a direction to use $4.25 per gallon for our fuel cost in pricing this RFP or is that amount just the base line to be used for the Fuel Cost Adjustment?

    A. The DOE is not providing direction to vendors to determine their fuel costs. This value is provided solely to provide information on how DOE will reimburse fuel costs for services rendered under this contract. Please note the change to the targeted maximum threshold in the question below.

9. Would consideration be made to recognize the current cost per gallon average ($4.11 – 7/28/16) based on AAA Daily Fuel Gauge Report (Hawaii Average, Wailuku) as the targeted maximum threshold cost per gallon base?

A. No. After careful consideration, the seven year term of the contract and the potential volatility of diesel fuel prices compel the Department of Education to maintain consistency of its maximum fuel price threshold. In order to provide additional clarification, the Department of Education reminds vendors that the established $4.25 threshold is specific to diesel fuel costs. If vendors choose to acquire buses using any other fuel type the Department of Education will negotiate an alternative target threshold specific to the fuel chosen.

10. From page 28, Fuel Cost Adjustment, will the Fuel Cost Adjustments tied to the new contact use the MPG as stated in the RFP of 7 and 10 respectively?

    A. Yes.

11. It is understood that arrangements for Supplemental Services (Charters), under this RFP's agreement, are directly handled between schools and contracted school bus operators. Will DOE authorize its school bus contractors the right to refuse future supplemental services to schools that fail to pay for incurred services within invoice payment terms?

    A. The STSB has no responsibility for supplemental services and therefore cannot address the question.

12. Please explain the method in calculating the evaluation points for supplemental service (per hour) bids since multiple bids (by line item) are required per cluster.

    A. Per the specifications "A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in Attachment B." The methodology of determining those points is detailed on Page 9 of the RFP.

13. Would it be possible to assign the Cluster Number to each School listed in Attachment D-School Listing?

    A. Please see the revised Attachment D included at the end of this Addendum.

14. Is there a minimum hourly wage that must be paid to bus drivers?

    A. The DOE does not establish the minimum wage that must be paid to drivers.

15. There are State owned school buses in Lahaina, does that could mean there is an enforced State wage?

    A. There is no State wage for drivers employed by a vendor as defined by any civil service system. Other laws and regulations applicable to minimum wage must be complied with.

Attachment D – Updated School Listing

School name	Days in Service	Cluster Assignment
King Kekaulike High	180	1
Samuel Enoka Kalama Intermediate	180	1
Ha'iku Elementary	180	1
Kula Elementary	180	1
Makawao Elementary	180	1
Pa'ia Elementary	180	1
Pukalani Elementary	180	1
Hana High & Elementary & 408-Ke'anae Elementary	180	N/A
Henry Perrine Baldwin High	180	2
Iao Intermediate	180	2
Puu Kukui Elementary	180	2
Waihe'e Elementary	180	2
Wailuku Elementary	180	2
Lahainaluna High	180	3
Lahaina Intermediate	182	3
King Kamehameha III Elementary	180	3
Princess Nahi'ena'ena Elementary	180	3
Lanai High & Elementary	180	N/A
Maui High	180	4
Maui Waena Intermediate	180	4
Kahului Elementary	180	4
Lihikai Elementary	180	4
Pomaika'i Elementary	180	4
Lokelani Intermediate	180	4
Kamali'i Elementary	180	4
Kihei Elementary	180	4
Horizons Academy	180	4

DEPARTMENT OF EDUCATION

PROCUREMENT AND CONTRACTS BRANCH

August 24, 2016

RFP D17-001

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF MAUI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 2

Below is the second addendum to RFP D17-001 for student transportation services on the island of Maui. This addendum provides clarification for submission requirements of the RFP. This response is hereby incorporated and made a part of the RFP.

Page 10 of the RFP, Section D.PROPOSAL SUBMISSION REQUIREMENTS is updated to include the following:

> The proposal submission must follow the outline described in Section D (2). The proposal must be segregated into the designated sections, and must not exceed the page length limitations as described. Any additional information deemed relevant by the proponent must be submitted as numbered appendices to the proposal. Proponents are allowed to use the font of their choosing but font size shall be no smaller than 10 point.
>
> Proponents are to submit one (1) original proposal together with a separate, sealed envelope containing the required pricing information. A CDROM or memory stick must also be included containing an electronic copy of the proposal, but NOT the pricing information. If appendices are included with the proposal, they must be clearly marked as such, and separated from the required proposal tabs. Proposals shall be received no later than the date set forth in table 3, Calendar of Events, either by mail or hand delivery. Proposals shall be delivered to the address set forth on pages on and two.

DEPARTMENT OF EDUCATION

PROJECT CONTROL SECTION

September 22, 2016

RFP D17-001

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF MAUI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 3

Below is the third addendum to RFP D17-001 for student transportation services on the island of Maui. This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

    A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

2. Is the cost of aide to be included in the Daily Rate for 3.5 hour minimum for special education vehicles?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

3. Is the cost of aide to be included in the additional cost over 3.5 hours for special education vehicles?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

4. Is the cost of aide to be included in the driving rate for supplemental services, (inclusive of all personnel & vehicle costs)?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

5. Is the cost of aide to be included in the layover & wait time rate for supplemental services (inclusive of all personnel & vehicle costs)?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

6. What will the cost per hour for bus aide be used for?

    A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

Attachment B – Pricing Form

Cluster 1 – Makawao

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	21		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	9		180				
Count of Special Needs Buses (Type II) with no special equipment	6		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	4		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Baldwin

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	10		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	3		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Lahaina

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	13		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 4 – Maui

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	18		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	7		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

DEPARTMENT OF EDUCATION

PROCUREMENT AND CONTRACTS BRANCH

July 20, 2016

RFP D17-002
REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF KAUAI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

Proposals will be received up to 2:00 p.m.

on

October 5, 2016

at the Auxiliary Services Branch
3633 Waialae Ave
Honolulu, HI 96816

Questions relating to this solicitation may be directed to
Christian Butt,
Section Administrator
Project Control Section
via telephone at (808) 784-5012
via facsimile at (808) 733-2102
via email addressed to christian_butt@notes.k12.hi.us

State of Hawaii
Department of Education
3633 Waialae Ave
Honolulu, HI 96816
T: (808) 784-5012 F: (808) 733-2102

Registration Form
For Online Solicitations

- The Project Control Section is not notified when a particular solicitation is viewed or downloaded. Therefore, Proponents interested in responding to this solicitation must first register their participation by completing and submitting this Registration Form.
- The completed Registration Form must be e-mailed or faxed to the Contact Person listed below as soon as possible after downloading this solicitation, but in any case, prior to the deadline for offers.
- Only Proponents who are registered will be forwarded addenda and/or other notices related to this solicitation when issued, if any. Failure to register may result in the Proponent not receiving addenda and/or other solicitation related notices, and such offers may therefore be rejected, and not considered for award.
- Failure of the Proponent to receive any such addenda shall not relieve the Proponent of any obligation under this solicitation. It remains the responsibility of the Proponent to complete and submit its offer in accordance with the instructions contained in this solicitation, as well as subsequent interpretations and addenda, if any.

Solicitation Information:
Number: RFP D17-002
Title: Student Transportation Services for the State of Hawaii DOE
Deadline: 2:00 p.m. Hawaii Standard Time, **October 5, 2016**
Contact Person: Christian Butt
Contact's e-mail Address: Christian_Butt@notes.k12.hi.us

Proponent Information:	
Name of Company Registering:	
Mailing Address:	
Name of Contact Person:	
Contact's e-mail Address:	
Contact's Telephone:	
Contact's Facsimile No.:	

NOTICE TO PROVIDERS OF
SERVICES
Request for Proposals No. RFP D17-002
STUDENT TRANSPORTATION SERVICES
FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

A. PROCUREMENT BACKGROUND

1. Student Transportation Services in Hawaii

The Hawaii Department of Education (DOE) provides transportation services to approximately 36,000 regular education students and 3,600 special needs students on 670 daily bus routes distributed across 5 islands. The bus routes are currently operated by 8 separate DOE contractors. The services are managed and administered by the DOE Student Transportation Services Branch (STSB) with a total staff of 19 located throughout the islands and with a central office on Oahu.

2. Student Transportation Reform Initiative

This solicitation represents the culmination of a four-year transportation reform initiative. A near doubling of transportation expenditures over the three years prior to the 2012/13 school year provided impetus for action by the State legislature. Student transportation funding was dramatically reduced as part of an effort to better control the growth in transportation costs and to establish a more detailed understanding of the causes and departmental responses to the expenditure increases. The funding reductions resulted in the elimination of a significant number of bus routes. The proposed and actual reductions resulted in substantial public concern and calls for action on multiple fronts to reform the structure and operations of the student transportation services program.

The resulting transportation reform initiative, of which this Request for Proposals is a fundamental part, is retaining the current contracted service model but with major revisions to virtually every associated business process. This heavily revised business model is reliant on three interdependent parts:

- *Contracted service provision* – A continuation of the current contracted service delivery model, but with significant changes to existing procurement, contracting, and contract management methodologies.
- *Centralized planning and information management* – The DOE, through the STSB, is assuming full responsibility and accountability for the performance of the transportation system. The foundation for this is a centralized planning, information, and contract performance management function within the STSB.
- *A functionally-oriented organization structure* – A transition is underway to a technology-enabled, functionally and data-oriented STSB that will ensure the DOE of proper contractor oversight while relying on the operational wherewithal and expertise of qualified school bus contractors to deliver the actual transportation service.

A primary implementation mechanism was a pilot program implemented on Oahu for the 2013/14 school year. This pilot program served as a proof-of-concept and test-bed for a revised, functionally-oriented STSB business model. A second major initiative was a concurrent RFP process for bus contractors to provide services commencing with the 2014/15 school year on Oahu. These contracts have been awarded and commenced on July 1, 2014. With lessons learned in-hand, a RFP process was conducted for services on Hawaii Island commencing in July, 2015. This RFP represents the culmination of the overall transportation reform initiative, including the base service specifications and service delivery requirements contained within both the Oahu and Hawaii RFP, but with some modification due to lessons-learned and unique operating conditions on Kauai.

3. Statement of Purpose

The purpose of this RFP is to establish a contractual agreement with vendors interested in becoming a service delivery partner with the DOE. Only vendors interested in establishing a joint goal of providing safe, effective, and efficient transportation services to the eligible student population should consider responding. A demonstrated willingness to work collaboratively with the DOE over the term of the contract to implement the required reforms, and to continually improve and enhance the quality and efficiency of student transportation services is an absolute requirement for contract award.

B. SCOPE OF SERVICES

1. General Description of the Service Requirement

The successful proponent(s) will be required to execute a contract based on the template included as **Attachment A** to this RFP. The scope of services specifications contained therein fully describe the responsibilities, requirements, and accountabilities of the contractor and the DOE as parties to the agreement. Any inconsistency between the contract, this RFP, or any other information provided as part of the procurement process will be resolved in favor of the contract.

The following summary of service requirements is provided *by means of introduction only*. The proponent should be thoroughly familiar with the contract specifications in **Attachment A** before developing their proposal submission.

The successful proponents will provide all school bus transportation services (the service) to eligible students and programs throughout the island of Kauai. These services shall include:

- Regularly scheduled service to and from school for:
    - Regular education students
    - Special education students
- Regularly scheduled midday or shuttle services, as required
- The DOE reserves the right to negotiate with successful proponent's further work requirements if they should arise

A successful proponent will provide their ceiling trip rate for school athletic, activity, and co-curricular trips will also be required. However, those trips are scheduled and managed by the individual school sites. Student Transportation Services Branch has no specific role in the scheduling or assignment of these trips.

As an integral component of the service, the successful proponents shall provide the following resources:

- All required transportation vehicles, including facilities and related resources for their proper fueling, care and maintenance;
- Appropriate employee operating facilities;
- All necessary vehicle dispatch and communications staffing and systems;
- Adequate numbers of trained bus drivers, monitors, and attendants;
- Such other management and support staff as may be required; and
- Systems, processes, skills, and staffing to support the data gathering, compilation, reporting, and customer response requirements of the contractor performance management program defined in **Attachment A**.

The successful proponent(s) will be responsible for executing the delivery of the transportation services described above. These services will be planned by the Student Transportation Services Branch (STSB), which will be the responsible agency for any contract resulting from this RFP. In this role, the STSB will execute the DOE Contract Performance Management Program (CPMP) and will be responsible for the development, updating, and distribution of all required bus scheduling and routing information to the successful proponents.

2. Contract Term

The initial period of performance for any contract resulting from this solicitation will be seven (7) years beginning August 1, 2017 and ending on May 31, 2024. Subsequently, the contract may be extended by mutual agreement of the contractor and DOE for up three (3) one (1) year periods, resulting in a maximum potential period of performance of ten (10) years.

3. Service Volume by Location

The required transportation services have been allocated to three (3) separate service clusters. These service clusters have been established on the basis of geographic, logistical, and volume considerations. The estimated volume of service required in each cluster is summarized in Table 1. These are the volume estimates on which the proponent is to base their proposal, and is the baseline from which any contractual adjustments will be calculated over the term of the agreement. A more detailed listing of all current bus routes that align with these summary statistics is included as **Attachment C** to this RFP. The number of school service days will also vary somewhat by type of service and school location. **Attachment D** to this RFP includes a listing of the current service days by school that align with each of the current bus routes.

Table 1 – Service Cluster Volume Estimates

Clusters	1-Waimea	2-Kapaa	3-Kauai
Location/ Description:	Kekaha, Waimea, Hanapepe, Eleele & Kalaheo	Heena, Hanalei, Princessville, Kilauea, Anahola, Kawaihau, Kapaa & Wailua	Wailua, Hanama'ulu, Lihue, Puhi, Koloa, Omao, Lawai & Kalaheo
Count of School Buildings Served:	5	5	5
Count Regular Education Buses:	15	21	15
Count of Special Education Buses:	4	4	6
Total Buses in Service:	19	25	21

4. Proposal Options – Service Volume & Award

All contract awards pursuant to this procurement shall be for the entirety of each individual service cluster as defined. Vendors must submit a proposal for each of the clusters as defined in Table 1 for which it intends to bid. Therefore, if a company wishes to submit for three clusters, it will be required to submit three separate cost proposals.

Within these constraints the proponent may, at its sole discretion, choose to submit a proposal to provide service in one, two, or all four of the identified service clusters. The proponent's choice is limited only by the description provided in each of the following lettered options.

Proposal Option A *Multiple clusters, unlimited award*

The proponent may choose any combination of service clusters on which to propose. The proposal and pricing will be evaluated competitively and separately against all of the other proponents submitting a proposal for service in each of the individual service clusters identified by the proponent. The proponent may be successful in all, some, one, or none of the clusters for which it submitted a proposal. However, the State shall award no more than two (2) clusters or eighty percent (80%) of all buses to any single proponent.

Proposal Option B *Multiple clusters, limited award*

The proponent may choose any combination of service clusters on which it wishes to propose. However, in this option the proponent must choose a maximum number of route buses it is willing to operate. The proposal pricing will be evaluated

competitively and separately against all of the other proponents submitting a proposal for service in each of the individual service clusters identified by the proponent. The proponent will be considered for award wherever it is the highest rated up to, but not to exceed the maximum allowable number of route buses identified by the proponent. No service cluster will be subdivided to achieve either the minimum or the maximum. The DOE will be the sole determinant of which service clusters will be awarded should the proponent be the highest rated in a combination of clusters that would exceed the proponent-defined maximum number of route buses.

Proposal Option C *Single cluster, single award*
The proponent may choose a single service cluster on which to submit a proposal. The proposal will be evaluated competitively against all of the other proponents submitting a proposal for service in that service cluster.

5. Proposal Options – Proponent Alignments

Only one (1) proposal per cluster may be submitted by any proponent. Therefore, an offeror may choose to submit a proposal for one cluster, and be part of a cooperative venture for another. It may not submit a proposal for a cluster as a sole entity and also be part of a cooperative offer for the same cluster. The proponent must be a single legal entity. Within these constraints, the State encourages the development of creative solutions and proponent combinations that will enhance the efficiency and operating effectiveness of the service. This includes the use of local subcontracted services wherever feasible and practical. In particular, the State encourages, but does not require, the use of existing local vendors for vehicle repair and maintenance services.

C. SOLICITATION PROCESS, PROPOSAL EVALUATION, & VENDOR SELECTION

1. Calendar of Events

This procurement is being conducted on an extended timeline to facilitate the submission of comprehensive, thoughtful, thorough proposals and to permit an extended timeframe from award to the start of services. A limited start will be required to support Extended School Year programs at the end of the 2016/17 school year, with all services to commence with the beginning of the 2017/18 school year. Table 3 outlines the major milestones in this process.

Table 3 – Calendar of Events

Milestone	Date
Public release of Request for Proposals	July 20, 2016
Mandatory Proposal Conference	July 26, 2016
Final date to submit questions	July 29, 2016

Milestone	Date
RFP Addenda No. 1 Released	August 5, 2016
Proposals submissions due to DOE	October 5, 2016
Mandatory onsite interviews	October 19-20, 2016
Notice of award(s) (approximate)	November 1, 2016
Contract start date	July 1, 2017
Services commence	August 1, 2017

The following notes and explanations are provided for each of the identified milestones in the Calendar of Events:

Mandatory Proposal Conference – Attendance at this conference is MANDATORY for any proponent intending to submit a proposal. Attendance can be in-person or via teleconference. The location and time for the conference are as follows:

Time: 9:00 AM to 11:00 AM HST

Location: McKinley Community School for Adults, Room 110
634 Pensacola Street, Honolulu, HI 96814

For organizations that will attend via web or teleconference:

- For the audio portion of our meeting you will need to dial (808) 587-4300, or (866) 254-4555, then enter the conference code of 7039# when prompted. After entering the conference code, please announce your name so we know who is entering this meeting.
- Organizations connecting via WebEx web conferencing services must submit an email address to Mr. James Kauhi at James_Kauhi@notes.k12.hi.us no later than July 22, 2016 at 4:00PM HST in order to receive an invitation to the session.

Final date to submit questions – This is the final date on which questions regarding the RFP will be accepted by the DOE. Questions may be emailed, sent via regular mail, or faxed to (808) 586-3146. ***All inquiries must be clearly marked to the attention of Christian Butt, and reference this RFP***. Any exceptions to the proposed specifications or the items in the Request for Proposals must be identified in the submitted questions. The answers to all questions will be addressed to all registered proponents.

RFP Addendum No. 1 Released – Addendum No. 1 to the RFP will include answers to all questions submitted by the due date, and will make any required modifications to the RFP on the basis of feedback received during the Proposal Conference or as a result of questions received. Subsequent addenda may be released if the State determines that further clarifications are required.

Proposals submissions due to DOE – Proposals must be received at the location and by the time indicated on page 1 and page 2 of the RFP. Late proposals will not be evaluated and will be returned unopened to the proponent.

Mandatory interviews – The DOE will require an onsite presentation of the top two proponents' proposals for each cluster and interview of key staff as part of the selection process. These interviews will be conducted on Oahu and will be scheduled on the dates indicated in the Calendar of Events.

Notice of award(s) – The DOE will publicly announce the award of contract(s) to the successful proponents on the date indicated in the Calendar of Events.

Contract start date, services commence – This will be the effective date of the contracts. The successful proponents shall be fully prepared with all required resources and services as per the contract. Earlier readiness may be sufficient to support Extended School Year services prior to the start of regular 2017/18 school year services. The State will evaluate readiness for inclusion of any new contractor to provide services and such services will be provided at the contracted rates and at the option of the proponent.

2. Proposal Evaluation & Vendor Selection Process

This is a value-based procurement. The successful proponents must have the demonstrable experience and qualifications, staffing, and financial resources to deliver the required services for the entire term of the contract. Cost will be a significant factor in the evaluation process. However, cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* – The proposal must be received in good order, with all required forms, tabs, and information as required.

B. *Technical Evaluation* – An evaluation committee will evaluate the proponent's Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated service volume in each identified category on **Attachment B** to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The lowest cost proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the maximum available points.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

F. *Notice of Award* – the final results will be shared with the preferred vendors and with the next highest scoring vendor in each service cluster.

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.

D. PROPOSAL SUBMISSION REQUIREMENTS

1. Instructions to Proponents

A. GENERAL

Proponents shall be incorporated or organized under the laws of the State or be registered to do business in the State as a separate branch or division that is capable of fully performing under the contract. The following definitions are used in the solicitation documents:

Hawaii Business §3-122-112 HAR: A Proponent who is registered and incorporated or organized under the laws of the State is a "Hawaii Business" and eligible for an award.

Compliant non-Hawaii Business §3-122-112 HAR: A Proponent not incorporated or organized under the laws of the State, but is registered to do business in the State and complies with or is exempt from the requirements of §3-122-112 HAR, is a "Compliant Non-Hawaii Business" and eligible for an award.

Non-compliant Proponent: If a Proponent is a non-Hawaii business and is not registered with the DCCA Business Registration Division (BREG) or cannot comply with §3-122-112 HAR, than the Proponent is non-compliant and is ineligible for an award.

Proponents shall submit the sealed proposal Pricing Forms (**Attachment B)**, Hawaii business certificates, and all other documents required with all pages and sections clearly numbered or referenced.

Elaborate bindings, displays, and promotional material are neither required nor desired unless they add significant information to the Proponent's response. Additional information not specifically required for submittal must be provided in clearly labeled Appendices to the proposal.

The contract template General Conditions (**Attachment A**) set forth additional terms and conditions for the RFP and award process. The General Conditions will be part of the contract documents by which the State and the Proponent will be bound. Proponents are directed to the General Conditions for contract and statutory requirements and for Execution of Contract Requirements. Proponent is also directed to the Special Conditions of the contract template for these specifications for definitions and modifications to the General Conditions.

Where a Proponent qualified for this RFP using a sub-contractor's qualifications, any request to substitute the sub-contractor upon which a Proponent's qualification status is based must be requested in writing to the DOE and must provide information certifying that the new subcontractor meets or exceeds the qualifications of the subcontractor that is being replaced.

B. DISQUALIFICATION OF PROPOSALS

The State reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in the RFP, and which demonstrate an understanding of the scope of services required. The State reserves the right to reject, in whole or in part, a proposal which is not in the best interest of the State. Any proposal not meeting the guidelines and requirements outlined, or offering terms and conditions contrary to those included in this RFP, may be rejected without further consideration.

The selection criterion assures the DOE of the Proponent's qualifications. The requirements do not allow for any exceptions. Any qualifications that are missing or lacking supporting documentation represent a non-conforming submittal.

C. CONFIDENTIAL INFORMATION

If a person believes that any portion of a response contains information that should be withheld as confidential, then the Procurement Officer should be so advised in writing and provided with justification to support the confidentiality claim. Pricing information is not considered confidential and will not be withheld.

A Proponent shall request in writing nondisclosure of designated trade secrets or other proprietary data considered confidential. Such data shall accompany the response, be clearly marked and shall be readily separable from the rest of the response in order to facilitate eventual public inspection of the non-confidential portion of the response.

Pursuant of HAR Section 3-122-58, the head of the purchasing agency or designee shall consult with the Office of the Attorney General and make a written determination in accordance with Chapter 92F. If the request for confidentiality is denied, such information shall be disclosed as public information, unless the person appeals the denial to the Office of Information Practices in accordance with HRS Section 92F-42(12).

D. TERMS AND CONDITIONS

Proposals must be submitted using the instructions in this RFP.

All proposals must comply with Section 3-122-112, Hawaii Administrative Rules (HAR).

2. Technical Proposal – 60 Points Available

Each section of the proposal will be evaluated based on the number of points identified for each respective tab described below. The evaluation process will include each proposal being reviewed by an appointed evaluation committee. Those proposals that are determined to be responsive (those that offer all of the basic requirements requested in the RFP and contain all of the required information and forms properly completed) will be further reviewed using the comparative criteria outlined in this section.

The committee will use the comparative criterion for each separate rating area, and based upon these criteria, will assign an overall rating to each tab. Each of the tabs will be rated based on the following guidelines:

- Complete response with no omissions will receive 100% of available points
- Minor omissions will receive 75% of available points
- Many minor omissions or a major omission will receive 50% of available points
- Many major omissions or major deficiency will receive 25% of available points
- Incomplete or missing response will receive 0 points

Tab 1 Transmittal Letter – Total points available is three (3). Shall not exceed one (1) page:

Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing.

Tab 2 Executive Summary – Total points available is three (3). Shall not to exceed five (5) pages:

Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format.

In addition, the following three specific questions must be addressed under separate headings within this section:

- What makes your company, and your proposal, uniquely well suited to the State's requirements?
- What specific elements of your proposal do you believe will exceed the State's service requirements?
- What factors differentiate your company's approach to service delivery from that of your competitors?

Tab 3 Qualifications & Experience – Total points available is nine (9). Shall not to exceed five (5) pages:

Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements:

- Corporate lineage in the provision of student transportation bus services
- A brief description of comparable and currently active service delivery contracts being operated by the company
- The total number of school buses operated by the company
- The total number of student transportation clients served by the company
- Any relevant company qualifications or experience outside of the student transportation industry

Tab 4 References and Testimonials - Total points available is six (6). No page limitation:

Provide the following specific information:

- No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years.
    - Complete client contact information may be substituted for up to two (2) letters of reference.
- If applicable, a brief description of a contract that was lost or not renewed and why it was lost.

Tab 5 Proponent's Service Approach – Total points available is nine (9). Shall not to exceed ten (10) pages.

Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach:

- Management philosophy
- Driver recruitment, retention, and training
- Daily operations (driver assignment, dispatch, on-road supervision, etc.)
- Use of information technology

In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements:

- Accountability

- Reliability
- Responsiveness
- Efficiency

Tab 6 Proponent's Commitment to Safety – Total points available is fifteen (15). Shall not to exceed five (5) pages.

Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety:

- What are the most relevant aspects of your company's safety program?
- How does your firm measure its safety success?
- How has that measurement or metric changed over the past three years?
- How does your firm ensure operations are safe from day to day?

Tab 7 Vehicles & Fleet Management – Total points available is three (3). Shall not to exceed five (5) pages.

Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program.

- What types and age of vehicles to you propose to provide?
- How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)?
- What are the particular strengths of your company's fleet inspection, maintenance, and repair program?

Tab 8 Proponent's Staff – Total points available is three (3). Shall not to exceed five (5) pages, excluding bios.

Provide the required information:

- Provide a proposed organizational chart to deliver the proposed services.
- Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements.
- Provide brief biographical information for the key management personnel you expect to assign to the proposed services.

Tab 9 Transition Plan – Total points available is three (3). Shall not to exceed five (5) pages.

Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan.

- Facility identification & acquisition

- Fleet acquisition
- Management and driver staffing
- Service location familiarization (schools, geography, etc.)
- Client communications during the transition

Tab 10 Financial Stability - Total points available is four (4). No page limitation

Provide the following required information:

- A sample certificate of insurance that meets the contract requirements
- Income statements and balance sheets or tax returns for past two years
- Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation

Tab 11 APPENDIX: Additional Information – Total points available is two (2). No page limitation.

Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.

3. Cost Proposal – 40 Points Available

A total of 36 points will be applies to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in **Attachment B.**

No pricing information is to be included in the proposal. One hard copy of **Attachment B** or an exact replica, in its entirety, with all required information must be included in a separate, marked, sealed envelope as part of the proponent's submission.

For purposes of this RFP, bidders are directed to use the Type II requirements per Hawaii Administrative Rules Title 19, Chapter 143 for all references to Special Needs buses with a minimum capacity of 12 passengers and a maximum manufacturer rated seating capacity of 24; and to use the Type I per Hawaii Administrative Rules Title 19, Chapter 143 requirements for all references to Regular Home-to-School buses with a maximum manufacturer rated seating capacity of 72.

E. List of Attachments

Attachment A – Contract Template
Attachment B – Pricing Forms
Attachment C – Route Descriptions
Attachment D – School listing
Attachment E – Student Transportation Services Branch Standard Operating Procedures and baseline camera specifications

Attachment A – Student Transportation Contract Template
Template Documents

Notice to proponents: The standard State of Hawaii form of contract will be utilized in this procurement. The consolidated contract document will consist of the following templates, followed by the detailed Scope of Services Specifications*, the* Special Conditions *that apply to this contract, the standard* Hawaii General Conditions*, and any subsequent exhibits to the contract.*

The template documents will include the following:

1. Cover page
2. Contract document template for "Goods or Services Based Upon Competitive Sealed Proposals" (form ag004-1a)
3. Contractor's Acknowledgement (form ag009) available for download at:
4. Contractor Board of Directors resolution for signature authority, or equivalent
5. Contractor insurance certificate, per requirements in contract specifications
6. Contractor Certificate of Vendor Compliance – available through Hawaii Department of Taxation
7. Contractor Standards of Conduct Declaration (form ag010)

Attachment A - Student Transportation Contract
Service Specifications

1) Student Transportation Service Requirements

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Attachment E. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

(1) Coordination of student behavior management on school buses with school officials

(2) State and Department mandated data collection and reporting

(3) Accident investigation

(4) Customer service activities to the Department, school officials, parents and guardians

h) Cooperation with Department

i) The Contractor will work cooperatively with the Department to ensure safe, effective, and efficient Transportation Services throughout the term of this Agreement. The Contractor will be responsive to the Department's requirements for unscheduled bus or rider-related events and special requests. No additional compensation shall be provided for complying with these requests. These requests may include, but shall not be limited to:

(1) emergency preparedness activities

(2) student or community safety matters

(3) student or community health matters

ii) If other services or issues arise that are previously unaddressed by the Department, the Contractor will make a good faith effort to address or resolve such until the matter can be referred to the Department.

i) Insurance requirements

i) Insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate. To the extent applicable, the amounts and types of insurance will conform to the minimum terms, conditions and coverage of Insurance Service Office (ISO) policies, forms and endorsements.

(1) Commercial General Liability: The Contractor shall maintain commercial general liability insurance covering all operations by or on behalf of the Contractor on an occurrence basis against claims for personal injury (including bodily injury and death) and property damage (including loss of use). Such insurance shall have these minimum limits and coverage:

- $2,000,000 each occurrence;

- $2,000,000 general aggregate on a "per project" basis;

- $2,000,000 products and completed operations aggregate.

(2) Automobile Liability: The Contractor shall maintain business auto liability covering liability arising out of any auto (including owned, hired and non-owned autos). Such insurance shall have these minimum limits and coverage:

- $2,000,000 combined single limit.

(3) Workers' Compensation: The Contractor shall maintain workers' compensation and employer's liability insurance that comply with statutory limits

3) Contractor Performance

a) Contract Performance Management Program

i) **Attachment A, Exhibit B** provides a description of the Department's Contract Performance Management Program. The Contractor will be an active participant in, and will be responsive to the requirements of this program.

ii) The Contract Performance Management Program is a non-punitive, joint, supportive program of contract compliance monitoring and performance measurement designed to enhance and improve Transportation service delivery in a continuous improvement cycle.

b) Minimum Service Levels and Standards of Performance

i) In addition, and as a supplement to the Contract Performance Management Program, the Contractor will be responsible for meeting or exceeding certain minimally acceptable service levels and standards of performance. The Contractor will monitor, track, account for, and report to the Department the data and information required to determine the Contractor's success in meeting or exceeding the established standards.

ii) The Contractor will comply with three minimally acceptable standards of performance. For the purpose of this section, a bus route is defined as either the morning or afternoon component of a regularly planned and assigned daily bus route as provided to the Contractor by the Department.

(1) No more than two (2) percent of all bus routes operated by the Contractor in each week of the service month shall be delayed or missed as a result of the Contractor's inability to provide an adequate number of qualified bus drivers or monitors as defined within this Agreement. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner.

(2) No more than two (2) percent of all bus routes operated by the Contractor in each service week shall be delayed or missed as a result of mechanical problems with the Contractor's assigned vehicle. A delay or missed route is defined as any route component that begins operation after its scheduled time, or that is delayed over the course of its scheduled route as a result of a mechanical problem with the assigned vehicle.

(3) The Contractor shall report every incidence of delay as defined in subparagraph (1) and (2) of this section to the Department within fifteen (15) minutes of occurrence in a manner and format acceptable to the Department. This is a zero tolerance standard of performance.

iii) The Contractor is responsible for recording and tracking all data and information required to calculate Contractor performance relative to the minimum service levels and standards of performance. These data will be provided to the Department not later than the 15th of each month for service completed in the prior service month. The data and information will be submitted in a verifiable manner and format acceptable to the Department.

iv) If a non-compliance situation occurs, the Contractor is considered to be automatically on notice whether or not the Department sends a formal written notice.

v) The Contractor will comply with Department directives to improve operations and outcomes that fall below the established standards.

c) Performance Withholding

i) The Department may impose a **Minimum Service Level Performance Withholding** factor for non-compliance with the Minimum Service Levels and Standards of Performance.

(1) The Department may defer payment of up to one (1) percent of the Contractor's next regular monthly Transportation Services invoice for any single weekly instance of non-compliance.

(2) The Department may defer payment of up to three (3) percent of the Contractor's next regular monthly Transportation Services invoice should non-compliance continue for two consecutive service weeks.

(3) The Department may defer payment of up to seven (7) percent of the Contractor's next regular monthly invoice should non-compliance continue for three consecutive service weeks.

(4) The Department may defer payment of up to ten (10) percent of the Contractor's next regular monthly invoice should non-compliance continue for four (4) consecutive weeks.

ii) The number of withholding instances is unlimited, and may be repeated for each instance of non-compliance with the Minimum Service Levels and Standards of Performance requirements.

iii) The withheld amount may be paid in full to the Contractor if the non-compliance factor resulting in the Performance Withholding instance is cured to the satisfaction of the Department following the deferral decision.

iv) If the non-compliance factor is not cured to the satisfaction of the Department following the deferral decision, the Department may retain the withholding without obligation to pay the Contractor the withheld amounts.

v) The Department will notify the Contractor in formal letter delivered via a traceable method to the address of record for the Contractor contained in this Agreement if a decision to retain a Performance Withholding is reached.

d) Contractor Fiscal Efficiency

i) The Contractor will make an ongoing good-faith effort to identify opportunities to improve the efficiency and effectiveness of the bus routes and route packages assigned to the Contractor by this Agreement. Where feasible, the Contractor will identify opportunities to modify, pair, combine, or repackage bus routes with the objective to perform Transportation services in the most efficient and effective manner possible. If identified, such opportunities will be communicated to the Department not later than one (1) week following the identification. At a minimum, the Contractor will submit a written report to the Department, to accompany each regular invoice submission, summarizing the opportunities identified in the period covered by the invoice or, if no opportunities were identified, making an affirmative statement attesting to this fact.

ii) The Contractor will immediately notify the Department, in a manner deemed acceptable by the Department, of any new programs or services that are requested of the Contractor by school officials or representatives, including any school building or program bell time changes. The Contractor shall not fulfill such requests until and if authorized by the Department.

4) <u>Basis for Contractor Compensation</u>

a) Daily Bus Service Time

i) The Contractor's pricing for Transportation will primarily be structured upon the length of time required for a vehicle to complete its regularly assigned daily route package. The Department will assemble individual Transportation routes in time tiers, potentially serving multiple schools in succession. The route package time of service will start when the first scheduled student rider boarding occurs for either the morning home-to-school, or afternoon school-to-home component and ends when the last scheduled student debarkation occurs at the final school destination in the morning or the final scheduled stop in the afternoon. The combination of the morning and the afternoon route package time of service constitutes the **Daily Bus Service Time**. The Daily Bus Service Time of any individual route may also include all or a portion of mid-day and/or post-day bus route at the discretion of the Department. If mid-day or post-day segments are included, then the morning or afternoon route package time of service will continue from the last scheduled student debarkation at the final morning home-to-school destination (or from the final scheduled home-to-school stop in the afternoon) to the final scheduled stop of the mid-day or post-day routing component to be included in the Daily Bus Service Time.

(1) Vehicle operating time expended transiting from the Contractor's assigned vehicle parking location to the first scheduled student boarding in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(2) Vehicle operating time expended transiting from the final scheduled student debarkation to the Contractor's assigned vehicle parking location in either the morning or afternoon component of the service day shall not be included in the Daily Bus Service Time.

(3) Vehicle operating time expended transiting empty of student riders at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(4) Vehicle time expended empty of student riders and waiting for a subsequent component of the route package to start at any point between the first scheduled student boarding and final scheduled student debarkation will be included in the Daily Bus Service Time.

(5) Daily Bus Service Time is calculated in accordance with scheduled route data as determined by the Department and operated by the Contractor following all of the requirements of this Agreement.

(6) Daily Bus Service Time will be rounded to the nearest fifteen (15) minute increment.

(7) Occasional variances in planned versus actual Daily Bus Service Time of fifteen (15) minutes or less will receive no adjustment to compensation.

(8) Recurring variances in planned versus actual Daily Bus Service Time of any length may result in a compensation change following verification by the Department and adjustment to the scheduled route data. The Contractor must report recurring variances to the Department immediately on their identification notwithstanding any other reporting requirements of this Agreement.

b) Route Packages

i) The Daily Bus Service Time will be comprised of a package of routing components as determined by the Department. Route components may include any combination of regular or special needs students of any grade level, one or multiple schools or program types, any number of bus stops, and service to any location within the geographic area defined by this Agreement.

ii) Route packages will be assembled such that individual assigned vehicles are performing logical and efficient combinations of routing components in the morning and again in the afternoon, to the extent feasible.

iii) Route packages will be assembled such that the assigned vehicle type, size and equipment requirements are common to all routing components in the package, to the extent feasible.

iv) Route packages will be assembled such that the composition of the Contractor fleet is considered in matching requirements to available bus types, to the extent feasible.

v) The Department will schedule some routing components on a recurring, but not on a daily basis. The Department will treat any such component occurring on three (3) or more service days during a regular five (5) day service week as a regular recurring service for compensation purposes.

vi) Any regular routing component that occurs on a recurring basis but less than three (3) service days in any regular five (5) day service week will be treated as an additional supplemental service for compensation purposes.

vii) Morning and afternoon route packages will be paired as efficiently as possible by the Department, with the morning and afternoon schools and programs served being the same, to the extent feasible.

viii) The Contractor will assign the same driver to both the morning and afternoon package of runs, to the extent feasible.

c) Time Gaps in Service Requirements

i) When any individual morning, mid-day, afternoon or post-day routing component cannot be assigned to a route package such that the wait time before or after another contiguous component would exceed thirty (30) minutes, the Department will have the option of either treating the component as part of the Daily Bus Service Time or an additional supplemental service for the purpose of compensation. If the Department opts to include the routing component in the Daily Bus Service Time, the time gap will be included in the daily service

time and the mileage between the components will be included in eligible service miles for fuel cost adjustment purposes.

ii) The Contractor shall not invoice the Department for any service time more than once.

d) Pricing Elements

i) The Compensation and Payment Schedule provides a matrix describing each element for which the Contractor will be provided compensation and the rate of compensation associated with each element.

ii) The Contractor is guaranteed compensation for a minimum Daily Bus Service Time of three and one-half (3.5) hours for each vehicle assigned to a regular routing package under this Agreement. Any Daily Bus Service Time of three and one-half (3.5) hours or less will receive this rate of compensation.

iii) Additional compensation for Daily Bus Service Time in excess of three and one-half (3.5) hours will be provided based on the regular service incremental hourly rate, calculated in fifteen (15) minute increments.

iv) Compensation for additional supplemental services will be provided for each instance of service, at the rates specified in the Agreement's Compensation and Payment Schedule.

v) The Department reserves the right to alter, add, or delete route components or route packages at any time within the requirements specified by this Agreement.

vi) The Department will compensate the Contractor for each regular education and special education route package for the actual number of days transported.

vii) The Contractor and the Department shall keep accurate records of all services provided. , and shall be detailed on each Contractor invoice submitted.

5) <u>Invoicing and Compensation Adjustments</u>

a) Invoicing

i) The Contractor will receive an invoice from the Department at least once, and not more than twice per month. The invoice shall be received not later than five business days following the last service day of the month.

ii) The invoice will include sufficient information and detail to support the amounts billed, and will reconcile to this Agreement.

iii) The invoice will be received, reviewed, and approved by the Contractor within three business days of receipt. If the Department does not receive any notice from the Contractor after three business days, the Department will assume that the Contractor approves the amount due.

iv) If the Contractor notifies the Department of an error on the invoice, the error will be reconciled and the invoice revised within two days of receiving notice. A revised invoice will be submitted to the Contractor for review and approval. The Contractor will have one (1) business day to review the revised invoice. If the Department does not receive any notice

from the Contractor after one business day, the Department will assume that the Contractor approves the revised amount due.

b) Annual Price Escalators

i) All prices shall be adjusted upward or downward annually based upon the United States Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year covered by the term of this Agreement for the following service year.

ii) Any upward adjustment:

(1) Shall not exceed three (3) percent if the previous year increase was one (1) percent or more.

(2) Shall not exceed four (4) percent if the previous year increase was less than one (1) percent.

iii) Any downward adjustment shall not exceed negative two (-2) percent.

c) Fuel Cost Adjustment

i) The Contractor will purchase and provide fuel for all Transportation services provided.

ii) The Contractor's fuel costs will be limited to a targeted maximum threshold of $4.25 per gallon. The actual fuel cost overage (if any) will be calculated by the Department as follows and added to the Contractor payment:

(1) The Monthly System-Wide Cost per Gallon will be determined by referencing the AAA Daily Fuel Gauge Report, Hawaii Average, Wailuku website at:

http://fuelgaugereport.aaa.com/states/hawaii/hawaii-metro/

(a) Determine the average price for the four (or five) weeks reported for the calendar month to be invoiced.

(b) Subtract $4.25 from the Monthly System-Wide Cost per Gallon

(c) Subtract the federal fuel excise tax from the difference of the average price and the Monthly System-Wide Cost per Gallon

(d) This provides the cost in excess of the targeted cost per gallon, or the Cost per Gallon Recovery Amount

(2) Determine the number of Contractor gallons eligible for cost recovery

(a) Determine the number of miles operated for Department services for the calendar month to be invoiced.

(i) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(ii) For Type I buses as defined by Hawaii Administrative Rules Title 19, Chapter 143

(b) Divide those miles by these fuel consumption rates

(i) For buses with a seating capacity greater than 24, 7

(ii) For I buses with a seating capacity less than or equal to 24, 10

(c) This provides the total Number of Gallons Eligible for Cost Recovery

(3) Multiply the Cost per Gallon Recovery Amount times the Number of Gallons Eligible for Cost Recovery

(4) Add that amount to the monthly payment to the Contractor

d) Ancillary Services and Costs

i) The Contractor will bear all costs associated with performing services not identified in this Agreement or in the Exhibits.

ii) The Contractor will bear all penalties, fines, damages, levies, taxes, etc. that may arise from performing Transportation services.

6) <u>Vehicle Disposition Option at Contract Termination</u>

a) Upon expiration of the contract and if the incumbent Contractor has not been renewed then the Contractor has the option of leasing those displaced daily use route and spare vehicles to the Department.

i) The Contractor will notify the Department of this election no later than 120 days from contract expiration.

ii) The Department must agree to lease those daily use route vehicles and a number of spares not to exceed 10% of the daily use route vehicles for a period of 12 months.

(1) The lease amount will be:

(a) A rate of 8% of the average daily rate of the vehicles leased

(b) Multiplied by an assumed 18 compensation days per month (180 school days over 10 months)

iii) During that 12 month period, any entity can purchase vehicles from the Contractor at a procurement price determined as follows:

(1) Reference the most recently issued Yellow Bus School Book, a source of used school bus market values. (www.yellowschoolbusbook.com) as the primary source or a mutually agreed upon valuation if the primary source is not available.

(2) Locate the bus type and model year to determine.

(3) Apply an odometer mileage deduction per the table as necessary

(4) Apply no markup or markdown for time elapsed since book issuance

iv) In the 13th month the Department is obligated to purchase the vehicle according to the preceding valuation, discounted by the total value of all previous lease payments made from under the guidelines established in ii above. If the value of the lease payments exceeded the valuation, no additional payments would be made but the Department would take ownership of the vehicle.

b) The same option is available to the contractor if less than 75% of its current daily route vehicle count has been renewed.

7) Contract Administration

a) Contract Administrator

i) For purposes of this contract, the person named below or his/her duly authorized representative or successor in office is designated Contract Administrator (CA). The CA may be contacted as follows:

Contract Administrator:	James Kauhi
Telephone Number:	(808)586-0170
E-mail Address:	james_kauhi@notes.k12.hi.us

ii) The CA is responsible for:

(1) The terms, conditions, quantities, specifications, scope of services, other contract terms, and all decisions relating to the contract;

(2) Monitoring the contractor's work, documenting the contractor maintains the required insurance coverage (if applicable), resolving disputes and discrepancies, evaluating the work of the contractor, assuring the services or goods are delivered as required in the contract, and processing payment for services rendered;

(3) Executing the Contract Performance Management Program (Exhibit B)

iii) Notwithstanding the responsibilities set forth hereinabove, any coordination of services falling outside those articulated above shall remain with the head of the purchasing agency, as set forth in the attached General Conditions (see General Conditions, paragraph 1, entitled "Coordination of Services by the STATE.")

b) Contractor administrative requirements

i) Contractor's primary point of contact is as follows:

Name:	_____
Telephone Number:	_____
E-mail Address:	_____

ii) Contractor shall notify the STATE, verbally within twenty-four (24) hours, upon the occurrence of any of the events indicated below:

(1) Change in Contractor's business address or phone number;

(2) Change in Contractor's tax identification number; or

(3) Any other situation that could reasonably be expected to affect Contractor's ability to carry out its obligation under this contract.

8) Exhibits To Scope of Services Specifications

a) **Exhibit A**: Transportation Contract Service Pricing & Contract Time of Performance
b) **Exhibit B**: Contract Performance Management Program

- end of document -

Attachment A - Student Transportation Contract
Compensation and Payment Schedule

1. TOTAL COMPENSATION

In full consideration of the goods delivered and/or the services performed by the CONTRACTOR under the terms and conditions of this contract, the STATE agrees to pay the CONTRACTOR the total sum not to exceed:

_____

2. PAYMENT SCHEDULE

Payment shall be made according to the provisions set forth in Attachment A, sections 4 and 5, and in Exhibit A.

3. AVAILABILITY OF FUNDS

This contract is subject to the availability of funds. Pursuant to Section 103D-309, HRS, except in certain instances, no contract entered into between the STATE and the CONTRACTOR shall be binding or of any force unless the
Chief Financial Officer (CFO) certifies that there is an available unexpended appropriation or balance of an appropriation over and above all outstanding contracts sufficient to cover the amount required by the contract.

4. FINAL PAYMENT

The final payment on the contract shall be for services rendered during the billing period just prior to the contract expiration date. In addition to the requirements in the General Conditions, the following shall accompany the final payment invoice:

a) A tax clearance certificate, not over two months old and with an original green "certified copy" stamp, must accompany the invoice for final payment. In addition to the tax clearance certificate, the "Certification of Compliance for Final Payment" (DOE Form-22) with an original signature will be required for final payment.

b) In lieu of the above, CONTRACTOR may also submit an original CERTIFICATE OF VENDOR COMPLIANCE as issued by the State Procurement Office via an online system, also referred to as "Hawaii Compliance Express". Details regarding this online application process can be viewed at: http://vendors.ehawaii.gov/hce/.

Exhibit A - Student Transportation Contract
Time of Performance

1. CONTRACT TERM

The term of the contract shall be from the effective date of July 1, 2017 through June 30, 2024.

2. CONTRACT RENEWAL

This contract may be extended for not more than three (3) additional twelve-month periods i) upon mutual written agreement of the parties, and ii) prior to expiration of the term of the contract.

Attachment A - Student Transportation Contract
Special Conditions

1. VERIFICATION OF EMPLOYEES

In accordance with State rules and regulations, CONTRACTOR shall conduct mandatory criminal background checks at no cost to the STATE, on any employee, agent, volunteer, or prospective employee working directly with students.

The CONTRACTOR shall maintain the background check records, and shall make the records available for review upon request. Upon review of these records, the STATE reserves the right to request additional background information.

2. CONFIDENTIALITY OBLIGATIONS

The following serves to supplement provision 24 of the General Conditions, entitled "Confidentiality of Material" and provision 42, entitled "Confidentiality of Personal Information":

While performing under this Agreement, the Contractor may receive, be exposed to or acquire confidential information. Such information may include names, addresses, telephone numbers, birthdates, social security numbers, medical information, and other educational, student, or personal employment information. The information maybe in written or oral form, fixed in hard copy or contained in a computer data base or computer readable form. Hereinafter, such language shall be collectively referred to as "Confidential Information."

The Contractor, including its employees, agents, representatives, and assigns shall abide by the following with regards to Confidential information: (i) They shall not disclose to any unauthorized party any Confidential Information, except as specifically permitted by the DOE and subject to the STATE's limitations on confidentiality of information and relevant legal requirements of the State to include, but not limited to the Family Educational Rights and Privacy Act ("FERPA"). Permission will be granted through a formal written agreement concerning the disclosure of personally identifiable information (Pll) from student education records, signed by HIDOE and the Contractor, and must be provided as an attachment to this contract; (ii) They shall only permit access to Confidential Information to employees, agents, representatives, and assigns having a specific need to know in connection with performance under this Agreement; and (iii) They shall advise each of their employees, agents, representatives, and assigns of their obligations to keep such Confidential Information confidential.

CONTRACTOR, its employees, agents, representatives, or assigns shall ensure the security of the Confidential Information. The CONTRACTOR shall provide the DOE with a list of individuals (by name and position) who are authorized to handle the Confidential Information (hereinafter referred to as "Authorized Handlers"). Authorized Handlers shall ensure the security of the Confidential Information. Only Authorized Handlers shall have access to the Confidential Information, which will be kept on password protected computers with the hard copy documents kept in a locked file cabinet. CONTRACTOR shall ensure that procedures exist to prohibit access to the Confidential Information by anyone other than an Authorized Handler.

CONTRACTOR will be responsible for safeguarding the confidentiality of all Confidential Information it receives from the DOE and shall safeguard and protect such documents from unauthorized use, handling, or viewing.
CONTRACTOR shall be liable to the DOE and to any person whose records the CONTRACTOR receives custody of under this Contract for records protection for any unpermitted release, viewing, or loss of such records.
Contractor shall assume liability responsibility for records protection and for the inappropriate or unlawful release of Confidential Information. CONTRACTOR shall return all documents containing Confidential Information upon completion of the services CONTRACTOR is contracted to provide under this Agreement.

a) Prior written Approval: CONTRACTOR may not i) share Confidential Information or any other data received under this contract, ii) publish, or iii) distribute such information without the prior written approval of the STATE.
b) In the event of termination of this contract, CONTRACTOR shall return to the STATE all student information received under this contract and further agrees to destroy any and all copies of, or references to, any student information shared by the STATE as a result of this contract.

3. RELIEF AVAILABLE TO THE STATE

In addition to all rights and remedies available to the STATE provided in this Contract or otherwise provided under the law, if the CONTRACTOR is in non-compliance with the contract requirements, the STATE may:

a) Suspend Payments - Temporarily withhold or disallow all or part of the billing cost/payments pending correction of a deficiency or a non-submission of a required deliverable by the CONTRACTOR; and
b) Suspend Referrals - Suspend referrals to the CONTRACTOR should the CONTRACTOR fail to comply with any of the requirements or other term(s) or condition(s) of this Contract and, further, the STATE may maintain the suspension of referrals until such time as the deficiency or non-compliance is corrected and the CONTRACTOR's corrective actions are determined to be acceptable by the STATE; and
c) Seek Reimbursement - Seek reimbursement from the CONTRACTOR or withhold future payments for any funds paid to the CONTRACTOR subsequent to a determination that such was unauthorized, fraudulently obtained, or inappropriately billed.
d) Seek Market Value - In the event the CONTRACTOR fails, refuses or neglects to perform the services in accordance with the requirements of these Special Conditions, the Scope of Services, or the General Conditions, the STATE reserves the right to purchase, in the open market, a corresponding quantity of the services specified herein and to deduct form any monies due or that may thereafter become due to the CONTRACTOR, the difference between the price named in the Contract and the actual cost to the STATE. In case any money due the CONTRACTOR is insufficient for said purpose, the CONTRACTOR shall pay the difference upon demand from the STATE. The STATE may also utilize all other remedies provided by law.

4. EXCLUSION OF SPECIFIC WORKERS

The STATE reserves the right to require the CONTRACTOR to remove an employee, agent, subcontractor or volunteer (Worker) from performing work under this contract. The Contract Administrator shall

notify the CONTRACTOR in writing and this exclusion of a specific Worker(s) shall take effect as indicated on the notice. The CONTRACTOR may appeal this decision to the Contract Administrator, in writing and within ten (10) working days of receipt of the notice. Removal of the employee, agent subcontractor or volunteer shall remain in effect pending the outcome of the appeal. This provision shall not infringe upon the right of the CONTRACTOR to employ the removed individual, but shall apply to any work requiring interaction with the STATE, its employees or students.

5. STATE'S GENERAL CONDITIONS

The Special Conditions shall serve to supplement the General Conditions; both documents remain part of this Contract with full force and effect. In the case of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control to the extent necessary to resolve the conflict.

Attachment A - Student Transportation Contract
General Conditions

All proposals must comply with AG-008 General Conditions (GC) dated April 15, 2009.
The AG-008 General Conditions defines the general terms and conditions used by State Procurement Office and the Attorney General for all contracts associated with this RFP.

Attached is the most recent version of the contract template, General Conditions, Contractor's Acknowledgement, and Contractor's Standard's of Conduct Declaration.

The Proponent shall not assume that any desired changes to the AG-808 General Conditions (GC) will be accepted or approved.

Attachment A - Student Transportation Contract
Exhibit A – Pricing Forms

To be added to contract from proposal response.

Attachment A - Student Transportation Contract
Exhibit B - Contract Performance Management Program

Program Assignments & Responsibilities
Responsibility for determining the approach, assigning staff resources, providing oversight, and managing overall contractor relations within this program resides with the Assistant Superintendent, School Facilities and Support Services, Hawaii Department of Education. Specific responsibilities for program implementation include the following:

- *Program Administrator responsibilities* – The Program Administrator is the Director, Student Transportation Services Branch (STSB), Hawaii Department of Education. The Program Administrator maintains overall accountability for the program. The responsibilities of the administrator include the annual determination of the specific contract elements that will be subject to compliance monitoring and performance measurement, management of the annual program calendar, and management of the contractor annual performance assessment process.

- *Contract Manager responsibilities* – Each contract will have a named contract manager. The contract manager is responsible for executing all aspects of the program as it relates to the assigned contract. This is the primary point of contact for the contractor's management team as it relates to all contractual responsibilities.

- *STSB staff responsibilities* – Specific program tasks and requirements will be distributed throughout the STSB organization at the sole discretion of the Program Administrator and the Contract Manager.

- *Contractor responsibilities* – A successful program will be one in which the contractor is an active and engaged participant. The contractor is responsible for designating a management level staff member to serve as the contractor's counterpart to the Contract Manager. The contractor is furthermore responsible for ensuring their full understanding of the program's purpose and intent, and their specific contractual and program obligations.

- *Communications Protocol* – Regular communications, both structured and unstructured, will be a critical success factor. The most important element will be the regular formal and informal communications that occur between the contractor designee and the Contract Manager. It is an absolute requirement and responsibility of these two key individuals to establish open, ongoing, and consistent communications between them. **This program establishes a formal relationship between these individuals. All matters pertaining to the contractor's performance obligations must be passed via this channel of communications.**

- *Annual and ongoing data submission requirements* – The contract requires that various pieces of information be passed between the parties at the outset of the contractual relationship and periodically throughout the contract term. These requirements are summarized in the Contract itself, and will be detailed annually in the Contract Management Calendar, and the Contract Compliance Monitoring Plan.

Program Components

Contract Management Calendar

Embedded within the overall life cycle of the contract is an annual service delivery cycle that corresponds with the Hawaii Department of Education school calendar. The specific elements of the contract performance management program work within this annual cycle. The timing for the various elements of the program are summarized in the following contract management calendar.

Contract Month	Annual Service Cycle Requirement
July	Complete contract initiation tasks (new contracts) Establish contract management program (new contracts) Staff review of STSB contractual obligations (all contracts) Development and submission to the contractors of the annual compliance monitoring and performance measurement plan specifics for the year ahead. Contractor annual data and information submission requirements completed.
August	Begin service (all contracts)
September	Monthly performance data collection
October	Monthly performance data collection
November	Monthly performance data collection Route audits
December	Monthly performance data collection Route audits
January	Monthly performance data collection Route audits
February	Monthly performance data collection Route audits Customer satisfaction survey
March	Monthly performance data collection Route audits
April	Monthly performance data collection Route efficiency analysis and begin route planning Compliance audits
May	Compliance audit reports Performance assessment reports Performance assessment meetings

Contract Compliance Monitoring Plan

Annual Contract Compliance Audit – The primary mechanism supporting this portion of the Contract Performance Management program is the annual contract compliance audit. The purpose for this audit is to ensure that the contractor meets the minimum requirements established by the contract. The result of the audit will also provide input to the Contract Performance Measurement Plan and will be an integral part of the Annual Contract Performance Assessment.

Each compliance element in the annual contract compliance audit will be separately determined on a pass-fail basis as either "in compliance" or "not in compliance". There is an extensive list of compliance items to be verified, and a satisfactory level of compliance may not require a 100 percent rating. Rather, the Program Administrator will develop an annual standard against which all contractors providing service to the STSB are objectively and equally rated. Many contractual requirements may be excluded from this rating in any given contract year, but **under no circumstance is the contractor relieved of any contractual requirement that is excluded from the rating in any given year**. The contractor will not be rated for compliance on any element outside of its contractual responsibilities. The overall results of the compliance audit will support the Program Administrator's assessment of the contractor's performance. The assessment of the contractor's performance will form the basis of any performance improvement objectives or plans created and agreed to by the STSB and the contractor.

There are three primary elements to the annual contract compliance audit.

- *Compliance Audit Checklist* – A compliance audit checklist is the mechanism that will be utilized in gathering the data required to determine compliance with contractual obligations. The number of, and specific compliance items to be tracked and verified annually will be determined by, and at the sole discretion of the Program Administrator. The checklist to be used will be developed by the Program Manager and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Procedures & Standards* – The checklist for each year will be accompanied by a set of procedures that describes how it is to be applied and the standards against which compliance is measured. For example, the procedures will define when and how the audit will be conducted, whether compliance is to be measured only at the time of the audit or whether the contractor will be provided with an opportunity to correct any discrepancies, and the consequences for non-compliance. The procedures to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

- *Compliance Audit Report* – The results of the audit will be submitted to, and discussed with the contractor in a compliance audit report that summarizes and describes the results of the audit, the implications for the contractor, and any requirements for improvement. This report will become an integral component of the contractor's annual performance assessment, and part of the contractor's permanent performance record with the Hawaii Department of Education.

Periodic Bus Route Audits – A second critical mechanism within the Contract Compliance Monitoring Plan is the completion of periodic bus route audits. These audits serve a dual purpose. First, they provide for compliance monitoring of contractual requirements that cannot be satisfied through the annual compliance audit. Second, the route audits provide a means to collect data that also supports the Contract Performance Measurement Plan.

A route audit checklist is the mechanism that will be utilized in gathering the performance measurement data and other information required to determine contract compliance. Methods for conducting route audits will vary with the technology and staffing resources available over the contract term, and the operational proximity of STSB staff and the contractor. The approach to be used will be developed by the Program Administrator and submitted to the contractor prior to the start of service delivery in each contract year.

Contract Performance Measurement Plan

The primary tool supporting this portion of the program is a package of interrelated performance measures. This provides for an integrated performance measurement and reporting program that facilitates a comprehensive understanding of contractor performance, and that provides for feedback to contractors. **This is not designed to be evaluative in the sense that contractors will be judged one against the other. Rather, it is designed to provide STSB managers with a structured and consistent tool to first understand, and then take action to improve contractor *and* STSB performance.** The compliance monitoring plan ensures that contractors meet their contractual obligations. The performance measurement plan provides an opportunity for the contractors to demonstrate their commitment and wherewithal to provide service above and beyond the minimum requirements established by the contract.

The structure for the package of performance indicators is based on four major categories of outcome-driven measures:

- *Safety* – Measures that assist the STSB in determining and improving the overall safety of transportation operations
- *Cost* - Measures that assist the STSB to improve the overall efficiency of its operations.
- *Reliability* – Measures that assist the STSB in determining and improving the reliability of the bus contractors' operations and fleet
- *Responsiveness* – Measures that assist the STSB in determining and improving the responsiveness of the bus contractors to the needs of the STSB and its customers

The actual measures will be determined annually and submitted to the contractors prior to the start of service in each contract year in a Performance Measure Matrix. The matrix will describe whether each measure is a primary, secondary, or tertiary measure, which will also be utilized by the STSB for prioritization and phase-in planning. The Performance Measure Matrix further describes which of the four categories each measure belongs to, and whether the measure relates to a contractual compliance item or is a separate performance measurement item. **This package of performance measures will not be definitive. Rather, it will be designed to provide a consistent framework, with the expectation that the list of measures will expand and evolve over time.**

A companion Performance Measure Glossary will be provided that describes, for each measure:

- *The standard of performance* – These are not presented as benchmarks, but rather describe the type of standard (e.g., manufacturer standard, peer comparison, internal STSB standard, contractual standard, etc.) that will be utilized for the specific measure.

- *What will be measured* – This describes whether the measure will be subject to instance sampling, an average over time, or some other method.
- *How the measure will be calculated* – This describes the actual calculation of the measure to provide consistency across all contractors.
- *The sources of required data* – This describes how the data required for calculating the measure can be collected or developed.
- *When and how frequently the factor will be measured* – This provides the timing and periodicity of measurement.
- *How the results will be reported and tracked* – This provides a description for how the measure will be summarized.

These two matrices combined will provide the core reference tools for the Contract Performance Measurement Plan. Unlike the Contract Compliance Monitoring Plan where the elements are clearly articulated and ascribed in a series of checklists and forms, the Contract Performance Measurement Plan will be considered as ongoing. Data collection, measurement, analysis, and reporting of contractor performance will be a continuous effort.

Annual Contract Performance Assessment

The capstone for the program will be the Annual Contract Performance Assessment, which will be completed for each bus contractor. This is the primary formal method of feedback to be provided to the contractor. The Annual Contract Compliance Audit Report and the results of the performance measurement plan will provide the primary source information for completing the assessment.

With a high quality Contract Performance Measurement Program in place, this formal annual assessment will be productive and collaborative. The Contract Manager and contractor designee will have been in constant communication throughout the service year. Information will have been flowing back and forth between the contractor and the STSB to support specific elements of the compliance monitoring and performance measurement plans, and informally between the staff of the two organizations to manage day-to-day requirements and solve problems. With the expectations of the program clearly established and rigidly enforced, the Annual Contract Performance Assessment therefore becomes an opportunity to celebrate accomplishments and work collaboratively to improve performance. The assessment will consist of the following key elements:

- *STSB Assessment of Contractor Performance* – A formal letter, with the Annual Contract Compliance Audit Report and the Contractor Performance Report as attachments, will be provided to the contractor in advance of the assessment meeting summarizing the Program Administrator's assessment of contractor performance for the service year, and making recommendations for improvement. A key element of this report will be a statement of compliance with contractual requirements. If the contractor is found to be out of compliance and remedial steps have not been taken, contract termination provisions may be invoked. This initial assessment document serves as a discussion piece and guide for the balance of the assessment process.

- *Assessment Meeting* – The Program Administrator, Contract Manager, and contractor designees will meet to discuss the STSB report and determine action items for the following service year. The form and content for each bus contractor assessment meeting will depend on the circumstances surrounding each contractor's performance. For the sake of equity, however, the agenda will be roughly consistent for all contractors.
- *Contractor Response* – The bus contractor will be provided with the opportunity, and encouraged to submit a formal written response to the STSB report and assessment meeting. This response should lay out the contractor's response to the improvement recommendations, and plans for implementation. This response and the actions taken can then be utilized as an additional input to the following annual performance assessment.

Attachment B – Pricing Form

Cluster 1 – Waimea

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	14		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	3		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Kapaa

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	19		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	4		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Kauai

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	15		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	4		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment C – Route Descriptions

The route date presented below was gathered at the end of the 2015/16 school year. Some route information was not available at the time of collection and is not represented.

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
SPK3-B1	Eleele Elementary	7	1	6:41:00 AM	7:30:00 AM	12.2
SPK3-B1P	Eleele Elementary	9	3	1:55:00 PM	2:49:00 PM	20.8
SPK3-B2	Waimea High, Waimea Canyon Middle	11	5	6:28:00 AM	7:31:00 AM	21.5
SPK3-B2P	Waimea High, Waimea Canyon Middle	11	7	2:12:00 PM	3:40:00 PM	35.5
SPK3-B3	Kekaha Elementary,Waimea High, Waimea Canyon Middle	15	9	6:54:00 AM	7:54:00 AM	11.7
SPK3-B3P	Kekaha Elementary,Waimea High, Waimea Canyon Middle	16	11	1:55:00 PM	3:11:00 PM	19.1
SPK4-B6	Kalaheo Elementary, Koloa Elementary	5	3	7:03:00 AM	7:50:00 AM	12.8
SPK4-B6P	Kalaheo Elementary, Koloa Elementary	5	3	11:55:00 AM	2:17:00 PM	9.5
W1-A	Waimea High	33	45	6:14:00 AM	7:15:00 AM	42.8
W1-AP	Waimea High	33	45	2:40:00 PM	4:03:00 PM	34.7
W10-A	Waimea Canyon Middle	14	5	6:49:00 AM	7:15:00 AM	12.1
W10-AP	Waimea Canyon Middle	14	5	2:12:00 PM	2:47:00 PM	11.7
W11-A	Kekaha Elementary,Waimea High, Waimea Canyon Middle	21	61	6:35:00 AM	7:15:00 AM	13.1
W11-AP	Kekaha Elementary, Waimea Canyon Middle	20	48	2:07:00 PM	3:00:00 PM	13.6
W11-BP	Waimea High	2	0	3:07:00 PM	3:19:00 PM	7.7
W12-A	Waimea High	26	57	6:35:00 AM	7:15:00 AM	16.5
W12-AP	Waimea High	26	56	2:40:00 PM	3:35:00 PM	16.6
W13-A	Eleele Elementary	18	61	6:35:00 AM	7:10:00 AM	11.5
W13-AP	Eleele Elementary	18	60	1:55:00 PM	2:47:00 PM	9.4
W17-A	Kalaheo Elementary	14	9	7:01:00 AM	7:35:00 AM	15.9
W17-AP	Kalaheo Elementary	14	22	1:55:00 PM	2:40:00 PM	15.7
W18-A	Kalaheo Elementary	11	17	6:55:00 AM	7:28:00 AM	9.8
W18-AP	Kalaheo Elementary	11	41	1:55:00 PM	2:38:00 PM	7.6
W19-A	Kalaheo Elementary	7	5	7:04:00 AM	7:35:00 AM	8.2
W19-AP	Kalaheo Elementary	7	9	1:55:00 PM	2:39:00 PM	9.2
W3-A	Waimea High	7	63	6:45:00 AM	7:20:00 AM	9.3
W3-AP	Waimea High	7	63	2:40:00 PM	3:23:00 PM	9.2
W4-A	Waimea High	16	55	7:01:00 AM	7:22:00 AM	6.8

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
W4-AP	Waimea High	16	55	2:40:00 PM	3:13:00 PM	7.1
W5-A	Kekaha Elementary	15	19	6:40:00 AM	7:27:00 AM	11.4
W5-AP	Kekaha Elementary	15	34	1:55:00 PM	2:36:00 PM	11.4
W6-A	Waimea Canyon Middle	34	45	6:18:00 AM	7:37:00 AM	50.2
W6-AP	Waimea Canyon Middle	34	51	2:07:00 PM	3:15:00 PM	38.9
W7-AP	Waimea Canyon Middle	9	20	2:22:00 PM	2:33:00 PM	4.9
W8-A	Waimea Canyon Middle	5	22	6:50:00 AM	7:08:00 AM	8.7
W8-AP	Waimea Canyon Middle	5	51	2:07:00 PM	2:41:00 PM	9.3
W9-A	Waimea Canyon Middle	17	34	6:30:00 AM	7:13:00 AM	14.2
W9-AP	Waimea Canyon Middle	17	49	2:12:00 PM	2:59:00 PM	14.1
E10-A	Kapaa High	12	34	6:18:00 AM	6:53:00 AM	10.8
E10-AP	Kapaa High	12	42	2:57:00 PM	3:34:00 PM	9.1
E10-B	Kapaa Elementary	15	74	6:58:00 AM	7:35:00 AM	9.2
E10-BP	Kapaa Elementary	15	74	1:50:00 PM	2:43:00 PM	6.6
E11-A	Kapaa Middle	16	13	6:47:00 AM	7:35:00 AM	37.3
E11-AP	Kapaa Middle	16	12	2:12:00 PM	3:22:00 PM	34.9
E12-A	Kapaa High	14	23	6:32:00 AM	7:28:00 AM	32.9
E12-AP	Kapaa High	14	16	2:30:00 PM	3:27:00 PM	25.4
E13-A	Kapaa High	10	10	6:25:00 AM	7:01:00 AM	9.4
E13-AP	Kapaa High	10	22	2:45:00 PM	3:21:00 PM	7.4
E13-B	Kapaa Elementary	6	33	7:08:00 AM	7:27:00 AM	8.5
E13-BP	Kapaa Elementary	6	32	1:50:00 PM	2:31:00 PM	8.5
E14-A	Kapaa Middle	15	27	6:45:00 AM	7:28:00 AM	11.9
E14-AP	Kapaa Middle	15	30	2:12:00 PM	3:00:00 PM	10.1
E15-A	Kapaa Middle	11	16	6:43:00 AM	7:30:00 AM	5.5
E15-AP	Kapaa Middle	11	31	2:50:00 PM	3:18:00 PM	5.2
E16-A	Kapaa Middle	11	40	6:30:00 AM	7:25:00 AM	22.3
E16-AP	Kapaa Middle	11	43	2:50:00 PM	3:50:00 PM	17.9
E17-A	Kapaa High	10	34	6:45:00 AM	7:35:00 AM	20.3
E17-AP	Kapaa High	9	41	2:30:00 PM	3:31:00 PM	15.1
E18-A	Kapaa Elementary	8	57	7:05:00 AM	7:24:00 AM	6.1
E18-AP	Kapaa Elementary	8	57	1:50:00 PM	2:37:00 PM	7.1
E19-A	Hanalei Elementary	5	28	7:05:00 AM	7:30:00 AM	7.1
E19-AP	Hanalei Elementary	2	47	2:05:00 PM	2:25:00 PM	4.1
E19-BP	Hanalei Elementary	7	10	2:35:00 PM	3:02:00 PM	8.3
E2-A	Kapaa Middle	32	47	6:45:00 AM	7:40:00 AM	13.5

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
E2-AP	Kapaa Middle	32	47	2:50:00 PM	3:44:00 PM	11.7
E20-A	Kapaa High	10	41	7:00:00 AM	7:40:00 AM	24.6
E20-AP	Kapaa High	10	24	2:30:00 PM	3:35:00 PM	25.8
E22-A	Kapaa Middle, Kapaa high	9	9	6:00:00 AM	6:35:00 AM	21.64
E22-AP	Kapaa Middle, Kapaa high	9	7	3:22:00 PM	3:53:00 PM	21.1
E22-B	Hanalei Elementary	7	18	7:05:00 AM	7:38:00 AM	20.93
E22-BP	Hanalei Elementary	7	9	2:00:00 PM	2:45:00 PM	22.8
E50-A	Kapaa Middle, Kapaa high	4	13	6:20:00 AM	6:45:00 AM	4.2331
E50-AP	Kapaa Middle	12	13	4:25:00 PM	4:57:00 AM	8.4423
E3-A	Kapaa High	32	0	6:45:00 AM	7:15:00 AM	14.3
E3-AP	Kapaa High	32	0	2:30:00 PM	3:35:00 PM	27.8
E5-A	Kapaa Middle	44	0	6:45:00 AM	7:35:00 AM	39.7
E5-AP	Kapaa Middle	40	0	2:50:00 PM	3:48:00 PM	40.1
E6-A	Kapaa High	21	0	6:40:00 AM	7:03:00 AM	10.5
E6-AP	Kapaa High	21	0	2:30:00 PM	3:03:00 PM	8.8
E6-B	Kapaa Middle	11	0	7:12:00 AM	7:36:00 AM	7.6
E6-BP	Kapaa Middle	11	0	3:05:00 PM	3:33:00 PM	7.9
E7-A	Kapaa Elementary	27	26	6:45:00 AM	7:30:00 AM	29.9
E7-AP	Kapaa Elementary	27	26	1:50:00 PM	2:48:00 PM	26.1
E8-A	Kapaa Middle	20	0	6:30:00 AM	6:53:00 AM	6.1
E8-AP	Kapaa Middle	20	0	2:50:00 PM	3:34:00 PM	7.9
E8-B	Kapaa Elementary	22	75	7:02:00 AM	7:32:00 AM	9.1
E8-BP	Kapaa Elementary	22	76	1:50:00 PM	2:36:00 PM	7.0
E9-A	Kapaa High	44	18	6:40:00 AM	7:33:00 AM	40.3
E9-AP	Kapaa High	44	29	2:30:00 PM	3:23:00 PM	34.6
SPK4-B2	Kapaa Elementary	7	1	6:33:00 AM	7:30:00 AM	13.2
SPK4-B2P	Kapaa Elementary	6	3	1:55:00 PM	2:39:00 PM	13.2
SPK4-B3	Kapaa Middle, Kapaa high	8	6	6:35:00 AM	7:40:00 AM	14.9
SPK4-B3P	Kapaa Middle, Kapaa high	8	6	2:12:00 PM	3:15:00 PM	15.4
SPK4-B4	Kilauea Elementary	2	2	7:20:00 AM	7:30:00 AM	2.0
SPK4-B4P	Kilauea Elementary	2	2	2:10:00 PM	2:30:00 PM	2.0
SPK4-B5	Kapaa Elementary, Kappaa High	9	3	6:55:00 AM	7:45:00 AM	16.6
SPK4-B5P	Kapaa Elementary, Kappaa High	12	6	1:55:00 PM	3:15:00 PM	14.2
C1-A	King Kaumualii Elementary	29	28	6:30:00 AM	7:08:00 AM	14.7
C1-AP	King Kaumualii Elementary	29	31	2:10:00 PM	2:49:00 PM	12.8
C10-A	Chiefess Kamakahelei Middle	23	28	6:15:00 AM	6:53:00 AM	18.8

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
C10-AP	Chiefess Kamakahelei Middle	23	31	2:44:00 PM	3:30:00 PM	20.7
C10-B	Chiefess Kamakahelei Middle	14	31	7:00:00 AM	7:25:00 AM	7.6
C10-BP	Chiefess Kamakahelei Middle	15	39	1:55:00 PM	2:38:00 PM	8.3
C11-A	Chiefess Kamakahelei Middle	12	24	6:15:00 AM	6:53:00 AM	18.1
C11-AP	Chiefess Kamakahelei Middle	12	38	2:40:00 PM	3:25:00 PM	20.7
C11-B	Chiefess Kamakahelei Middle	10	34	7:00:00 AM	7:28:00 AM	8.7
C11-BP	Chiefess Kamakahelei Middle	10	47	1:55:00 PM	2:34:00 PM	8.8
C14-A	Chiefess Kamakahelei Middle	3	32	6:35:00 AM	6:54:00 AM	11.1
C14-AP	Chiefess Kamakahelei Middle	3	36	2:29:00 PM	2:48:00 PM	11.0
C14-B	Chiefess Kamakahelei Middle	4	37	7:10:00 AM	7:25:00 AM	3.9
C14-BP	Chiefess Kamakahelei Middle	4	47	1:55:00 PM	2:21:00 PM	3.7
C15-A (kauai)	Kauai High	11	44	6:15:00 AM	7:00:00 AM	20.4
C15-AP (kauai)	Kauai High	11	42	2:30:00 PM	3:05:00 PM	19.6
C15-B	Kauai High	7	19	7:10:00 AM	7:25:00 AM	4.2
C15-BP	Kauai High	7	18	1:55:00 PM	2:26:00 PM	4.3
C16-A	Kauai High	14	17	6:15:00 AM	6:58:00 AM	28.0
C16-AP	Kauai High	14	13	2:36:00 PM	3:16:00 PM	25.5
C16-B	Kauai High	4	33	7:10:00 AM	7:23:00 AM	5.6
C16-BP	Kauai High	4	34	1:55:00 PM	2:24:00 PM	5.0
C17-A	Chiefess Kamakahelei Middle	11	29	6:25:00 AM	7:10:00 AM	17.5
C17-AP	Chiefess Kamakahelei Middle	11	35	2:34:00 PM	3:05:00 PM	16.7
C17-B	Chiefess Kamakahelei Middle	4	35	7:07:00 AM	7:22:00 AM	4.9
C17-BP	Chiefess Kamakahelei Middle	4	38	1:55:00 PM	2:24:00 PM	4.4
C18-A	Kauai High	10	12	6:20:00 AM	6:54:00 AM	17.5
C18-AP	Kauai High	10	12	2:35:00 PM	3:07:00 PM	18.1
C18-B	Kauai High	11	16	7:00:00 AM	7:23:00 AM	6.6
C18-BP	Kauai High	11	26	1:55:00 PM	2:29:00 PM	5.4
C19-A	Chiefess Kamakahelei Middle	12	32	6:20:00 AM	6:59:00 AM	20.2
C19-AP	Chiefess Kamakahelei Middle	12	28	2:34:00 PM	3:25:00 PM	18.8
C19-B	Chiefess Kamakahelei Middle	4	24	7:09:00 AM	7:23:00 AM	4.9
C19-BP	Chiefess Kamakahelei Middle	4	31	1:55:00 PM	2:24:00 PM	4.4
C2-A	King Kaumualii Elementary	24	22	6:30:00 AM	7:16:00 AM	25.2
C2-AP	King Kaumualii Elementary	23	22	2:10:00 PM	2:57:00 PM	29.3
C20-A	Kauai High	15	32	6:15:00 AM	7:03:00 AM	20.0
C20-AP	Kauai High	15	29	2:33:00 PM	3:24:00 PM	18.1
C20-B	Kauai High	4	35	7:12:00 AM	7:23:00 AM	4.6
C20-BP	Kauai High	4	35	1:55:00 PM	2:21:00 PM	4.3

Attachment C – Route Descriptions

Route Id	School Name	Number Stops	Number Assigned	Start Time	Finish Time	Distance
C3A	Kauai High	12	32	6:40:00 AM	7:01:00 AM	9.3
C3AP	Kauai High	12	32	2:55:00 PM	3:13:00 PM	8.1
C3B	Kauai High	8	23	7:09:00 AM	7:23:00 AM	4.8
C3BP	Kauai High	8	53	3:21:00 PM	3:38:00 PM	5.5
C5-A	Koloa Elementary	18	18	6:42:00 AM	7:33:00 AM	18.1
C5-AP	Koloa Elementary	18	19	1:55:00 PM	2:49:00 PM	16.6
C8-A	Elsie H. Wilcox Elementary	8	18	7:05:00 AM	7:20:00 AM	4.9
C8-AP	Elsie H. Wilcox Elementary	8	31	1:55:00 PM	2:30:00 PM	5.2
C9-A	Elsie H. Wilcox Elementary	21	29	6:40:00 AM	7:16:00 AM	11.1
C9-AP	Elsie H. Wilcox Elementary	21	40	1:55:00 PM	2:51:00 PM	10.4
SPK2-B1	Kauai High	10	8	6:10:00 AM	7:30:00 AM	28.5
SPK2-B1P	Kauai High	10	8	1:55:00 PM	3:16:00 PM	28.8
SPK2-B2	Kauai High	10	10	6:35:00 AM	7:30:00 AM	12.6
SPK2-B2P	Kauai High	10	10	1:55:00 PM	3:01:00 PM	12.1
SPK2-B3	Chiefess Kamakahelei Middle	9	9	6:11:00 AM	7:30:00 AM	27.2
SPK2-B3P	Chiefess Kamakahelei Middle	7	7	1:55:00 PM	3:14:00 PM	25.3
SPK2-B4	Elsie H. Wilcox Elementary	9	8	6:35:00 AM	7:30:00 AM	6.8
SPK2-B4P	Elsie H. Wilcox Elementary	8	7	1:55:00 PM	2:50:00 PM	6.6
SPK4-B1	Chiefess Kamakahelei Middle, King Kaumualii Elementary	9	9	6:15:00 AM	7:51:00 AM	21.2
SPK4-B1P	Chiefess Kamakahelei Middle, King Kaumualii Elementary	10	10	1:55:00 PM	3:30:00 PM	20.9
SPK4-B6	Koloa Elementary, Kalaheo Elementary	5	3	7:03:00 AM	7:50:00 AM	12.8
SPK4-B6P	Koloa Elementary, Kalaheo Elementary	5	3	11:55:00 AM	2:17:00 PM	9.5

Attachment D – School Listing

School Name	Days in Service
Waimea High	180
Waimea Canyon Middle	180
Kekaha Elementary	180
Eleele Elementary	180
Kalaheo Elementary	180
Kapaa High	180
Kapaa Middle	180
Kapaa Elementary	180
Kilauea Elementary	180
Hanalei Elementary	180
Kauai High	180
Chiefess Kamakahelei Middle	180
Koloa Elementary	180
Wilcox Elementary	180
King Kaumualii Elementary	180

Attachment E – Bus Camera Specifications and STSB Policies and Procedures

Attachment E - School Bus Camera Equipment Specifications

Digital Video Camera – While the DOE recognizes that the bus contractor will be the owner of the camera hardware and software, all necessary equipment must be provided to allow authorized DOE personnel to view and store video recordings. Therefore, DOE expects each vendor to provide access to both video files and viewing software for the camera manufacturer it has provided. DOE will work with each vendor to establish acquisition methodology and distribution procedures for video recordings that will ensure that all necessary confidentiality requirements are met. This may include the requirement that each vendor provide for the purchase of additional recording or viewing equipment. The cost of this equipment will be treated as a pass through expense to DOE with no markup allowed.

- The digital video recorder must be capable of allowing audio to be recorded
- The digital video recorder must provide video data in AVI, MP4 or other industry standard formats.
- The digital video recorder must be capable of providing continuous, smooth recording in all normal operating conditions inherent to school bus operations and operations within the State of Hawaii.
- The digital video recorder must utilize solid state Secure Digital Extended Capacity (SDXC) Cards with capacities up to 128GB. The digital video recorder must include a USB 2.0 interface that can be used for external data storage capacity expansion up to 2TB in addition to the primary SDXC Card data storage device.
- The digital video recorder must allow for the SDXC Card to interface with a PC without the need for a docking station and the SDXC Card shall connect to a PC directly when the PC has an integral SDXC Card Reader, or via an available SDXC Card Reader with a USB 2.0 interface to a PC. The system should also allow for a RJ-45 LAN connection that is capable of file transfer, remote configuration, and video streaming.
- The digital video recorder must begin recording upon activation of 12V trigger such as the vehicles ignition to ensure full coverage of all route activities.
- The digital video recorder must ensure that coverage is provided on a regular schedule through preprogrammed recording schedules of up to three times over a 24 hour period.
- The digital video recorder must have the capability of Event Alarm Recording that is driver controlled by an alarm push button switch / event marker button. The digital video recorder must allow Alarm Recording Duration to be programmed to continue for up to 15 minutes after the alarm has been triggered.
- The digital video recorder must be capable of having previously recorded video

reviewed directly from the system when appropriately connected to a viewing monitor while the system simultaneously records.

Camera(s)

- The system camera(s) must be color and have the capability to support low light recording and viewing.

- The camera must provide video coverage of persons entering the door, the driver, front row passengers and the rear seating area.

Viewing Software

- The viewing software must display Bus ID, time, date, and event triggers. It is preferable but not required that the software display location data and speed.

- The viewing software must allow the slow motion, fast forward, rewind, pause and play of all video files.

- The viewing software must allow the capture of a still image at any point in a video. The viewing software must allow a still image to a saved as a JPEG file.

- The viewing software must allow the search for video by a specific date and time. The viewing software must allow the selection of a single day of video and the playback of all videos consecutively from that selected day.

- The viewing software must operate on at least a Microsoft Windows 7 platform.

- The viewing software must be based on an embedded operating system with the ability to upgrade software in the field without return to the manufacturer.

DEPARTMENT OF EDUCATION

PROCUREMENT AND CONTRACTS BRANCH

August 5, 2016

RFP D17-002

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF KAUAI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 1

Attached is the first addendum to RFP D17-002 for student transportation services on the island of Kauai. This addendum provides clarification for questions asked as part of the RFP. This response and all of its attached documents are hereby incorporated and made a part of the RFP. Given the similarities to RFP D17-001, a number of questions and responses have been repeated here for purposes of clarification.

CLARIFICATIONS FROM THE PRE-BID CONFERENCE

As a result of questions raised during the pre-bid conference, the following changes are to be incorporated into the specifications.

- Table 1 on Page 6 is removed and replaced by the following to reflect the updated counts per cluster.

Table 1 – Service Cluster Volume Estimates

Clusters	1-Waimea	2-Kapaa	3-Kauai
Location/ Description:	Kekaha, Waimea, Hanapepe, Eleele & Kalaheo	Haena, Hanalei, Princeville, Kilauea, Anahola, Kawaihau, Kapaa & Wailua	Wailua, Hanama'ulu, Lihue, Puhi, Koloa, Omao, Lawai & Kalaheo
Count of School Buildings Served:	5	5	5
Count Regular Education Buses:	15	21	15
Count of Special Education Buses:	4	4	6
Total Buses in Service:	19	25	21

- A revised Attachment B pricing form is included in this Addendum to reflect the revised count of units by cluster.
- Section 5(c)(ii)(2)(a)(ii) I removed and replaced by "For Type II buses as defined by Hawaii Administrative Rules Title 19, Chapter 143."

RESPONSE TO QUESTIONS

Bidders should note that in some instances questions that addressed the same topic have been combined and a single answer provided.

1. From page 16 number 3 and 7. Where are the contractors to find the forms listed?
    A. Form ag009 and ag010 can be found at http://hawaii.gov/forms.html/internal/department-of-the-attorney-general
2. From page 21 Section (e), how much storage is wanted on the camera system? How many days? Or hours?
    A. Department of Education policy is that 10 days storage be available for review.
3. From page 23 b) Minimum Service Levels and Standards, the Contractor is required to report within 15 minutes of the delay but what would STSB consider as a delayed route?

A. Per the Specifications Section 3(b)(2)(i) "A delay or missed route is defined as any route component that begins operation after its scheduled time, or that must be serviced by another means as a result of the Contractor's failure to provide a qualified driver or monitor in a timely manner." Please note that this requirement is specific to instances where contractors have had to cover runs due to a lack of available drivers to cover all assigned routes.

4. From page 28 b) Annual Price Escalators, who will determine whether there is an increase, will the district automatically apply the increase, or must the contractor ask for it?

    A. The Escalator will be established as established by the Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers for Honolulu Hawaii (A426) issued in January of each year. The escalator will be applied automatically to the rates by the STSB and Contractors will not have to request the increase.

5. From page 17, would consideration be made to limit the total number of vehicle reduction to 10% for the life of the contract due to a considerable amount of investment for new equipment purchases prior to the contract effective date?

    A. No. Bidders are encourage to review the clause to ensure they recognize that the 10 percent addition or reduction is specifically related to the renegotiation of pricing. This provision recognizes the potential changes to a Contractor's fixed and variable cost profile if the number of units are revised during the term of the agreement.

6. In addition to the minimum of two (2) digital video cameras installed for recording footage within the vehicle and at the loading door, will the DOE allow cameras (additional) to record footage outside of the vehicle while in operation? The purpose is to record footage of unforeseen activities or incidents that may occur outside of the vehicle.

    A. Provided the Contractor meets the requirements of the specifications as defined, any additional cameras are at the discretion of the vendor and the vendor assumes full responsibility for the use of those cameras. Vendors should note that the permission to view recordings must be received from the Department of Education. This permission must be requested on an individual incident basis and permission will not be unreasonably withheld.

7. From page 28, targeted maximum threshold of $4.25 per gallon for Fuel. Is this a direction to use $4.25 per gallon for our fuel cost in pricing this RFP or is that amount just the base line to be used for the Fuel Cost Adjustment?

    A. The DOE is not providing direction to vendors to determine their fuel costs. This value is provided solely to provide information on how DOE will reimburse fuel costs for services rendered under this contract. Please note the change to the targeted maximum threshold in the question below.

8. Would consideration be made to recognize the current cost per gallon average ($4.11 – 7/28/16) based on AAA Daily Fuel Gauge Report (Hawaii Average, Wailuku) as the targeted maximum threshold cost per gallon base?

    A. A. No. After careful consideration, the seven year term of the contract and the potential volatility of diesel fuel prices compel the Department of Education to maintain consistency of its maximum fuel price threshold. In order to provide additional clarification, the Department of Education reminds vendors that the established $4.25 threshold is specific to diesel fuel costs. If vendors choose to acquire buses using any other fuel type the Department of Education will negotiate an alternative target threshold specific to the fuel chosen.

9. From page 28, Fuel Cost Adjustment, will the Fuel Cost Adjustments tied to the new contact use the MPG as stated in the RFP of 7 and 10 respectively?

    A. Yes.

10. It is understood that arrangements for Supplemental Services (Charters), under this RFP's agreement, are directly handled between schools and contracted school bus operators. Will DOE authorize its school bus contractors the right to refuse future supplemental services to schools that fail to pay for incurred services within invoice payment terms?

    A. The STSB has no responsibility for supplemental services and therefore cannot address the question.

11. Please explain the method in calculating the evaluation points for supplemental service (per hour) bids since multiple bids (by line item) are required per cluster.

    A. Per the specifications "A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in Attachment B." The methodology of determining those points is detailed on Page 9 of the RFP.

12. Would it be possible to assign the Cluster Number to each School listed in Attachment D-School Listing?

    A. Please see the revised Attachment D included at the end of this Addendum. Using the school names and cluster assignments

13. Is there a minimum hourly wage that must be paid to bus drivers?

    A. The DOE does not establish the minimum wage that must be paid to drivers.

Attachment D – Updated School Listing

School Name Days in Service	Days in Service	Cluster assignment
Waimea High	180	1
Waimea Canyon Middle	180	1
Kekaha Elementary	180	1
Eleele Elementary	180	1
Kalaheo Elementary	180	1
Kapaa High	180	2
Kapaa Middle	180	2
Kapaa Elementary	180	2
Kilauea Elementary	180	2
Hanalei Elementary	180	2
Kauai High	180	3
Chiefess Kamakahelei Middle	180	3
Koloa Elementary	180	3
Wilcox Elementary	180	3
King Kaumualii Elementary	180	3

Attachment B – Pricing Form

Cluster 1 – Waimea

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	14		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	1		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Kapaa

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	19		180				
SPECIAL REQUIREMENT KAUAI ONLY: **Count of Type II buses with no special equipment for Regular Home-to-School services**	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Kauai

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	15		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	4		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

DEPARTMENT OF EDUCATION

PROCUREMENT AND CONTRACTS BRANCH

August 24, 2016

RFP D17-002

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF KAUAI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 2

Below is the second addendum to RFP D17-002 for student transportation services on the island of Kauai. This addendum provides clarification for submission requirements of the RFP. This response is hereby incorporated and made a part of the RFP.

Page 10 of the RFP, Section D.PROPOSAL SUBMISSION REQUIREMENTS is updated to include the following:

> The proposal submission must follow the outline described in Section D (2). The proposal must be segregated into the designated sections, and must not exceed the page length limitations as described. Any additional information deemed relevant by the proponent must be submitted as numbered appendices to the proposal. Proponents are allowed to use the font of their choosing but font size shall be no smaller than 10 point.
>
> Proponents are to submit one (1) original proposal together with a separate, sealed envelope containing the required pricing information. A CDROM or memory stick must also be included containing an electronic copy of the proposal, but NOT the pricing information. If appendices are included with the proposal, they must be clearly marked as such, and separated from the required proposal tabs. Proposals shall be received no later than the date set forth in table 3, Calendar of Events, either by mail or hand delivery. Proposals shall be delivered to the address set forth on pages on and two.

DEPARTMENT OF EDUCATION

PROJECT CONTROL SECTION

September 22, 2016

RFP D17-002

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF KAUAI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 3

Below is the third addendum to RFP D17-002 for student transportation services on the island of Kauai. This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

2. Is the cost of aide to be included in the Daily Rate for 3.5 hour minimum for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

3. Is the cost of aide to be included in the additional cost over 3.5 hours for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

4. Is the cost of aide to be included in the driving rate for supplemental services, (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

5. Is the cost of aide to be included in the layover & wait time rate for supplemental services (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

6. What will the cost per hour for bus aide be used for?

   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

Attachment B – Pricing Form

Cluster 1 – Waimea

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	14		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	1		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Kapaa

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	19		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Kauai

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	15		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	4		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

List of proposals received for RFP D17-001

Akina Enterprises, LLC dba Akina Bus Service, Ltd.

Ground Transport Incorporated

Iosepa Transportation

Robert's Hawaii School Bus

List of proposals received for RFP D17-002

Akita Enterprises, Ltd.

Iosepa Transportation

Robert's Hawaii School Bus

Yamaguchi Bus Service, Inc.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Excellent letter; but not signed? Option B – Clusters 2 & 4 w/max 32 buses
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	6.75	Concern about ability to ramp capacity up in time frame needed
Tab 4: References & Testimonials	6.0	4.5	3 LOR's but 1 was neutral
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	No 3pt seat belts
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	2.25	Only existing org chart; no proposed Also, no indication of financing capacity
Tab 9: Transition Plan	3.0	2.25	Lacked school communication component. Also didn't address minimizing driver recruitment disruption. Also, Succession plan for key mgmt?
Tab 10: Financial Stability	4.0	-0-	Didn't submit required documents No cert of ins. for FS's
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR = 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Dep. .ment of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR= 3.0

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

OPTION B; Cluster 2&4 32 bus max
- good understanding of company.

Calculated Points:

State of Hawaii Dep. ..ment of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	MO = 6.75

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

currently has 6 Maui DOE routes

large increase in buses

21

cluster 2 = (49-6)/21 ≈ 62% incr.

cluster 4 = (32-6)/(21) ≈ 124% incr.

capacity ability

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKCNA

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	MO = 4.5

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 LOR's but I was neutral

	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR = 9.0

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AK, NA

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

Didn't include anything about working w DOE to id route efficiencies tho.

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR= 15.0

Scoring Rubric:

CR:
- No more than five pages ✓
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Training
Safety meetings monthly
Safe Driver Award
Safety Team (Organizational)
GPS/Zonar
Electronic Vehicle Inspection Report (EVIR)
pre/post-trip
Checkpoint @ back of bus to insure bus is empty
Emergency Evac Drills (2 per year)
CPR/1st Aid
Safety is part of empl eval.
Accident Review/Analysis
Testing drivers on safety protocols
job descriptions
mirror alignment process

2 way communication between drivers & dispatch
GPS
bus inspections weekly
bus maintenance

NO seat belts

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
	Calculated Points:		

State of Hawaii Dep. .nent of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR= 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MP = 2.25

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

proposed orgchart is not clear.
No indication of financing capacity for new buses. Bigger concern for Cluster 4

	Calculated Points:	

Vendor: AKINA

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO = 2.25

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided ✓
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

lacked communication w/ schools component also didn't address efforts to minimize existing provider (AHSD) service disruption during staff recruitment process.

	Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	IR= 0

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

No F/S's or cert. of insurance

Calculated Points:	

Vendor: AKINA

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR = 2.0

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

Nani, Akito

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	letter not signed - but hard copy is
Tab 2: Executive Summary	3.0	3.0 ✓	
Tab 3: Qualifications & Experience	9.0	9.0 ✓	
Tab 4: References & Testimonials	6.0	4.5 ✓	letter fr. KSM is neutral
Tab 5: Proponent's Service Approach	9.0	9.0 ✓	
Tab 6: Proponent's Commitment to Safety	15.0	11.25 ✓	prefer to have metrics
Tab 7: Vehicles & Fleet Management	3.0	2.25 ✓	how equip age requirements exceed is included (appendix reference not relevant)
Tab 8: Proponent's Staff	3.0	3.0 ✓	
Tab 9: Transition Plan	3.0	3.0 ✓	
Tab 10: Financial Stability	4.0	0.0 ✓	Attachment 4 missing
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided **MO:** • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings **MM** • 3 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (two or more) **IR** • No Executive Summary provided	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	110

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided ✓ • At least one is a letter ✓ • All references are positive X **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) ✓ **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? ✓ • How does your firm measure its safety success? ✓ • How has that measurement or metric changed over the past three years? ✓ • How does your firm ensure operations are safe from day to day? ✓	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	If finalist: Q: Response speaks to safety practice/policy. Describe metrics that are measured; how those metrics changed in 3 yrs.

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? Most new • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program - no need description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	1.0

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Tab 11 Appendix 5? References DOT letter, not equipment

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

Represented in the RFP

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	IR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Attachment A missing; Tax Returns, Cert. of Insurance

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	2.0

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded • Information adds value to the response **MO:** • No additional information is provided • Information provided does not add value to the response **MM** • Not applicable **MA** • Not applicable **IR** • No section provided and no express rationale provided for the exclusion	

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	1.5	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	4.5	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	2.25	
Tab 9: Transition Plan	3.0	2.25	
Tab 10: Financial Stability	4.0	0.00	
Tab 11: APPENDIX: Additional Information	2.0	1.5	
Total Points	**60.0**	47.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd.

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Signature missing from Cover letter but original Submittal copy has it.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MM

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

- Commitment to safety, reliability, & efficiency is not considered really unique to the State's requirements..
- Staying current on new safety features, laws, & regulations and also work to implement preventable measures to help you exceed your clients expectations are mentioned as a factor differentiating you from your competitors, How did you come to that conclusion?
- You say many elements exceed the State's Service Requirements, exactly how many & what are they?
- Additional information States you are the only company committed at your core to providing safe, reliable, & efficient Service, how do you know that?

Calculated Points: 1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	MO

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

Kamehameha Schools letter only Verified Wage at the company & nothing more.

Calculated Points:	4.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

- Drivers accessed Bi-annually on 5 pt rating scale for 6 areas - Safety, Bus Care, on-time Service, Professional Conduct, Student mgmt, & other Duties & responsibilities
- Must log 16 hours of Safety each year for drivers although DOT requirement is 8.
- How do you know your commitment to providing regular & consistent drivers on scheduled routes are unmatched?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd.

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	Under Safety metric changes over the Past 3 yrs, you indicated Summer 2016 a number of new actions were established. How many did you establish & why did you only talk about one? (Painted a permanent grid)

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service LTD

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKina Bus Service Ltd

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

-Facility identification & Acquisition States existing facility is well suited to accomodate additional equipment as identified in tab 11 - Appendix 5 but that info is not there. Appendix 5 only shows DOT authorization.

- Potential bus drivers requiring to complete rigorous training & Screening as detailed on page 10 of 11 of tab 11 appendix 5 again only has DOT authorization letter no example of the training & Pg 10-11 is reference letters

Calculated Score: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	IR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

- First Hawaiian Bank letter as shown in tab 11 appendix 7 doesn't indicate financing

- Tax returns state they are included on Attachment A w/Certificate of insurance but no attachment exists.

Calculated Points:	0.00

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service, Ltd

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Appendix 5 is not complete as missing facility and identification as indicated on tab 9 & Bus driver training & Screen also referred to in tab 9.

Calculated Score: 1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	✓
Tab 2: Executive Summary	3.0	3.0	✓
Tab 3: Qualifications & Experience	9.0	9.0	✓
Tab 4: References & Testimonials	6.0	4.5	✓
Tab 5: Proponent's Service Approach	9.0	9.0	✓
Tab 6: Proponent's Commitment to Safety	15.0	11.25	✓
Tab 7: Vehicles & Fleet Management	3.0	3.0	✓
Tab 8: Proponent's Staff	3.0	3.0	✓
Tab 9: Transition Plan	3.0	2.25	✓
Tab 10: Financial Stability	4.0	0.0	✓
Tab 11: APPENDIX: Additional Information	2.0	1.5	
Total Points	**60.0**	51.0	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

- LETTER IS NOT SIGNED / BY ANYONE / AND MORE IMPORTANTLY BY THE PROPONENT'S AUTHORIZED REPRESENTATIVE

FULL POINTS AWARDED BECAUSE HARD COPY HAS THE SIGNTURE

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

* ~~H~~EADING NOT IN CORRECT ORDER BUT ALL THERE

* "ADDITIONAL INFORMATION" WE STRIVE TO PROVIDE CONSISTENT DRIVERS ON ROUTES" DEMONSTRATES THAT THE PROPONENT UNDERSTANDS BETTER OUR NEEDS AND IT'S RELATION TO OUR CLIENTS

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

* ACTIVE SERVICE DELIVERY CONTRACTS / DOE SERVICE / 3 ROUTES AT LOKELANI INT NOT A TRUE STATEMENT - THERE ARE ONLY 2 ROUTE

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	MO

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

* KSM LETTER - NEUTRAL
MEDB LETTER - NO RELATION TO HOME-SCHOOL - HOME SCHOOL BUS SERVICE

* SEABURY HALL LETTER - POSITIVE AND 100% RELATED TO H-S-H SCHOOL BUS SERVICE

Calculated Points:	4.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

* MANAGEMENT PHILOSOPHY / BULLET #2 / "NO DRIVER, IS BETTER THAN AN UNSAFE DRIVER" Q. BY THIS YOU MEAN THAT YOU WOULD NOT RUN OR PROVIDE THE CONTRACTED ROUTE IF YOU COULD NOT / DO NOT HAVE A SAFE AND/OR LEGITIMATE DRIVER AVAILABLE ?

Vendor: Akina

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided

Evaluator Comments & Notes (continued):

* RELEVENT ASPECTS COVERED WELL

* APPENDIX #4 DEMONSTRATES A MEANS TO ANUALLY EVALUATE EACH DRIVER BUT DOES NOT DEMONSTRATE HOW THEY COMPARE YEAR TO OR YEAR AFTER YEAR

Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

* MEETING & EXCEEDING THE CONTRACTS FLEET EQUIPMENT & AGE REQUIREMENTS / REFERS EVALUATOR TO TAB 11 : APPENDIX 5 / DOCUMENT ON APPENDIX 5 HAS NO RELEVENCE TO FLEET EQUIPMENT & AGE REQUIREMENTS / DOES REFERENCE NET BULLET HOWEVER

* CONCERN : WORDING TO SPECIFY TYPES OF VEHICLES NOT ACCURATE OR WAS CHANGED. WHEREBY WE WERE REQUESTING A TYPE III VEHICLE (OR TYPE I-A BY CURRENT CLASSIFICATIONS) IT NOW READS AS TYPE II WITH 3 WC POSITIONS

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

* FACILITY IDENTIFICATION & ACQUISITION / STATEMENT IS CLEAR BUT DO NOT SEE OR UNDERSTAND THE RELATIONSHIP OF APPENDIX 5 TO THIS TOPIC LETTER FROM STATE DOES NOT CONFIRM LOCATION OR EVEN HAVING A BASE YARD (PO BOX)

*TAB REFERENCES NOT ACCURATE AND OR RELEVANT TO RESPONSE

Calculated Score: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	IR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: ???*

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

* COULD NOT LOCATE CERTIFICATE OF INSURANCE & EITHER TAX RETURNS OR INCOME STATEMENT - MISSING TWO REQUIRED

HOWEVER SOURCE OF CAPITAL OR FINANCING FOR VEHICLE PROCUREMENT ARE DEMONSTRATED ON PAGES 52-56

Calculated Points: 0.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

TAB REFERENCE EITHER MISSING OR NOT REPRESENTED

Calculated Score:	1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A - multiple charters unlimited
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	3 LORs + testimonials
Tab 5: Proponent's Service Approach	9.0	6.75	No indication of office or support or admin technology to be used;
Tab 6: Proponent's Commitment to Safety	15.0	15.0	
Tab 7: Vehicles & Fleet Management	3.0	3.0	48 new buses; discrepancy on page 8 97 buses vs page 22 - 80 buses indicated
Tab 8: Proponent's Staff	3.0	1.5	No succession plan indicated & no proposed org chart provided. Currently on Kauai thru
Tab 9: Transition Plan	3.0	2.25	didn't address avoidance of current service disruption; didn't address route review or dry runs
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	1.5	nothing of value added
Total Points	**60.0**		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR = 3.0

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement ✓
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR = 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Interview:
- Statement regarding higher capacity buses - doing because they already have some 77 & 84 passenger buses in fleet. Also feels that larger buses are more efficient for DOE in case of ridership changes.
- Plans to replace vehicles as they get near the 15 year old limit
- Spare drivers? on-call has 4-5 spare drivers

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services ✓ • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company ✓ • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry ✓	9.0	CR= 9.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR= 6.0

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 LOR's plus testimonials

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: [redacted] AKITA

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach. • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MD= 6.75

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

Only addresses bus technology —
No indication of office support technology or data analysis

Interview:
-- Has supervisor checking if all buses are covered (very few drivers park @ home)
-- 95% of drivers/aides report to base yard for work.
-- base yard defined as a place to park buses (may or may not have maint/repair facilities)
-- Main yard is in Lihue
-- Office technology - 2 way radios Verizon replacing Nextel GPS

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? ✓ • How does your firm measure its safety success? ✓ • How has that measurement or metric changed over the past three years? ✓ • How does your firm ensure operations are safe from day to day? ✓	15.0	CR = 15.0

Scoring Rubric:

CR:
- No more than five pages ✓
- All bulleted requirements are clearly covered in the description ✓
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

bus service & maintenance
pre/post-trip
employee screening & certification & training
skills/road tests
Emergency proc's
First Aid/CPR
random ride alongs
Zonar
Cameras
Certified Driver Trainer
Op's Supervisors avail 24/7
Bus check for no child left behind

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR= 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

48 new buses
may award = 47 new buses (excl. spare)

Interview:
has 2 shop trucks for mobile service (both based in Lihue)

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MM = 1.5

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

No succession plan indicated
Proposed org chart also not provided

Interview:

- Staffing Plan
  Drivers - look to displaced drivers to recruit
  Van drivers - already has
  Administrative - depends on # of clusters

	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO = 2.25

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Didn't address how they will try to avoid disrupting current vendors when recruiting

Didn't address route review & dry runs

Interview:
- Avoiding disruptn during transition
  - -- Wouldn't recruit from others before contract ended
  - -- Thinks they would be able to retain their employees
  - -- Has good working relationship w/ both Roberts & Yamaguchi so plans to continue that philosophy going forward.
  - -- Need 2-way communication important for route development
  - -- used to do 80% of routes on Kauai 5 years past

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR = 4.0

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Interview:

Succession plan:
-- Wendy plans to remain active in company
-- has partner that manages a PUC company
-- will be developing internal capability for operational purposes but already has supervisors that can handle most of that.

Calculated Points:

Vendor: AKITA

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	1.5

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded • Information adds value to the response **MO:** • No additional information is provided • Information provided does not add value to the response **MM** • Not applicable **MA** • Not applicable **IR** • No section provided and no express rationale provided for the exclusion	

Calculated Score:	

Josie Aurelia
Wendy Akita

BE
10/19/16

Interview Questions for Akita Enterprises

RFP	Island	Tab	Question
D17-002	Kauai	2	Your presentation made several references to the notion that the seating capacity of either "many" of your vehicles or "some" of the vehicles that you will furnish will exceed the required seating capacity. Please clarify how many vehicles will exceed the seating capacity and by how much? Also, where would these vehicles be strategically located once they've been acquired?
D17-002	Kauai	2	Your presentation stated that the average age of your fleet will be newer than the minimum requirement. The minimum is nine years. We would expect that the FIRST year of your contract will be less than nine years. The question becomes more relevant in the later years of the contract. Can you tell us how old you expect your oldest vehicles will be at or near the end of the contract period? Do you have a specific strategy for this?
D17-002	Kauai	2	Your presentation stated that you have been safely operating in the RFP area, and that your company provides caring, high quality service to special education students. As you know, there've been at least two incidents in the past of SPED students being delivered to incorrect addresses. How have you addressed these specific type of incidents?
D17-002	Kauai	2	Your presentation also stated that you will have on-call drivers ready when needed. Can you clarify how many spare drivers you have or will have and where they are or will be located?
D17-002	Kauai	3	Your presentation failed to describe any business that your company conducted outside of the student transportation industry. Does you company have such experience?
D17-002	Kauai	5	Your presentation relating to your company's "Responsiveness" focused on responding to routine inquiries and meetings. Please clarify your protocols with regard to responding to mid-route service emergencies as well as after-hour emergencies that involve an unexpected interruption is service.
D17-002	Kauai	5	What is your company's check-in procedures for ensuring that all routes are covered? What about park aways?
D17-002	Kauai	5	Please clarify which of your office position employees are CDL licensed? Not necessarily names, just positions.
D17-002	Kauai	5	Your presentation stated that you maintain multiple base yards in strategic locations, which minimizes unnecessary travel time for your buses and reduces wait times for replacement vehicles in emergencies. Please define your interpretation of the term "Base Yard" and what we can expect operationally from a base yard?
D17-002	Kauai	5	Your presentation does a good job of discussing how you will incorporate technology into all of your vehicles. Could you speak to the type and funcationality of technology systems that Akita plans to launch to be used for administrative purposes to increase productivity and efficiency?
D17-002	Kauai	6	Your presentation on Safety failed to provide specific metrics on how your company measures whether your safety program and protocols are actually working from year to year. Without measuring specific data metrics, it's difficult to know for sure if your program is working. Please clarify this
D17-002	Kauai	6	Your presentation made vague references to accidents and employee lost time to worker's compensation as "few". This kind of data is crucial to meeting the requirements of the Contract Performance Management Program of the contract. What is your plan for ensuring the routine and reliable collection and organizing of this data?
D17-002	Kauai	7	Your presentation stated that you have fully equipped service vehicles readily available for emergency breakdowns and minor repairs at our satellite base yards. Are you claiming to have 7 such vehicles since you state 7 base yards? Please elborate on what the DOE can actually expect.
D17-002	Kauai	7	Your presentation included a chart showing that you have two 2004 International school bus vehicles with a seating capacity of just two. Please clarify.
D17-002	Kauai	8	Your presentation described how you are prepared to "accept" the proposed work but did not clearly define a strategy for delivering on all service requirements when it comes to staffing - drivers, bus aides, dispatchers, mechanics, etc. If you are awarded the maximum number of clusters, what is your strategic plan for delivering adequate staffing.
D17-002	Kauai	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans are for replacing key company owners and leaders affter they retire?

D17-002	Kauai	9	Can you comment on the steps that Akita Enterprises will take to insure that current services provided by any vendor will not be disrupted throughout the transition period? Also, can you speak to the role that you anticipate Akita might have in the route development process on Kauai?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises

(NO)

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	Depend.; increase
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	Clarify comm protocols (responsiveness)
Tab 6: Proponent's Commitment to Safety	15.0	11.25	Failed to describe metrics to measure safety
Tab 7: Vehicles & Fleet Management	3.0	3.0 ✓	
Tab 8: Proponent's Staff	3.0	3.0 ✓	
Tab 9: Transition Plan	3.0	3.0 ✓	
Tab 10: Financial Stability	4.0	4.0 ✓	
Tab 11: APPENDIX: Additional Information	2.0	1.5	Does not add value
Total Points	60.0		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

Vendor: _____

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • One page or less • Meets all form & content requirements • Provides Proposal Option statement • Provides understanding of who is the proponent **MO:** • Exceeds page limit • Missing required content (one or more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide Proposal Option statement • No understanding provided of who is the proponent **IR** • No cover letter provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided **MO:** • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings **MM** • 3 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (two or more) **IR** • No Executive Summary provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less ✓ • Clear summary understanding of Q&E ✓ • All required information is provided ✓ • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** (Y) **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy ✓ • Driver recruitment, retention, and training ✓ • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology ✓ In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability – ? • Reliability – ? • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	Responsiveness – communication protocols

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):** 75%		
		Calculated Points:	

Vendor: _____

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? ✓ • How does your firm measure its safety success? – ? • How has that measurement or metric changed over the past three years? – ? • How does your firm ensure operations are safe from day to day? ✓	15.0	110

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	Q: Who is your trainer certified by? Curriculum? Measure = ① # of students transported safely; ② Safety record ③ # of WC claims Measurement changed over past 3 yrs: ① up? down? same? ② up? down? same? ③ " " "

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):** 50%		
	Calculated Points:		

Vendor: _____

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? ✓ • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	MO

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more) ✓

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Q: Clarify fleet replacement strategy
Q: Acquiring 38+10 new buses - what will happen to current
Q: Explain "switching" buses philosophy

25%

	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CA

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Q. Explain org chart (missing names)
Vague description of capacity

Calculated Points:	

Vendor: _____

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements ✓ • Income statements and balance sheets or tax returns for past two years ✓ • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation ✓	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: ???*** **IR** • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	

Vendor: _____

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded • Information adds value to the response **MO:** • ~~No additional information is provided~~ • Information provided does not add value to the response **MM** • Not applicable **MA** • Not applicable **IR** • No section provided and no express rationale provided for the exclusion	
	Calculated Score:

2:49 / 3:47

Interview Questions for Akita Enterprises

RFP	Island	Tab	Question	Handwritten note
D17-002	Kauai	2	Your presentation made several references to the notion that the seating capacity of either "many" of your vehicles or "some" of the vehicles that you will furnish will exceed the required seating capacity. Please clarify how many vehicles will exceed the seating capacity and by how much? Also, where would these vehicles be strategically located once they've been acquired?	
D17-002	Kauai	2	Your presentation stated that the average age of your fleet will be newer than the minimum requirement. The minimum is nine years. We would expect that the FIRST year of your contract will be less than nine years. The question becomes more relevant in the later years of the contract. Can you tell us how old you expect your oldest vehicles will be at or near the end of the contract period? Do you have a specific strategy for this?	10 yrs. - dispose incrementally.
D17-002	Kauai	2	Your presentation stated that you have been safely operating in the RFP area, and that your company provides caring, high quality service to special education students. As you know, there've been at least two incidents in the past of SPED students being delivered to incorrect addresses. How have you addressed these specific type of incidents?	Training; sign-in protocol — guardians / sheet
D17-002	Kauai	2	Your presentation also stated that you will have on-call drivers ready when needed. Can you clarify how many spare drivers you have or will have and where they are or will be located?	Ideally w/in service area — 4-5 spares on.
D17-002	Kauai	3	Your presentation failed to describe any business that your company conducted outside of the student transportation industry. Does you company have such experience?	US Postal
D17-002	Kauai	5	Your presentation relating to your company's "Responsiveness" focused on responding to routine inquiries and meetings. Please clarify your protocols with regard to responding to mid-route service emergencies as well as after-hour emergencies that involve an unexpected interruption is service.	push to talk comm
D17-002	Kauai	5	What is your company's check-in procedures for ensuring that all routes are covered? What about park aways?	Supervisor, [illegible] w/ drivers; [illegible] on baseyards
D17-002	Kauai	5	Please clarify which of your office position employees are CDL licensed? Not necessarily names, just positions.	
D17-002	Kauai	5	Your presentation stated that you maintain multiple base yards in strategic locations, which minimizes unnecessary travel time for your buses and reduces wait times for replacement vehicles in emergencies. Please define your interpretation of the term "Base Yard" and what we can expect operationally from a base yard?	Park in [illegible]; Waimea - four
D17-002	Kauai	5	Your presentation does a good job of discussiing how you will incorporate technology into all of your vehicles. Could you speak to the type and funcationality of technology systems that Akita plans to launch to be used for administrative purposes to increase productivity and efficiency?	Fleet mgmnt;
D17-002	Kauai	6	Your presentation on Safety failed to provide specific metrics on how your company measures whether your safety program and protocols are actually working from year to year. Without measuring specific data metrics, it's difficult to know for sure if your program is working. Please clarify this	Accident metrics; driving
D17-002	Kauai	6	Your presentation made vague references to accidents and employee lost time to worker's compensation as "few". This kind of data is crucial to meeting the requirements of the Contract Performance Management Program of the contract. What is your plan for ensuring the routine and reliable collection and organizing of this data?	
D17-002	Kauai	7	Your presentation stated that you have fully equipped service vehicles readily available for emergency breakdowns and minor repairs at our satellite base yards. Are you claiming to have 7 such vehicles since you state 7 base yards? Please elborate on what the DOE can actually expect.	Two; Lihue
D17-002	Kauai	7	Your presentation included a chart showing that you have two 2004 International school bus vehicles with a seating capacity of just two. Please clarify.	72
D17-002	Kauai	8	Your presentation described how you are prepared to "accept" the proposed work but did not clearly define a strategy for delivering on all service requirements when it comes to staffing - drivers, bus aides, dispatchers, mechanics, etc. If you are awarded the maximum number of clusters, what is your strategic plan for delivering adequate staffing.	Displaced drivers;
D17-002	Kauai	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans are for replacing key company owners and leaders affter they retire?	

D17-002	Kauai	9	Can you comment on the steps that Akita Enterprises will take to insure that current services provided by any vendor will not be disrupted throughout the transition period? Also, can you speak to the role that you anticipate Akita might have in the route development process on Kauai?

strong enough relationship w/ others
to secure continuity

Interview Questions for Akita Enterprises

RFP	Island	Tab	Question
D17-002	Kauai	2	Your presentation made several references to the notion that the seating capacity of either "many" of your vehicles or "some" of the vehicles that you will furnish will exceed the required seating capacity. Please clarify how many vehicles will exceed the seating capacity and by how much? Also, where would these vehicles be strategically located once they've been acquired?
D17-002	Kauai	2	Your presentation stated that the average age of your fleet will be newer than the minimum requirement. The minimum is nine years. We would expect that the FIRST year of your contract will be less than nine years. The question becomes more relevant in the later years of the contract. Can you tell us how old you expect your oldest vehicles will be at or near the end of the contract period? Do you have a specific strategy for this?
D17-002	Kauai	2	Your presentation stated that you have been safely operating in the RFP area, and that your company provides caring, high quality service to special education students. As you know, there've been at least two incidents in the past of SPED students being delivered to incorrect addresses. How have you addressed these specific type of incidents?
D17-002	Kauai	2	Your presentation also stated that you will have on-call drivers ready when needed. Can you clarify how many spare drivers you have or will have and where they are or will be located?
D17-002	Kauai	3	Your presentation failed to describe any business that your company conducted outside of the student transportation industry. Does you company have such experience?
D17-002	Kauai	5	Your presentation relating to your company's "Responsiveness" focused on responding to routine inquiries and meetings. Please clarify your protocols with regard to responding to mid-route service emergencies as well as after-hour emergencies that involve an unexpected interruption is service.
D17-002	Kauai	5	What is your company's check-in procedures for ensuring that all routes are covered? What about park aways?
D17-002	Kauai	5	Please clarify which of your office position employees are CDL licensed? Not necessarily names, just positions.
D17-002	Kauai	5	Your presentation stated that you maintain multiple base yards in strategic locations, which minimizes unnecessary travel time for your buses and reduces wait times for replacement vehicles in emergencies. Please define your interpretation of the term "Base Yard" and what we can expect operationally from a base yard?
D17-002	Kauai	5	Your presentation does a good job of discussiing how you will incorporate technology into all of your vehicles. Could you speak to the type and funcationality of technology systems that Akita plans to launch to be used for administrative purposes to increase productivity and efficiency?
D17-002	Kauai	6	Your presentation on Safety failed to provide specific metrics on how your company measures whether your safety program and protocols are actually working from year to year. Without measuring specific data metrics, it's difficult to know for sure if your program is working. Please clarify this
D17-002	Kauai	6	Your presentation made vague references to accidents and employee lost time to worker's compensation as "few". This kind of data is crucial to meeting the requirements of the Contract Performance Management Program of the contract. What is your plan for ensuring the routine and reliable collection and organizing of this data?
D17-002	Kauai	7	Your presentation stated that you have fully equipped service vehicles readily available for emergency breakdowns and minor repairs at our satellite base yards. Are you claiming to have 7 such vehicles since you state 7 base yards? Please elborate on what the DOE can actually expect.
D17-002	Kauai	7	Your presentation included a chart showing that you have two 2004 International school bus vehicles with a seating capacity of just two. Please clarify.
D17-002	Kauai	8	Your presentation described how you are prepared to "accept" the proposed work but did not clearly define a strategy for delivering on all service requirements when it comes to staffing - drivers, bus aides, dispatchers, mechanics, etc. If you are awarded the maximum number of clusters, what is your strategic plan for delivering adequate staffing.
D17-002	Kauai	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans are for replacing key company owners and leaders affter they retire?

D17-002	Kauai	9	Can you comment on the steps that Akita Enterprises will take to insure that current services provided by any vendor will not be disrupted throughout the transition period? Also, can you speak to the role that you anticipate Akita might have in the route development process on Kauai?

Interview Questions for Akita Enterprises

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State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	2.25	
Tab 3: Qualifications & Experience	9.0	6.75	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.00	
Tab 8: Proponent's Staff	3.0	2.25	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	1.50	
Total Points	**60.0**	49.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Meets all criteria

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

-All 3 questions addressed an answer of required Seating Requirements. 1st question #1 says "Many Vehicles in our existing fleet exceed required Seating Capacity. 2nd question #1 & 3rd question #12 says "Some of our existing fleet exceeds the required Seating capacity. How did you go from many to some? It also doesn't specify an amt for me to get a clear picture of what you have.

- question #1 Answer 3 - We have been safely operating student transportation in the RFP area & question #3 answer #5 Company provides caring, high quality service to Special Education students. In 2 school years, 2 sped students were dropped to the wrong places. What procedures do you have in place to assure incidents like this do not occur again?

-question 3 answer #4 we have on-call drivers ready to drive when needed. So why are there always consolidations & missing routes?

Calculated Points: 225

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Doesn't answer the question of experience outside of the student trans industry

Calculated Score: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	Mo

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

- Under responsiveness indicates all office employees are CDL drivers but that is not to be true as one of the dispatchers doesn't have a CDL.

- under efficiency you indicate 7 baseyards, What is your definition of baseyard? Where is the Kekaha, Waimea & Hanalei baseyards you indicate?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

. Vendor: Akita Enterprises, Limited

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	Mo

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

- It stated many insurance companies Compete to sell your insurance, exactly how many?
- How many is a few accidents?
- How many is very few in employee lost time for worker's comp?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited.

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Current fleet for reg ed shows 2 - 2004 International that carries a pax of 2? error?

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Did not describe how they Plan to deliver Service requirement.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises Limited

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Provided 4 yrs of Income Statements & letters from financial institutes to support financing of Vehicle Procurement

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Limited

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

No further details provided that was not already stated. It was a repeat of what was already stated when it says describe important elements that weren't addressed elsewhere in the required Proposal. They say they want to reiterate

Calculated Score: 1.5

Interview Questions for Akita Enterprises

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State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

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MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	**3.0**	3.0	
Tab 2: Executive Summary	**3.0**	2.25	MA / SCORING RUBRIC / MISSING THE WORD "THE" AFTER "TO" AND BEFORE "THREE"
Tab 3: Qualifications & Experience	**9.0**	9.0	
Tab 4: References & Testimonials	**6.0**	6.0	
Tab 5: Proponent's Service Approach	**9.0**	6.75	
Tab 6: Proponent's Commitment to Safety	**15.0**	11.25	
Tab 7: Vehicles & Fleet Management	**3.0**	2.25	
Tab 8: Proponent's Staff	**3.0**	3.0	
Tab 9: Transition Plan	**3.0**	3.0	
Tab 10: Financial Stability	**4.0**	4.0	
Tab 11: APPENDIX: Additional Information	**2.0**	1.5	
Total Points	**60.0**		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (7)
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to the three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

* BULLET #1 / POINTS 4.5
BULLET # 2 / POINTS 2.3
BULLET # 3 / POINTS 4, 5.9

EXISTING VEHICLE AGE COMPLIANCE DOES NOT MEET CURRENT REQUIREMENTS.

TWO RECENT INCIDENTS OF SPED STUDENTS BEING DROPPED OFF AT WRONG RESIDENCE

Q HOW CAN I BE ASSURED OF VEHICLE AGE COMPLIANCE ?

Q WHAT HAS AKITA DONE TO RECTIFY AND PREVENT FUTURE OCCURANCES OF STUDENTS BEING DROPPED OFF AT WRONG LOCATIONS ?

INTERVIEW
GAVE NO MORE DETAILS

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

* INFORMATION ON CONTRACTS NO LONGER IN SERVICE / STATEMENT READS / SCHOOL BUS CONTRACTS THAT OUR COMPANY OPERATED IN HAIKU & HANA MAUI FROM 1997 THRU JUNE 2015 WERE NOT RENEWED BY THE DEPARTMENT OF EDUCATION / IS NOT A TRUE STATEMENT

AKITA ENTERPRISES WAS OFFERED AN EXTENSION BUT TURNED DOWN THE OFFER.

* REFERENCE LETTERS / THOUGH POSITIVE / DO NOT REFERENCE HOME-SCHOOL-HOME SCHOOL BUS SERVICE AND NONE ARE BONDED BY CONTRACTS

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

* FIRST PARAGRAPH OF MANAGEMENT PHILOSOPHY RELATED MORE LINEAGE INSTEAD OF PHILOSOPHY
REMAINDER OF STATEMENT SATISFACTORY

* DAILY OPERATIONS / STATEMENT READS: "OUR SUPERVISORS INTERACT WITH OUR DRIVERS AND AIDES EVERY MORNING TO OBSERVE THEM AND ENSURE THEY ARE IN GOOD PHYSICAL AND EMOTIONAL CONDITION BEFORE THEY GET INTO THE DRIVERS SEAT"
Q. AKITA HAS OR ALLOWS PARKAWAYS CORRECT?
Q. IF SO HOW DOES THE SUPERVISORS INTERACT WITH THE DRIVER WHO PARK THEIR BUSES AT THEIR HOMES OR REMOTE BASEYARDS?

STATEMENT READS: DRIVERS ARE ALSO REQUIRED TO CHECK INSIDE THE BUS AFTER THE LAST DROP OFF TO MAKE CERTAIN NO CHILD IS LEFT BEHIND"
Q. DESCRIBE THIS PROCEDURE IN MORE DETAIL - OR DEFINE THE TERM "AFTER THE LAST STOP"

STATEMENT READS: "EMPLOYEES ARE REGULARLY MONITORED BY SUPERVISORS WHO JOIN THEM ON THEIR ROUTES"
Q. DEFINE "REGULARLY"

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

* EFFICIENCY / STATEMENT READS: "ONE WAY WE REALIZE EFFICIENCY IS THROUGH THE MULTIPLE BASE YARDS WE MAINTAIN IN STRATEGIC LOCATIONS (KEKAHA, WAIMEA HANAPEPE, LAWAI, LIHUE, KAPAA & HANALEI)

Q. DEFINE "BASEYARD" AS IT RELATES TO YOUR PROPOSAL.

Q. WAIMEA IS ACTUALLY A PARKING AREA BETWEEN AM DROP OFF & PM PICK UP CORRECT?

Q. KEKAHA IS THIS ACTUALLY JUST THE DRIVERS RESIDENCE?

INTERVIEW

CLEARED UP CONCERNS & VERIFIED OWNERSHIP OF ALL BASE YARDS

Calculated Points: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

* MOST RELEVANT ASPECTS / COUCHED PHILOSOPHY, VEHICLE MAINTENANCE & INSPECTION,
#1 EMPLOYEE SCREENING, EMPLOYEE TRAINING, (PROCEDURES)

* HOW DOES YOUR FIRM MEASURE IT'S SAFETY SUCCESS? / RESPONSE WAS MORE TESTIMONIAL
#2 AND DID NOT PROVIDE ANY FORMS OR CHARTS TO DEMONSTRATE HOW OR EVEN IF SUCH DATA IS RECORDED & TRACKED FOR APPROPRIATE ACTIONS

* HOW HAS THAT MEASUREMENT OR METRIC CHANGED OVER THE PAST THREE YEARS
#3 RESPONSE AGAIN MORE TESTIMONIAL AND REPETITIVE OF OPERATING PROCEDURES AND STILL NO SUPPORTING DATA OF ANY KIND OFFERED TO EVALUATOR

* HOW AKITA ENTERPRISES ENSURES SAFE DAY TO DAY OPERATIONS / RESPONSE WAS
#4 REPETITIVE OF STANDARD OPERATING PROCEDURES. NO MENTION AT ALL OF SAFETY PROGRAMS INITIATED AND/OR PRACTICED BY THE COMPANY.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

INTERVIEW

2 SATOR TRUCKS

* FLEET MAINTENANCE & REPAIR PROGRAM STRENGHTS / STATEMENT READS: "WE HAVE FULLY EQUIPPED SERVICE VEHICLES READILY AVAILABLE FOR EMERGENCY BREAKDOWNS AND MINOR REPAIRS AT OUR SATELLITE BASE YARDS

Q IN TAB 6 YOU LIST 7 SATELLITE BASE YARDS ARE WE TO ASSUME THAT YOU HAVE 7 FULLY EQUIPPED SERVICE VEHICLES?

Q HOW MANY ACTUAL SERVICE VEHICLES?

	Calculated Points:	2.25

Q DO THE TECH'S THAT ATTEND THE ANNUAL DEALER MAINTENANCE TRAINING RECEIVE OR EARN DEALER OR BRAND CERTIFICATIONS?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

COMMENT: ORG CHART INDICATES THAT OPERATIONS SUPERVISOR WOULD REPORT TO HUMAN RESOURCES

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (7)
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

* FACILITY IDENTIFICATION & ACQUISITION / QUESTIONABLE ABOUT 2 OF THE 7 "BASEYARDS" LISTED (KEKAHA & WAIMEA)

* SERVICE LOCATION FAMILIARIZATION / DOES NOT MENTION ANY TYPE OF PLAN TO REVIEW ROUTE SCHEDULES WITH DRIVERS, CONDUCT DRY RUNS, PRIOR TO THE START OF SERVICE ON THE FIRST DAY OF SCHOOL

* CLIENT COMMUNICTION / ATTENDANCE OR PARTICIPATION ON REGISTRATION DAYS IS A GOOD THING BUT MAKES NO REFERENCE REGARDING COMMUNICATIONS WITH THE TO's OR STSB

	Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

CERTIFICATE OF INSURANCE

CERTIFICATE
COMMERCIAL GEN. LIABILITY
1 MIL EACH OCCURRENCE
+ 1 MIL PERSONAL & ADV INJURY

CONTRACT CALLS FOR
2 M EACH OCU

WHAT ABOUT UMBRELLA
DOES IT FACTOR IN

NOT REQUIRED

Calculated Points: 4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

STATEMENTS PROVIDED WERE PURELY REPETITIVE

Calculated Score:	1.5

D17-001 Total Scoring
Island of Maui

Cluster	Location Description
1	Makawao
2	Baldwin
3	Lahaina
4	Maui

Akina			
Technical	Price	Total	Rank
NA	NA	**NA**	**NA**
49.56	30.10	**79.67**	**4.00**
NA	NA	**NA**	**NA**
49.56	28.93	**78.49**	**4.00**

Ground			
Technical	Price	Total	Rank
57.06	39.40	**96.46**	**1.00**
57.06	40.00	**97.06**	**1.00**
57.06	40.00	**97.06**	**1.00**
57.06	40.00	**97.06**	**1.00**

Iosepa			
Technical	Price	Total	Rank
51.38	35.92	**87.29**	**3.00**
51.38	28.76	**80.13**	**3.00**
51.38	31.90	**83.28**	**3.00**
51.38	31.51	**82.88**	**3.00**

Roberts			
Technical	Price	Total	Rank
54.00	39.62	**93.62**	**2.00**
54.00	37.28	**91.28**	**2.00**
54.00	36.92	**90.92**	**2.00**
54.00	36.42	**90.42**	**2.00**

Cluster	Location Description	Total Buses	First Vendor	Buses	Second Vendor	Buses
1	Makawao	42	Ground		Roberts	42
2	Baldwin	18	Ground	18	Roberts	
3	Lahaina	19	Ground	19	Roberts	
4	Maui	34	Ground	34	Roberts	
Total		**113**		**71**		**42**

RFP D17-001 Technical Scoring
Island of Maui

Cluster 1 - Makawao		Akina					Ground					Iosepa					Roberts				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	NA	NA	NA	NA	**NA**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	3.00	3.00	**2.63**	2.25	2.25	3.00	3.00	**2.63**
2 - Executive Summary	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	2.25	3.00	**2.44**
3 - Qualifications & Experience	9	NA	NA	NA	NA	**NA**	9.00	6.75	9.00	9.00	**8.44**	6.75	9.00	9.00	6.75	**7.88**	9.00	6.75	9.00	9.00	**8.44**
4 - References and Testimonials	6	NA	NA	NA	NA	**NA**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	NA	NA	NA	NA	**NA**	9.00	9.00	9.00	9.00	**9.00**	9.00	6.75	6.75	6.75	**7.31**	6.75	6.75	6.75	6.75	**6.75**
6 - Proponent's Commitment to Safety	15	NA	NA	NA	NA	**NA**	11.25	15.00	15.00	15.00	**14.06**	15.00	11.25	11.25	15.00	**13.13**	11.25	15.00	15.00	15.00	**14.06**
7 - Vehicles & Fleet Management	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	2.25	1.50	2.25	2.25	**2.06**
8 - Proponent's Staff	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	2.25	3.00	3.00	3.00	**2.81**
9 - Transition Plan	3	NA	NA	NA	NA	**NA**	2.25	2.25	2.25	1.50	**2.06**	3.00	2.25	2.25	2.25	**2.44**	3.00	2.25	3.00	3.00	**2.81**
10 - Financial Stability	4	NA	NA	NA	NA	**NA**	4.00	4.00	4.00	4.00	**4.00**	2.00	2.00	2.00	2.00	**2.00**	4.00	4.00	4.00	4.00	**4.00**
11 - Additional Information	2	NA	NA	NA	NA	**NA**	2.00	2.00	2.00	1.50	**1.88**	1.50	2.00	2.00	1.50	**1.75**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**NA**	**NA**	**NA**	**NA**	NA	**55.50**	**56.25**	**59.25**	**57.25**	**57.06**	**54.50**	**49.75**	**51.25**	**50.00**	**51.38**	**51.00**	**51.75**	**56.25**	**57.00**	**54.00**

Cluster 2 - Baldwin		Akina					Ground					Iosepa					Roberts				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	3.00	3.00	**2.63**	2.25	2.25	3.00	3.00	**2.63**
2 - Executive Summary	3	1.50	3.00	3.00	3.00	**2.63**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	2.25	3.00	**2.44**
3 - Qualifications & Experience	9	9.00	9.00	9.00	6.75	**8.44**	9.00	6.75	9.00	9.00	**8.44**	6.75	9.00	9.00	6.75	**7.88**	9.00	6.75	9.00	9.00	**8.44**
4 - References and Testimonials	6	4.50	4.50	4.50	4.50	**4.50**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	9.00	**9.00**	9.00	6.75	6.75	6.75	**7.31**	6.75	6.75	6.75	6.75	**6.75**
6 - Proponent's Commitment to Safety	15	11.25	11.25	11.25	15.00	**12.19**	11.25	15.00	15.00	15.00	**14.06**	15.00	11.25	11.25	15.00	**13.13**	11.25	15.00	15.00	15.00	**14.06**
7 - Vehicles & Fleet Management	3	3.00	3.00	2.25	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	2.25	1.50	2.25	2.25	**2.06**
8 - Proponent's Staff	3	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	2.25	3.00	3.00	3.00	**2.81**
9 - Transition Plan	3	2.25	2.25	3.00	2.25	**2.44**	2.25	2.25	2.25	1.50	**2.06**	3.00	2.25	2.25	2.25	**2.44**	3.00	2.25	3.00	3.00	**2.81**
10 - Financial Stability	4	0.00	0.00	0.00	0.00	**0.00**	4.00	4.00	4.00	4.00	**4.00**	2.00	2.00	2.00	2.00	**2.00**	4.00	4.00	4.00	4.00	**4.00**
11 - Additional Information	2	1.50	1.50	2.00	2.00	**1.75**	2.00	2.00	2.00	1.50	**1.88**	1.50	2.00	2.00	1.50	**1.75**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**48.00**	**49.50**	**50.00**	**50.75**	49.56	**55.50**	**56.25**	**59.25**	**57.25**	**57.06**	**54.50**	**49.75**	**51.25**	**50.00**	**51.38**	**51.00**	**51.75**	**56.25**	**57.00**	**54.00**

Cluster 3 - Lahaina		Akina					Ground					Iosepa					Roberts				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	NA	NA	NA	NA	**NA**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	3.00	3.00	**2.63**	2.25	2.25	3.00	3.00	**2.63**
2 - Executive Summary	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	2.25	3.00	**2.44**
3 - Qualifications & Experience	9	NA	NA	NA	NA	**NA**	9.00	6.75	9.00	9.00	**8.44**	6.75	9.00	9.00	6.75	**7.88**	9.00	6.75	9.00	9.00	**8.44**
4 - References and Testimonials	6	NA	NA	NA	NA	**NA**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	NA	NA	NA	NA	**NA**	9.00	9.00	9.00	9.00	**9.00**	9.00	6.75	6.75	6.75	**7.31**	6.75	6.75	6.75	6.75	**6.75**
6 - Proponent's Commitment to Safety	15	NA	NA	NA	NA	**NA**	11.25	15.00	15.00	15.00	**14.06**	15.00	11.25	11.25	15.00	**13.13**	11.25	15.00	15.00	15.00	**14.06**
7 - Vehicles & Fleet Management	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	2.25	1.50	2.25	2.25	**2.06**
8 - Proponent's Staff	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	2.25	3.00	3.00	3.00	**2.81**
9 - Transition Plan	3	NA	NA	NA	NA	**NA**	2.25	2.25	2.25	1.50	**2.06**	3.00	2.25	2.25	2.25	**2.44**	3.00	2.25	3.00	3.00	**2.81**
10 - Financial Stability	4	NA	NA	NA	NA	**NA**	4.00	4.00	4.00	4.00	**4.00**	2.00	2.00	2.00	2.00	**2.00**	4.00	4.00	4.00	4.00	**4.00**
11 - Additional Information	2	NA	NA	NA	NA	**NA**	2.00	2.00	2.00	1.50	**1.88**	1.50	2.00	2.00	1.50	**1.75**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**NA**	**NA**	**NA**	**NA**	NA	**55.50**	**56.25**	**59.25**	**57.25**	**57.06**	**54.50**	**49.75**	**51.25**	**50.00**	**51.38**	**51.00**	**51.75**	**56.25**	**57.00**	**54.00**

Cluster 4 - Maui		Akina					Ground					Iosepa					Roberts				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	3.00	3.00	**2.63**	2.25	2.25	3.00	3.00	**2.63**
2 - Executive Summary	3	1.50	3.00	3.00	3.00	**2.63**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	2.25	3.00	**2.44**
3 - Qualifications & Experience	9	9.00	9.00	9.00	6.75	**8.44**	9.00	6.75	9.00	9.00	**8.44**	6.75	9.00	9.00	6.75	**7.88**	9.00	6.75	9.00	9.00	**8.44**
4 - References and Testimonials	6	4.50	4.50	4.50	4.50	**4.50**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	9.00	**9.00**	9.00	6.75	6.75	6.75	**7.31**	6.75	6.75	6.75	6.75	**6.75**
6 - Proponent's Commitment to Safety	15	11.25	11.25	11.25	15.00	**12.19**	11.25	15.00	15.00	15.00	**14.06**	15.00	11.25	11.25	15.00	**13.13**	11.25	15.00	15.00	15.00	**14.06**
7 - Vehicles & Fleet Management	3	3.00	3.00	2.25	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	2.25	1.50	2.25	2.25	**2.06**
8 - Proponent's Staff	3	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	2.25	3.00	3.00	3.00	**2.81**
9 - Transition Plan	3	2.25	2.25	3.00	2.25	**2.44**	2.25	2.25	2.25	1.50	**2.06**	3.00	2.25	2.25	2.25	**2.44**	3.00	2.25	3.00	3.00	**2.81**
10 - Financial Stability	4	0.00	0.00	0.00	0.00	**0.00**	4.00	4.00	4.00	4.00	**4.00**	2.00	2.00	2.00	2.00	**2.00**	4.00	4.00	4.00	4.00	**4.00**
11 - Additional Information	2	1.50	1.50	2.00	2.00	**1.75**	2.00	2.00	2.00	1.50	**1.88**	1.50	2.00	2.00	1.50	**1.75**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**48.00**	**49.50**	**50.00**	**50.75**	49.56	**55.50**	**56.25**	**59.25**	**57.25**	**57.06**	**54.50**	**49.75**	**51.25**	**50.00**	**51.38**	**51.00**	**51.75**	**56.25**	**57.00**	**54.00**

RFP D17-001 Price Scoring
Island of Maui

Scheduled Routes

	Cluster 1 - Makawao	Cluster 2 - Baldwin	Cluster 3 - Lahaina	Cluster 4 - Maui
Akina		$ 1,949,400.00		$ 3,340,800.00
Ground	$ 3,611,520.00	$ 1,439,640.00	$ 1,703,160.00	$ 2,362,320.00
Iosepa	$ 3,798,322.20	$ 1,955,889.00	$ 2,068,417.80	$ 2,908,096.20
Roberts	$ 3,551,040.00	$ 1,539,900.00	$ 1,841,400.00	$ 2,592,720.00
Minimum	**$ 3,551,040.00**	**$ 1,439,640.00**	**$ 1,703,160.00**	**$ 2,362,320.00**

Points	**Cluster 1 - Makawao**	**Cluster 2 - Baldwin**	**Cluster 3 - Lahaina**	**Cluster 4 - Maui**
Akina		26.59		25.46
Ground	35.40	36.00	36.00	36.00
Iosepa	33.66	26.50	29.64	29.24
Roberts	36.00	33.66	33.30	32.80

Total Points	**Cluster 1 - Makawao**	**Cluster 2 - Baldwin**	**Cluster 3 - Lahaina**	**Cluster 4 - Maui**
Akina	NA	30.10	NA	28.93
Ground	39.40	40.00	40.00	40.00
Iosepa	35.92	28.76	31.90	31.51
Roberts	39.62	37.28	36.92	36.42

Supplemental Services

	Cluster 1 - Makawao	Cluster 2 - Baldwin	Cluster 3 - Lahaina	Cluster 4 - Maui
Akina		$ 72.00		$ 73.00
Ground	$ 63.33	$ 63.33	$ 63.33	$ 63.33
Iosepa	$ 112.00	$ 112.00	$ 112.00	$ 112.00
Roberts	$ 70.00	$ 70.00	$ 70.00	$ 70.00
Minimum	**$ 63.33**	**$ 63.33**	**$ 63.33**	**$ 63.33**

Points	**Cluster 1 - Makawao**	**Cluster 2 - Baldwin**	**Cluster 3 - Lahaina**	**Cluster 4 - Maui**
Akina		3.52		3.47
Ground	4.00	4.00	4.00	4.00
Iosepa	2.26	2.26	2.26	2.26
Roberts	3.62	3.62	3.62	3.62

Rank	**Cluster 1 - Makawao**	**Cluster 2 - Baldwin**	**Cluster 3 - Lahaina**	**Cluster 4 - Maui**
Akina	**NA**	**3.00**	**NA**	**4.00**
Ground	**2.00**	**1.00**	**1.00**	**1.00**
Iosepa	**3.00**	**4.00**	**3.00**	**3.00**
Roberts	**1.00**	**2.00**	**2.00**	**2.00**

RFP D17-002 Total Scoring
Island of Kauai

		Akita				Iosepa				Roberts				Yamaguchi			
Cluster	Location Description	Technical	Price	Total	Rank	Technical	Price	Total	Rank	Technical	Price	Total	Rank	Technical	Price	Total	Rank
1	Waimea	53.13	38.70	**91.82**	**2.00**	51.94	23.11	**75.04**	**4.00**	51.75	27.07	**78.82**	**3.00**	54.25	38.26	**92.51**	**1.00**
2	Kapaa	52.56	40.00	**92.56**	**1.00**	51.94	25.04	**76.98**	**4.00**	51.75	32.35	**84.10**	**3.00**	54.25	33.94	**88.19**	**2.00**
3	Kauai	52.56	40.00	**92.56**	**1.00**	51.94	24.34	**76.28**	**4.00**	51.75	32.71	**84.46**	**3.00**	54.25	37.44	**91.69**	**2.00**

Cluster	Location Description	Total Buses	First Vendor	Buses	Second Vendor	Buses
1	Waimea	19	Yamaguchi	19	Akita	
2	Kapaa	25	Akita	25	Yamaguchi	
3	Kauai	21	Akita	21	Yamaguchi	
Total		**65**		**65**		**0**

RFP D17-002
Island of Kauai Services

Cluster 1 - Waimea		Akita					Iosepa					Roberts					Yamaguchi				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	3.00	3.00	3.00	3.00	**3.00**	2.25	2.25	3.00	3.00	**2.63**	2.25	2.25	3.00	3.00	**2.63**	3.00	3.00	3.00	3.00	**3.00**
2 - Executive Summary	3	2.25	2.25	3.00	3.00	**2.63**	3.00	2.25	3.00	3.00	**2.81**	2.25	1.50	2.25	2.25	**2.06**	2.25	2.25	3.00	3.00	**2.63**
3 - Qualifications & Experience	9	6.75	9.00	9.00	9.00	**8.44**	6.75	9.00	9.00	9.00	**8.44**	9.00	6.75	9.00	9.00	**8.44**	9.00	9.00	9.00	6.75	**8.44**
4 - References and Testimonials	6	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	6.75	9.00	6.75	6.75	**7.31**	9.00	6.75	6.75	6.75	**7.31**	6.75	4.50	6.75	6.75	**6.19**	9.00	9.00	9.00	6.75	**8.44**
6 - Proponent's Commitment to Safety	15	11.25	11.25	11.25	15.00	**12.19**	15.00	11.25	11.25	15.00	**13.13**	11.25	11.25	15.00	15.00	**13.13**	11.25	7.50	15.00	15.00	**12.19**
7 - Vehicles & Fleet Management	3	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**	2.25	2.25	2.25	3.00	**2.44**	3.00	3.00	3.00	3.00	**3.00**
8 - Proponent's Staff	3	2.25	3.00	3.00	1.50	**2.44**	3.00	3.00	3.00	2.25	**2.81**	2.25	3.00	3.00	2.25	**2.63**	2.25	2.25	2.25	1.50	**2.06**
9 - Transition Plan	3	3.00	3.00	3.00	2.25	**2.81**	3.00	2.25	2.25	2.25	**2.44**	2.25	1.50	3.00	2.25	**2.25**	3.00	3.00	3.00	3.00	**3.00**
10 - Financial Stability	4	4.00	4.00	4.00	4.00	**4.00**	2.00	2.00	2.00	2.00	**2.00**	4.00	4.00	4.00	4.00	**4.00**	3.00	4.00	4.00	3.00	**3.50**
11 - Additional Information	2	1.50	1.50	1.50	1.50	**1.50**	1.50	2.00	2.00	1.50	**1.75**	2.00	2.00	2.00	2.00	**2.00**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**49.75**	**54.25**	**53.50**	**55.00**	**53.13**	**54.50**	**49.75**	**51.25**	**52.25**	**51.94**	**50.25**	**45.00**	**56.25**	**55.50**	**51.75**	**53.75**	**51.00**	**59.25**	**53.00**	**54.25**

Cluster 2 - Kapaa		Akita					Iosepa					Roberts					Yamaguchi				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	3.00	3.00	3.00	3.00	**3.00**	2.25	2.25	3.00	3.00	**2.63**	2.25	2.25	3.00	3.00	**2.63**	3.00	3.00	3.00	3.00	**3.00**
2 - Executive Summary	3	2.25	2.25	3.00	3.00	**2.63**	3.00	2.25	3.00	3.00	**2.81**	2.25	1.50	2.25	2.25	**2.06**	2.25	2.25	3.00	3.00	**2.63**
3 - Qualifications & Experience	9	6.75	9.00	9.00	9.00	**8.44**	6.75	9.00	9.00	9.00	**8.44**	9.00	6.75	9.00	9.00	**8.44**	9.00	9.00	9.00	6.75	**8.44**
4 - References and Testimonials	6	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	6.75	6.75	6.75	6.75	**6.75**	9.00	6.75	6.75	6.75	**7.31**	6.75	4.50	6.75	6.75	**6.19**	9.00	9.00	9.00	6.75	**8.44**
6 - Proponent's Commitment to Safety	15	11.25	11.25	11.25	15.00	**12.19**	15.00	11.25	11.25	15.00	**13.13**	11.25	11.25	15.00	15.00	**13.13**	11.25	7.50	15.00	15.00	**12.19**
7 - Vehicles & Fleet Management	3	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**	2.25	2.25	2.25	3.00	**2.44**	3.00	3.00	3.00	3.00	**3.00**
8 - Proponent's Staff	3	2.25	3.00	3.00	1.50	**2.44**	3.00	3.00	3.00	2.25	**2.81**	2.25	3.00	3.00	2.25	**2.63**	2.25	2.25	2.25	1.50	**2.06**
9 - Transition Plan	3	3.00	3.00	3.00	2.25	**2.81**	3.00	2.25	2.25	2.25	**2.44**	2.25	1.50	3.00	2.25	**2.25**	3.00	3.00	3.00	3.00	**3.00**
10 - Financial Stability	4	4.00	4.00	4.00	4.00	**4.00**	2.00	2.00	2.00	2.00	**2.00**	4.00	4.00	4.00	4.00	**4.00**	3.00	4.00	4.00	3.00	**3.50**
11 - Additional Information	2	1.50	1.50	1.50	1.50	**1.50**	1.50	2.00	2.00	1.50	**1.75**	2.00	2.00	2.00	2.00	**2.00**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**49.75**	**52.00**	**53.50**	**55.00**	**52.56**	**54.50**	**49.75**	**51.25**	**52.25**	**51.94**	**50.25**	**45.00**	**56.25**	**55.50**	**51.75**	**53.75**	**51.00**	**59.25**	**53.00**	**54.25**

Cluster 3 - Kauai		Akita					Iosepa					Roberts					Yamaguchi				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	3.00	3.00	3.00	3.00	**3.00**	2.25	2.25	3.00	3.00	**2.63**	2.25	2.25	3.00	3.00	**2.63**	3.00	3.00	3.00	3.00	**3.00**
2 - Executive Summary	3	2.25	2.25	3.00	3.00	**2.63**	3.00	2.25	3.00	3.00	**2.81**	2.25	1.50	2.25	2.25	**2.06**	2.25	2.25	3.00	3.00	**2.63**
3 - Qualifications & Experience	9	6.75	9.00	9.00	9.00	**8.44**	6.75	9.00	9.00	9.00	**8.44**	9.00	6.75	9.00	9.00	**8.44**	9.00	9.00	9.00	6.75	**8.44**
4 - References and Testimonials	6	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	6.75	6.75	6.75	6.75	**6.75**	9.00	6.75	6.75	6.75	**7.31**	6.75	4.50	6.75	6.75	**6.19**	9.00	9.00	9.00	6.75	**8.44**
6 - Proponent's Commitment to Safety	15	11.25	11.25	11.25	15.00	**12.19**	15.00	11.25	11.25	15.00	**13.13**	11.25	11.25	15.00	15.00	**13.13**	11.25	7.50	15.00	15.00	**12.19**
7 - Vehicles & Fleet Management	3	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**	2.25	2.25	2.25	3.00	**2.44**	3.00	3.00	3.00	3.00	**3.00**
8 - Proponent's Staff	3	2.25	3.00	3.00	1.50	**2.44**	3.00	3.00	3.00	2.25	**2.81**	2.25	3.00	3.00	2.25	**2.63**	2.25	2.25	2.25	1.50	**2.06**
9 - Transition Plan	3	3.00	3.00	3.00	2.25	**2.81**	3.00	2.25	2.25	2.25	**2.44**	2.25	1.50	3.00	2.25	**2.25**	3.00	3.00	3.00	3.00	**3.00**
10 - Financial Stability	4	4.00	4.00	4.00	4.00	**4.00**	2.00	2.00	2.00	2.00	**2.00**	4.00	4.00	4.00	4.00	**4.00**	3.00	4.00	4.00	3.00	**3.50**
11 - Additional Information	2	1.50	1.50	1.50	1.50	**1.50**	1.50	2.00	2.00	1.50	**1.75**	2.00	2.00	2.00	2.00	**2.00**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**49.75**	**52.00**	**53.50**	**55.00**	**52.56**	**54.50**	**49.75**	**51.25**	**52.25**	**51.94**	**50.25**	**45.00**	**56.25**	**55.50**	**51.75**	**53.75**	**51.00**	**59.25**	**53.00**	**54.25**

D17-002 Pricing Scores

Island of Kauai

Scheduled Routes

	Cluster 1 - Waimea	Cluster 2 - Kapaa	Cluster 3 - Kauai
Akita	$ 1,234,800.00	$ 1,587,780.00	$ 1,334,880.00
Iosepa	$ 1,998,534.60	$ 2,445,487.20	$ 2,141,735.40
Roberts	$ 1,759,500.00	$ 1,928,700.00	$ 1,620,000.00
Yamaguchi	$ 1,190,160.00	$ 1,800,000.00	$ 1,375,920.00
Minimum	**$ 1,190,160.00**	**$ 1,587,780.00**	**$ 1,334,880.00**

Points	**Cluster 1 - Waimea**	**Cluster 2 - Kapaa**	**Cluster 3 - Kauai**
Akita	34.70	36.00	36.00
Iosepa	21.44	23.37	22.44
Roberts	24.35	29.64	29.66
Yamaguchi	36.00	31.76	34.93

Total	**Cluster 1 - Waimea**	**Cluster 2 - Kapaa**	**Cluster 3 - Kauai**
Akita	38.70	40.00	40.00
Iosepa	23.11	25.04	24.34
Roberts	27.07	32.35	32.71
Yamaguchi	38.26	33.94	37.44

Supplemental Services

	Cluster 1 - Waimea	Cluster 2 - Kapaa	Cluster 3 - Kauai
Akita	$ 47.50	$ 47.50	$ 53.33
Iosepa	$ 114.00	$ 114.00	$ 112.00
Roberts	$ 70.00	$ 70.00	$ 70.00
Yamaguchi	$ 84.00	$ 87.00	$ 85.00
Minimum	**$ 47.50**	**$ 47.50**	**$ 53.33**

Points	**Cluster 1 - Waimea**	**Cluster 2 - East Hawaii**	**Cluster 3 - South Hawaii**
Akita	4.00	4.00	4.00
Iosepa	1.67	1.67	1.90
Roberts	2.71	2.71	3.05
Yamaguchi	2.26	2.18	2.51

Rank	**Cluster 1 - Waimea**	**Cluster 2 - Kapaa**	**Cluster 3 - Kauai**
Akita	**1.00**	**1.00**	**1.00**
Iosepa	**4.00**	**4.00**	**4.00**
Roberts	**3.00**	**3.00**	**3.00**
Yamaguchi	**2.00**	**2.00**	**2.00**

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A, all 4 clusters
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	3 LOR's all positive, plus testimonials
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	No 3pt. seat belts or emergency exits.
Tab 7: Vehicles & Fleet Management	3.0	3.0	But how will maintenance quality be insured until GTI has own facility?
* Tab 8: Proponent's Staff	3.0	2.25	What is succession plan for Key mgmt? What will be done to insure Oahu ops aren't adversely affected?
Tab 9: Transition Plan	3.0	1.50	Concern re: single base yard if multiple clusters are awarded. No indication of [illegible] Facility. Need time of recruiting effort or avoiding disruption of current provider.
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	1.5	Didn't add value or anything significant.
Total Points	**60.0**	57.25	

Also, not currently on Maui

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

Vendor: GTF

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR= 3.0

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

OPTION A all 4 clusters
GTI

	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GT 1

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	C.R = 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Dep. .ment of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR = 9.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

current # of buses = 152; 139 under contract w/ 13 spares

Maui # of buses = 113 x 85% = 96

max award = 42
32
20
94 buses

94 bus incr / 139 current = 67% increase in # of buses

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GT 1

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR = 6.0

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 LOR's all positive (but 2 weren't dated)
+ testimonials
+ detailed ref. contact info.

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GT 1

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy ✓ • Driver recruitment, retention, and training ✓ • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR = 9.0

Scoring Rubric:

CR:
- Ten pages or less ✓
- All bulleted requirements are clearly covered in the description ✓
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

Thorough & complete responses

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GT1

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GT 1

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR = 15.0

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Safety Pgm
Training
Bus Maint.
New tech -
Tracking incidents
Bus inspection
Driver/aide screening
CPR/1st aid -
hired Training Supervisor
Random ride-alongs
Cameras
Pre/Post trip

independent safety review
Child check mtk
Driver feedback/reports on bus issues
No seatbelts or emergency evac. drills thru.

Vendor: GT1

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Dep. ..nent of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR= 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GT 1

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO= 2.25

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

org chart was existing org and did not include new positions to support Maui op's -- although they were indicated in Narrative portion. Also, wonder about succession plan for key mgmt

Interview:
succession plan:
Operationally has internal back up for day to day stuff.
Company ownership - has family members w/ business experience (sister)
May be considering ESOP in future.

Calculated Points:

Vendor: GT I

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MM= 2.5

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Interview:
- Max award would be a challenge but feels they can do it
- bus fleet would be no problem
- personnel would be the biggest challenge if 3 clusters 94 buses
- facilities would be somewhere in between may be.

In terms of → Transition avoiding disruption to current services, recruiting methods/sources; if multiple clusters awarded

No indication of [redacted] Single base yard may be concern

→ making sure they get good routing info from DOE.

Have buses on Oahu that can be moved to Maui for ESY if needed due to timing

Kauai - Home 150 stu's
Private 800 students
Kamehameha 150 stu's
DOE 3,700 stu's
total 4,000 - 4,500 stu's.
plus charters — 50-55 bus movements per day

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements ✓ • Income statements and balance sheets or tax returns for past two years ✓ • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation ✓	4.0	CR= 4.0

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided ✓
- Required information is clearly provided ✓

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Interview: F/S #s were taken from their actual audit report from CPA firm.

Calculated Points:	

Vendor: GT1

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO= 1.5

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	

Louie
Anthony
Cheryl

BK 10/19/16

Interview Questions for Ground Transport

RFP	Island	Tab	Question
D17-001	Maui	2	Your presentation stated that the average age of your fleet will be newer than the minimum required. However, in Tag 7 of your presentation, you state that some of your existing buses will be "transitioned" to Maui. The older buses will surely affect the average age of the Maui fleet. Can you please clarify this statement for us? Will purchase new buses for # of Maui routes but will then swap with Oahu buses to distribute new equip between Oahu & Maui more evenly.
D17-001	Maui	6	You stated that DOT inspections at your base yard result in only minor infractions that were resolved befor DOT left the base yard. Can you describe what those infractions were?
D17-001	Maui	6	Your presentation describes procedures that drivers are expected to follow to ensure that no child is left behind. Please describe your procedures for when a child is left on the bus, and your procedures for items that are left in the bus.
D17-001	Maui	7	Can you speak specifically to how Ground Transport will secure reliable and quality bus maintenance services until you can establish you own in-house maintenance facility on Maui?
D17-001	Maui	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans are for replacing key company owners and leaders affter they retire? Internal back up for operational purposes Family succession to family members with business mgmt exp in terms of company ownership may be Considering LESOP in future.
D17-001	Maui	9	Your presentation does not provide a clear plan for land acquisition on Maui except that you have partnered with a local real estate agent. Can you provide more details on your plan, such as what specific locations that you might be considering and the number of baseyards you would consider standing up in case of a multiple cluster award? Also, what is your plan of action should you NOT be able to find a suitable location to purchase or lease? beach road location in Kahului area Lahaina industrial park
D17-001	Maui	9	Your presentation does not provide much clarity with regard to familiarity of the service areas on Maui except that you key managers will drive the routes. Can you describe your own level of familiarity with specific areas of Maui?
D17-001	Maui	9	Can you comment on what specific steps Ground Transpor would take to ensure that current bussing services on Maui is not disrupted throughout the transition period? For example, what specific methods or resources would Ground utilize to quickly recruit bus drivers and aides particularly under a maximum cluster award scenario?
D17-001	Maui	9	Your presentation provided the number of DOE & Private School Clients you service but did not include the number of students transported overall. Can you comment on the total number of students Ground Transport services?
D17-001	Maui	10	Your presentation included financial reports that appeared to have been self-prepared with no indication of independent verification by a reputable source. Can you speak to how your financial reports were prepared and what assurances the DOE has that your financial statements are true and accurate?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grand

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0 ✓	
Tab 2: Executive Summary	3.0	3.0 ✓	Buys all new buses, have some on Oahu since new to Maui.
Tab 3: Qualifications & Experience	9.0	9.0 ✓	
Tab 4: References & Testimonials	6.0	6.0 ✓	
Tab 5: Proponent's Service Approach	9.0	9.0 ✓	
Tab 6: Proponent's Commitment to Safety	15.0	15.0 ✓	
Tab 7: Vehicles & Fleet Management	3.0	3.0 ✓	
Tab 8: Proponent's Staff	3.0	3.0 ✓	
Tab 9: Transition Plan	3.0	2.25 ✓	No acquisition; low familiarity - OK
Tab 10: Financial Stability	4.0	4.0 ✓	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided **MO:** • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings **MM** • 3 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (two or more) **IR** • No Executive Summary provided	

	Calculated Points:	

Vendor: _____

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	

Vendor: _____

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	VR

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

Calculated Points:	

Vendor: _____

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

Vendor: _____

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

	Calculated Points:	

Vendor: _____

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition ✓ • Fleet acquisition ✓ • Management and driver staffing ✓ • Service location familiarization (schools, geography, etc.) ✓ • Client communications during the transition ✓	3.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	See Summary

	Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: ???*** **IR** • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	

Vendor: _____

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded • Information adds value to the response **MO:** • No additional information is provided • Information provided does not add value to the response **MM** • Not applicable **MA** • Not applicable **IR** • No section provided and no express rationale provided for the exclusion	

Calculated Score:	

Interview Questions for Ground Transport

RFP	Island	Tab	Question
D17-001	Maui	2	Your presentation stated that the average age of your fleet will be newer than the minimum required. However, In Tag 7 of your presentation, you state that some of your existing buses will be "transitioned" to Maui. The older buses will surely affect the average age of the Maui fleet. Can you please clarify this statement for us? ✓ Buy new bus will send some to Oahu.
D17-001	Maui	6	You stated that DOT Inspections at your base yard result in only minor infractions that were resolved befor DOT left the base yard. Can you describe what those infractions were? Light bulb. tire, few out of service.
D17-001	Maui	6	Your presentation describes procedures that drivers are expected to follow to ensure that no child is left behind. Please describe your procedures for when a child is left on the bus, and your procedures for items that are left in the bus. Driver contact office, ✓ consult school. rerun routes. Item returned to the office, route
D17-001	Maui	7	Can you speak specifically to how Ground Transport will secure reliable and quality bus maintenance services until you can establish you own in-house maintenance facility on Maui? Dunbg Oahu team: hire local (ex: Hele) Fleet manager: farm out initially —
D17-001	Maui	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans are for replacing key company owners and leaders affter they retire? // upper leadership. family (owners) // (operations);
D17-001	Maui	9	Your presentation does not provide a clear plan for land acquisition on Maui except that you have partnered with a local real estate agent. Can you provide more details on your plan, such as what specific locations that you might be considering and the number of baseyards you would consider standing up in case of a multiple cluster award? Also, what is your plan of action should you NOT be able to find a suitable location to purchase or lease? Wailuku property for sale. Kahului A&B, Lahaina;
D17-001	Maui	9	Your presentation does not provide much clarity with regard to familiarity of the service areas on Maui except that you key managers will drive the routes. Can you describe your own level of familiarity with specific areas of Maui? ✓ Route plans will influence ability to familiarize; will rely on local rep
D17-001	Maui	9	Can you comment on what specific steps Ground Transpor would take to ensure that current bussing services on Maui is not disrupted throughout the transition period? For example, what specific methods or resources would Ground utilize to quickly recruit bus drivers and aides particularly under a maximum cluster award scenario? if provided accurate data on time, it will depend on their recruitment teams — ✓
D17-001	Maui	9 ✓	Your presentation provided the number of DOE & Private School Clients you service but did not include the number of students transported overall. Can you comment on the total number of students Ground Transport services? 200 private + 4000
D17-001	Maui	10	Your presentation included financial reports that appeared to have been self-prepared with no indication of independent verification by a reputable source. Can you speak to how your financial reports were prepared and what assurances the DOE has that your financial statements are true and accurate? CPA - confirmed by DOT Lawyer left.

Q: 3 clusters, 94 buses = confidence level to stand up 94 bus operation?

1) Acquiring ~~operators~~ drivers is ??

2) High for facility & buses

Interview Questions for Ground Transport

RFP	Island	Tab	Question
D17-001	Maui	2	Your presentation stated that the average age of your fleet will be newer than the minimum required. However, in Tag 7 of your presentation, you state that some of your existing buses will be "transitioned" to Maui. The older buses will surely affect the average age of the Maui fleet. Can you please clarify this statement for us? Purchase all new by Seattle Contract. 5-6 yrs.
D17-001	Maui	6	You stated that DOT inspections at your base yard result in only minor infractions that were resolved befor DOT left the base yard. Can you describe what those infractions were? light out, boarder line tire. Deploy maint. buses haven't completely gone 0.05
D17-001	Maui	6	Your presentation describes procedures that drivers are expected to follow to ensure that no child is left behind. Please describe your procedures for when a child is left on the bus, and your procedures for items that are left in the bus.
D17-001	Maui	7	Can you speak specifically to how Ground Transport will secure reliable and quality bus maintenance services until you can establish you own in-house maintenance facility on Maui? hire local Community. Fleet mgmt mgr will coordinate & Please depend on awards. Yes, check @ end of day. Universal school for info. drivers will drive route to regular walking.
D17-001	Maui	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans are for replacing key company owners and leaders affter they retire? look @ the Oahu industry for Maui staffing
D17-001	Maui	9	Your presentation does not provide a clear plan for land acquisition on Maui except that you have partnered with a local real estate agent. Can you provide more details on your plan, such as what specific locations that you might be considering and the number of baseyards you would consider standing up in case of a multiple cluster award? Also, what is your plan of action should you NOT be able to find a suitable location to purchase or lease? Goal is to build. Wailuku Someone looking at Kehalui. Alexander Baldwin, Hale, Lahaina - industrial area. Office x trailers in that Plan office in Kehalui or Lahaina
D17-001	Maui	9	Your presentation does not provide much clarity with regard to familiarity of the service areas on Maui except that you key managers will drive the routes. Can you describe your own level of familiarity with specific areas of Maui? Some from Maui to help. Need to recruit
D17-001	Maui	9	Can you comment on what specific steps Ground Transpor would take to ensure that current bussing services on Maui is not disrupted throughout the transition period? For example, what specific methods or resources would Ground utilize to quickly recruit bus drivers and aides particularly under a maximum cluster award scenario?
D17-001	Maui	9	Your presentation provided the number of DOE & Private School Clients you service but did not include the number of students transported overall. Can you comment on the total number of students Ground Transport services?
D17-001	Maui	10	Your presentation included financial reports that appeared to have been self-prepared with no indication of independent verification by a reputable source. Can you speak to how your financial reports were prepared and what assurances the DOE has that your financial statements are true and accurate? Fiscal yr ends through a CPA firm

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	2.25	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	55.50	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Meets all Criteria

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided **MO:** • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings **MM** • 3 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (two or more) **IR** • No Executive Summary provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

- Drivers wear company collared shirts & Photo ID badges, close shoes & long pants, limited visible tattoos & piercing and in general neat & groomed appearance.
- Goal to assign one driver to each bus. They will know their bus & best position to inspect & know when maintenance is needed. Assigning driver also has driver take pride in appearance of their bus & driver making certain their bus is top-quality condition

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	- What minor infractions were found during inspections of buses at the baseyard & how were they resolved before DOT left? - What are the proper procedures and protocols. You have to deliver a child left behind or items?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Hiring a realtor is not enough to prepare or get the transaction

Calculated Score: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score: 2.0

Interview Questions for Ground Transport

RFP	Island	Tab	Question
D17-001	Maui	2	Your presentation stated that the average age of your fleet will be newer than the minimum required. However, in Tag 7 of your presentation, you state that some of your existing buses will be "transitioned" to Maui. The older buses will surely affect the average age of the Maui fleet. Can you please clarify this statement for us?
D17-001	Maui	6	You stated that DOT inspections at your base yard result in only minor infractions that were resolved befor DOT left the base yard. Can you describe what those infractions were?
D17-001	Maui	6	Your presentation describes procedures that drivers are expected to follow to ensure that no child is left behind. Please describe your procedures for when a child is left on the bus, and your procedures for items that are left in the bus.
D17-001	Maui	7	Can you speak specifically to how Ground Transport will secure reliable and quality bus maintenance services until you can establish you own in-house maintenance facility on Maui?
D17-001	Maui	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans are for replacing key company owners and leaders affter they retire?
D17-001	Maui	9	Your presentation does not provide a clear plan for land acquisition on Maui except that you have partnered with a local real estate agent. Can you provide more details on your plan, such as what specific locations that you might be considering and the number of baseyards you would consider standing up in case of a multiple cluster award? Also, what is your plan of action should you NOT be able to find a suitable location to purchase or lease?
D17-001	Maui	9	Your presentation does not provide much clarity with regard to familiarity of the service areas on Maui except that you key managers will drive the routes. Can you describe your own level of familiarity with specific areas of Maui?
D17-001	Maui	9	Can you comment on what specific steps Ground Transpor would take to ensure that current bussing services on Maui is not disrupted throughout the transition period? For example, what specific methods or resources would Ground utilize to quickly recruit bus drivers and aides particularly under a maximum cluster award scenario?
D17-001	Maui	9	Your presentation provided the number of DOE & Private School Clients you service but did not include the number of students transported overall. Can you comment on the total number of students Ground Transport services?
D17-001	Maui	10	Your presentation included financial reports that appeared to have been self-prepared with no indication of independent verification by a reputable source. Can you speak to how your financial reports were prepared and what assurances the DOE has that your financial statements are true and accurate?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	✓
Tab 2: Executive Summary	3.0	3.0	✓
Tab 3: Qualifications & Experience	9.0	6.75	✓
Tab 4: References & Testimonials	6.0	6.0	✓
Tab 5: Proponent's Service Approach	9.0	9.0	✓
Tab 6: Proponent's Commitment to Safety	15.0	15.0	✓
Tab 7: Vehicles & Fleet Management	3.0	3.0	✓
Tab 8: Proponent's Staff	3.0	3.0	✓
Tab 9: Transition Plan	3.0	2.25	✓
Tab 10: Financial Stability	4.0	4.0	✓ NEED TO READ RFP FOR REQUIRED AMOUNTS OF INSUR
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

* MINUTES OF SPECIAL MEETING SHOULD HAVE BEEN LISTED AS AN APPENDIX NOTED & AND NOT INCLUDED AS TAB 1

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

* TOTAL NUMBER OF STUDENT CLIENTS SERVED / NOT ADEQUATELY ADDRESSED. NO QUANTITY OF RIDERSHIP PROVIDED

Calculated Score: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

* NONE OF THE LETTERS RELATED DIRECTLY TO HOME-SCHOOL-HOME SCHOOL BUS SERVICES

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	ROUTE AROUND

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

	Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

HC&S EMPLOYEES

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

* STATES WORKING WITH A REALTOR BUT GAVE NO SPECIFICS OF POSSIBLE SITES

INTERVIEW STATEMENTS
OLD KTA OR A&B + LAHAINA

DID NOT ANSWER BRUCES QUESTION OF HOW MANY CLUSTER DO THEY ~~COULD~~ ACTUAL HANDLE

LOCAL STAFFING

Calculated Score: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: ???*** **IR** • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score: 2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A, all 4 clusters
Tab 2: Executive Summary	3.0	3.0	3pt Seat belts?
Tab 3: Qualifications & Experience	9.0	6.75	Concern about adequacy of Q&E for max award capacity
Tab 4: References & Testimonials	6.0	4.5	3 LOR's but they were ~ 1 year old and none from Hawaii
Tab 5: Proponent's Service Approach	9.0	6.75	Insufficient discussion of driver/aide recruitment & training.
Tab 6: Proponent's Commitment to Safety	15.0	15.0	No emerg. evac.
Tab 7: Vehicles & Fleet Management	3.0	3.0	All buses (new and grad) will have A/C & 3pt-seat belts SpEd vans will be gasoline powered
Tab 8: Proponent's Staff	3.0	2.25	No proposed org chart was provided. Succession plan for key mgmt? AKA, not currently on Maui.
Tab 9: Transition Plan	3.0	2.25	Lacked adequate staff recruitment plan; lacked school communication component; route review weak
Tab 10: Financial Stability	4.0	2.0	Does Iosepa own or lease Big Ole buses? Explain Iosepa vs Wasatch financials. Financing Plan appeared insufficient for max award of 850 even w/o Kauai Plus all letters of financing are old/expired
Tab 11: APPENDIX: Additional Information	2.0	1.5	Didn't add value to RFP
Total Points	**60.0**		

State of Hawaii Dep[illegible]ment of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPA

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR= 3.0

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement – Option A all 4 clusters
- Provides understanding of who is the proponent – JOSEPA/WASATCH...

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR = 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

but somewhat weak response to how they would exceed minimum requirements. However, only have to meet min req. so no deduct here.

Calculated Points:

State of Hawaii Dep..ment of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR ≤ 7 = 9.0 MO = 6.75

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** ✓

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Ø Maui routes
19 big Island routes
77 Mainland routes
116 Total

max award 113 x 85% = 96
32+42+20 = 94

94/116 = 81% incr in # of buses overall

capacity to expand given current presence in Hawaii

	Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROSEPA

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	MO = 4.5

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 LOR's all positive but one about a year old and not from Hawaii

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPA

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO = 6.75

Scoring Rubric:

CR:
- Ten pages or less ✓
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

No good indication of methods & sources of driver/aide recruitment. Also, lacked any significant discussion of driver/aide trainings.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):** See prior section.		
		Calculated Points:	

Vendor: IOSEPA

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR = 15.0

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

3 pt seat belts
2 way communication
Review/analyze accidents/mistakes
Safety > profit
Training
Driver attire (shoes)
Communication w/ drivers that safety is priority
Cameras
Driver medical checks
Procedure to ensure bus is empty
Safe driving incentive
Employment checks
OTR training
Zonar/GPS
3rd party inspections of equip
pre-trip
No emergency evac.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

Vendor: IOSEPA

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR= 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO = 2.25

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

only existing org chart was provided. Proposed org chart was not provided.

Calculated Points:	

State of Hawaii Dep..ment of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: DOE PA

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO = 2.25

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided ✓
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

lacked adequate recruitment specifics; lacked school communication component; lacked adequate route familiarization plan.

	Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: EOSEPA

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements ✓ • Income statements and balance sheets or tax returns for past two years ✓ • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM=2.0

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Financing indicated appears inadequate for 85% max award. Also, would be strain on working capital. Wasatch vs Eosepa F/S's were confusing.

	Calculated Points:	

State of Hawaii Dep. ..ment of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: EOSEPA

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO = 1.5

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Info didn't add signif value to Proposal

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iospa

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0 ✓	
Tab 2: Executive Summary	3.0	3.0 ✓	
Tab 3: Qualifications & Experience	9.0	9.0 ✓	
Tab 4: References & Testimonials	6.0	6.0 ✓	
Tab 5: Proponent's Service Approach	9.0	6.75 ✓	pg. 24 missing dialogue on training
Tab 6: Proponent's Commitment to Safety	15.0	11.25 ✓	No metrics to "measure"
Tab 7: Vehicles & Fleet Management	3.0	3.0 ✓	
Tab 8: Proponent's Staff	3.0	3.0 ✓	
Tab 9: Transition Plan	3.0	2.25 ✓	1) facility ID & acquisition unclear 2) Service location familiarization unclear
Tab 10: Financial Stability	4.0	2.0 ✓	funding gap
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CA

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided **MO:** • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings **MM** • 3 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (two or more) **IR** • No Executive Summary provided	

	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	
	Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

References not local or current

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	10

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	10

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MM

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: ???*** **IR** • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	

Vendor: _____

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	6.75	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.00	
Tab 7: Vehicles & Fleet Management	3.0	3.00	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	2.0	
Tab 11: APPENDIX: Additional Information	2.0	1.50	
Total Points	60.0	54.50	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iaoepa Transportation

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Did not specify the specific clusters they are bidding for.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iozepa Transportation

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

- Exactly how many Competitors do you know that don't attend industry Conferences or trade shows?
- 3pt Safety belts on all Vehicles as well as Star seating Configurations for Special Needs buses are a plus.

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iasepa Transportation

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Number of Students transported in Utah is specified but not how many on the Big Island.

Calculated Score: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

Letters are all from Utah nothing from Hawaii. Presence in Hawaii has been for quite sometime & should be enough for references from those they serve here.

Calculated Points: 6.00

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Tosepa Transportation.

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

- Did not elaborate on why an injury is a direct failure on management
- Commitment to using 3pt seatbelts on all buses even though not a requirement of RFP
- Safety is company's core value for last 3 decades.
- It took being reactive than proactive when realizing tires need to be replaced before getting complete use. Maybe a contributing factor to overall failure.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.00

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

How will you maintain age compliant vehicles during the life of the Contract if all vehicles will be new at the Start of the contract?

Calculated Points: 3.00

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR.

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

- Drivers are uniformed W/ID to be easily identified.
- quarterly In-service meeting to share life examples & celebrate accomplishment of drivers.

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Fosepa Transportation

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IoSepa Transportation

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Financial letters
- Triton Holdings approval letter expired 2/29/16
- Central & Zion Sand good relations & customer but no indication of approval.
- America first letter is dated 3 years ago & doesn't indicate approval.

Financial banking is not there to buy all Vehicles to support what they are bidding for,

Calculated Points: 2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ioane Transportation

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

- Letters of recommendation were already asked for in tab #4 I did not indicate to add additional references.
- Also documents added refer to services outside of student trans and therefore feel irrelevant

Calculated Score:	1.50

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Oasya

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Dakota

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	**3.0**	2.25	-
Tab 2: Executive Summary	**3.0**	2.25	✓
Tab 3: Qualifications & Experience	**9.0**	9.0	✓
Tab 4: References & Testimonials	**6.0**	6.0	✓
Tab 5: Proponent's Service Approach	**9.0**	6.75	✓
Tab 6: Proponent's Commitment to Safety	**15.0**	11.25	✓
Tab 7: Vehicles & Fleet Management	**3.0**	3.0	✓
Tab 8: Proponent's Staff	**3.0**	3.0	✓
Tab 9: Transition Plan	**3.0**	2.25	✓
Tab 10: Financial Stability	**4.0**	2.0	✓
Tab 11: APPENDIX: Additional Information	**2.0**	2.0	✓
Total Points	**60.0**		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Dozepa

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

- STATES PROPOSAL OPTION A BUT DOES NOT LIST THE 4 CLUSTER BY DISCRIPTION

DOES NOT PROVIDE CORPORATE RESOLUTION THAT DETERMINES RYAN H. FULLER AS AUTHORIZED TO SIGN THE TRANSMITTAL LETTER, HOWEVER NOT REQUIRED IN THE EVAL DISCRIPTION

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Josepa

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

* "WHAT FACTORS DIFFERENTIATE" / INNOVATIONS / STAR SEATING NO LONGER A TRUE STATEMENT

* DID NOT PROVIDE ENOUGH DETAILS ON SPARE VEHICLES

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Oasys

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

* BULLETS 2 ADDRESSED BUT NOT UNDER HEADINGS OR IN ORDER OF BULLETS
* NUMBER OF STUDENTS TRANSPORTED / CHART INDICATES YEARLY / NUMBERS WOULD SUGGEST DAILY BASED ON CHART OF NUMBER OF BUSES & DAILY ROUTES

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Dozya

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

* REFERENCE LETTERS ALL REFER TO WASATCH.
ONLY ONE OF THE LETTERS RELATES SCHOOL BUSSING SERVICES AND THEREFORE NOT IN RELATION TO THE TYPE OF BUSINESS OF THE RFP

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	NO

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

* BULLET # 2 / LACKING DETAILS OF HOW OR WHAT VEHICLES THEY WOULD USE TO ADVERTISE OR PROMOTE RECRUITMENT OF DRIVERS. HOWEVER GREAT IN REFERENCE TO RETENTION
* OVERALL GREAT UNDERSTANDING OF CTC ROUTE SCHEDULES
* LACK OF DISCUSSION ON TRAINING

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Dasya

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):** BULLET #2 / 1ST PAGE		
	Calculated Points:		6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Oasis

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MG

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Oasys

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided

Evaluator Comments & Notes (continued):

* BULLET #2 / HOW DOES YOUR COMPANY MEASURE IS'S SAFETY SUCCESS / GIVES NO REFERENCE TO DATA COLLECTION FOR YEAR TO YEAR COMPARESUM TO DETERMINE IMPROVEMENT OR NOT

* BULLET #3 / HOW HAS THAT MEASUREMENT OR METRIC CHANGED OVER THE PAST 3 YEARS WAS NOT ADDRESS. NO DATA PRESENTED TO PROVE IMPROVEMENT OR NOT

* RELEVENT ASPECTS COVERED WELL

Calculated Points: 11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Lokepa

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Dozepa

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

* ORG CHART NOT CLEAR TO DETERMINE LOCATION OF EACH POSITION

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Dozpa

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

* BULLET #1/ FACILITY IDENTIFICATION AND ACQUISITION / PROVIDED INFO ON REALTOR THEY INTEND TO WORK WITH BUT NO LIST OF POSSIBLE

* BULLET #4/ SERVICE LOCATION FAMILIARIZATION / FAILED TO PROVIDE ME WITH DETAILS TO CONDUCT DRY RUNS OR TRAINING TO DRIVERS FOR NEW EQUIPMENT.

Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Oasis

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

* BULLET #3 / SOURCE OF CAPITAL OR FINANCING NOT CLEARLY DEFINDED
OUT DATED DOCUMENTS

Calculated Points:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Oasis

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A, multiple checks
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	"Size of Kauai more manageable"
Tab 4: References & Testimonials	6.0	4.50	3 LOR's but all were = a year old & more from Hawaii
Tab 5: Proponent's Service Approach	9.0	6.75	Insufficient discussion of driver/aide recruitment/training
Tab 6: Proponent's Commitment to Safety	15.0	15.0	3pt. Seat Belts included; no emergency evac. drills tho all A/C buses & all new & 3pt. seatbelts
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	2.25	Same staff as for Maui & 10" proposed "chart" No succession plan for key mgmt; no current presence on Kauai
Tab 9: Transition Plan	3.0	2.25	Lacked adequate staff recruitment plan; lacked school outreach communication; weak route review
Tab 10: Financial Stability	4.0	2.0	Financing adequate if only Kauai but all financing letters are old/expired
Tab 11: APPENDIX: Additional Information	2.0	1.5	No value added by info.
Total Points	**60.0**		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: JOSEPA

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR= 3.0

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement ✓
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Option A, multiple clusters

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR = 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: EOSEPA

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR=9.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Concern if get Maui & Kauai Clusters tho.

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: DOSEPA

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	MO = 4.5

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 LOR's but all were ≈ a year old

Calculated Points:	

Vendor: JOSEPA

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO= 6.75

Scoring Rubric:

CR:
- Ten pages or less ✓
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

Training & recruitment deficiencies

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR= 15.0

Scoring Rubric:

CR:
- No more than five pages ✓
- All bulleted requirements are clearly covered in the description ✓
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
	Calculated Points:		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR = 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

all new buses w/ a/c & 3 pt. seatbelts

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO= 2.25

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

key mgmt succession plan?
proposed org chart?

Calculated Points:

Vendor: JOSEPA

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	NO = 2.25

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided ✓
- Required information is clearly provided ✓

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Lacked adequate Staff recruitment plan
Lacked school outreach component of communication
Weak route review reference

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM = 2.0

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Financials appears adequate for Kauai but dates on letters are all expired /old

	Calculated Points:	

Vendor: IOSEPA

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO = 1.5

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iokepa

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0 ✓	
Tab 2: Executive Summary	3.0	3.0 ✓	
Tab 3: Qualifications & Experience	9.0	9.0 ✓	
Tab 4: References & Testimonials	6.0	6.0 ✓	[illegible]
Tab 5: Proponent's Service Approach	9.0	6.75 ✓	No details on training (pg. 29)
Tab 6: Proponent's Commitment to Safety	15.0	11.25 ✓	Failed to describe metrics for measuring
Tab 7: Vehicles & Fleet Management	3.0	3.0 ✓	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	2.25	Facility identification location familiarization & client communication need clarification
Tab 10: Financial Stability	4.0	2.0	Financing not confirm for all Clusters award.
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	48.0	

Vendor: _____

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • One page or less • Meets all form & content requirements • Provides Proposal Option statement • Provides understanding of who is the proponent **MO:** • Exceeds page limit • Missing required content (one or more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide Proposal Option statement • No understanding provided of who is the proponent **IR** • No cover letter provided	

	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

#1) 30 yr. experience, equilibrium preventative, expertise, innovation
#2) Indemnity to #3 will, Keen understanding
#3) ok

	Calculated Points:	

Vendor: _____

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

1) References for CCFAB
2) " outdated (2015)

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy ✓ • Driver recruitment, retention, and training ? ads, • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ? • Use of information technology ✓ In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability ✓ • Reliability – seatbelts ? • Responsiveness ✓ ? • Efficiency ✓ good	9.0	110

Scoring Rubric:

CR:
- Ten pages or less ✓
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

Recruitment practices unclear; training practices unclear

Q: Daily operations – no on-road supervision

Q: Reliability = seatbelts? preventive maintenance OK'd; self-motivated drivers? deviation notice (good)

Q: Clarify "responsiveness" – mutual cooperation, epiap doctrine will be quick and accurate.

Recruitment: Ads –

Retention: respect, communication, competitive wages –

Training – pg. 24?

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

Vendor: _____

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? seatbelts! great dialogue! • How does your firm measure its safety success? - ? • How has that measurement or metric changed over the past three years? - ? • How does your firm ensure operations are safe from day to day? technology, training, awareness,	15.0	11.0

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Q: How does safety measured response focused on practices, approaches, philosophies. Provide metrics": i.e. # accidents/yr/etc mile, W/C claims, traffic citations

Q: Because above not clarified, no answer.

Two omissions

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

Vendor: _____

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? All new w/AC w/seatbelts ✓ • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	CD

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less ✓ • Clear summary description of fleet management process ✓ • Required answers are provided and RFP compliant ✓ **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

	Calculated Points:	

Vendor: _____

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	

Vendor: _____

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition – will be addressed (minor omission) • Fleet acquisition ✓ • Management and driver staffing – addressed in Tab 8 • Service location familiarization (schools, geography, etc.) – will use locals (minor omission) • Client communications during the transition – needs clarification (minor omission)	3.0	MM

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Q: Explain response; expound (pg 4, top ¶)
Q: Expound on financing – ok
Q: If awarded, explain plan to transition current drivers
Q: Will look for local leaders. What is familiarity now?
Q: Clarify comm plan w/ re: to clients (schools, students)

Calculated Score:

Vendor: _____

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements ✓ • Income statements and balance sheets or tax returns for past two years ✓ • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation ✓	4.0	MM

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

financial

financing available for only partial of elevators bidded

Calculated Points:	

Vendor: _____

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Gold award!

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.75	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	6.75	
Tab 4: References & Testimonials	6.0	6.00	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.00	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	2.0	
Tab 11: APPENDIX: Additional Information	2.0	1.50	
Total Points	**60.0**	54.50	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iaoepa Transportation

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MD

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Cluster locations are not identified in Cover letter

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ioscpa Transportation

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Exactly how many competitors do you know that don't attend industry conferences or trade shows?

3 pt Safety belts on all vehicles as well as star seating configurations for special needs buses are a plus.

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Number of Students transported in Utah is specified but not how many or the Big Island.

Calculated Score: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

- Letters are all from Utah nothing from Hawaii. Presence in Hawaii has been for quite sometime & should be enough time for references from those they serve here.
- Letters are reference to Wasatch not Iosepa

Calculated Points: 6.00

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	Like the "Empty" Sign being Place So all know the bus is empty of Students.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

- It took being reactive than proactive when realizing tires need to be replaced before really getting complete use. May be a contributing factor to overall failure.
- Commitment to using 3 pt seat belts on all buses even though not a requirement of RFP.
- Safety is company's core value for last 3 decades.
- Did not ellaborate on why an injury is a direct failure of Management

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Joseph Transportation

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.00

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

How will you maintain age compliant vehicles during the life of the contract if all your vehicles will be new at the start of the contract?

Calculated Points: 3.00

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

- Drivers are uniformed w/ID to be easily identified.
- Quarterly In-Service meetings to share real life examples & celebrate accomplishment of drivers.

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Joseph Transportation

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Calculated Score: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iaspa Transportation

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Financial letters

- Triton Holdings approval letter expired 2/29/16
- Central & Zion have said good relations & Customers but no indication of approval.
- America first letter is dated 3 years ago. Doesn't indicate an approval.

Calculated Points: 2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Letters of recommendation were already asked for in Tab 4 & did not indicate to add additional references. Also documents added refer to services outside of Student trans and therefore feel is irrelevant.

Calculated Score: 1.50

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ipapa

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Dozer

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	2.25	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	2.25	
Tab 10: Financial Stability	4.0	2.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	50.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Oceapa

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

* STATES PROPOSAL FOR OPTION A BUT DOES NOT PROVIDE LIST OF THE 3 CLUSTERS

* DOES NOT PROVIDE CORPORATE RESOLUTION THAT DETERMINES RYAN H. FULLER AS AUTHORIZED TO SIGN THE TRANSMITTAL LETTER, HOWEVER NOT REQUIRED IN THE EVAL DISCRIPTION

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Joseph

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

- #3 / WHAT FACTORS DIFFERENTIATE / INNOVATIONS / STAR SEATING OPTIONS ARE AVAILABLE BY OTHER CONTRACTORS IN THIS STATE

* DID NOT PROVIDE ENOUGH DETAILS ON SPARE VEHICLES

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Dosepa

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less (3)
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

* BULLET # 2 / ADDRESSED BUT NOT UNDER CLEAR HEADING

* NUMBER OF STUDENTS TRANSPORTED IS BASED ON YEARLY FACTORS WHILE NUMBER OF BUSES ARE FACTORED AS MONTHLY

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ikeya

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

COMMENT: REFERENCE LETTERS ALL REFFER TO WASATCH ONLY ONE OF THE LETTERS RELATES TO HOME-SCHOOL-HOME SERVICES OTHER TWO THERE/POSITIVE/ BUT NOT RELATIVE TO THE TYPE OF BUSINESS BIDDING FOR

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ozepa

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

* BULLET #2 / LACKING DETAILS OF HOW OR WHAT AVENUES THEY WOULD USE TO ADVERTISE OR PROMOTE RECRUITMENT OF DRIVERS

HOWEVER ; GREAT RESPONSE TO RETENTION OF DRIVERS

* OVER ALL SUPERIOR UNDERSTANDING OF SPECIAL NEEDS ROUTING & SERVICE

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Dozepa

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Oasis

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

* BULLET #2 / HOW DOES YOUR COMPANY MEASURE IT'S SAFETY SUCCESS / GIVES NO DATA OR REFERENCE FOR YEAR TO YEAR COMPARISONS IN WHICH TO DETERMINE IMPROVEMENT OR NOT. THE QUESTION DID NOT ASK FOR A RESPONSE IN SUMMARY FORM SO ONE WOULD EXPECT TO SEE FACTUAL DATA & CHARTS.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Josepa

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Oceapa

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

* STATED THE USE OF ALL "NEW" BUSES THEREFORE INVENTORY LIST WOULD NOT BE RELEVANT — BRAND NAMES ARE RECOGNIZED & PREFERRED

* IF STARTING OUT WITH ALL NEW BUSES THIS ISN'T A CONCERN UNTIL YEAR 10 / AND ONLY ONE "NEWER" BUS WOULD PUT THE AVERAGE FLEET AGE BACK IN COMPLIANCE

* WITH NEW BUS – COVERAGE IS UNDER WARRENTY AND TYPICAL SERVICE IS ALL THAT SHOULD BE EXPECTED

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Josepa

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

* ORG CHART COULD BE MORE CLEAR AS TO "COORDINATOR OF WHAT DISTRICT"

* ORG CHART DOES'NT SEEM TO ALLOW FOR A "KAUAI" DISTRICT SHOULD JOSEPA BE AWARDED A CONTRACT FOR MAUI

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Oceja

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

* BULLET #1 / FACILITY IDENTIFICATION & ACQUISITION / PROVIDES INFO ON REALTOR THEY INTEND TO WORK WITH BUT NO LIST OF POSSIBLE SITES OR EVEN AREA'S.

* BULLET #4 / SERVICE LOCATION & FAMILIARIZATION / FAILED TO PROVIDE ME WITH DETAILS FOR SUCH PROCEDURES AS DRY RUNS, DRIVER TRAINING FOR NEW EQUIPMENT (BUSES)

Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Dozeya

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

* BULLET # 3 / SOURCE OF CAPITAL OR FINANCING NOT CLEARLY DEFINED
  - DOCUMENT FROM AMERICA FIRST DATE IN 2013
  - DOCUMENT FROM ZION'S CREDIT CORP DATED IN 2014

OUT DATED DOCUMENTS

Calculated Points: 2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Dozpa

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A, all 4 clusters
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	already has 105 buses there and for DOE will be limited to 94 based on 85% max.
Tab 4: References & Testimonials	6.0	6.0	3 LOR's all positive - one not dated tho.
Tab 5: Proponent's Service Approach	9.0	6.75	Weak Response to "Efficiency!"
Tab 6: Proponent's Commitment to Safety	15.0	15.0	No 3pt. seatbelts or emerg. evac.
Tab 7: Vehicles & Fleet Management	3.0	2.25	New bus purchase #'s didn't reconcile to max award #?
Tab 8: Proponent's Staff	3.0	3.0	more than enough bus/driver/facility capacity already in place on Maui.
Tab 9: Transition Plan	3.0	3.0	RHSB already has 90-95% of Maui routes.
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	57.0	

Vendor: RHSB

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR= 3.0

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement — OPTION A all 4 clusters
- Provides understanding of who is the proponent — RHSB

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RITSB

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR= 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Interview:
- Turnkey was meant to include new buses they would be purchasing
- Company approach is becoming more decentralized (to consistent) along functional areas.
- Proposing to learn as Go(s. for ongoing of this project

	Calculated Points:	

Vendor: RHSB

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR= 9.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

426 current buses are already Maui
105
Max award
113 x 85% = 96
42
32
20
94/426
Obviously able to handle this organizationally as already has infrastructure and buses & personnel on Maui

Interviews:
Service delivery contracts: 22 school bus only
For park at homes, concern about verification that pre-trips are done
RHSB proposed that "lead" drivers would fulfill that role

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR = 6.0

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 LOR's (one not dated tho)
3 client contacts w/complete info.

Calculated Points:

State of Hawaii Dep..ment of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO= 6.75

Scoring Rubric:

CR:
- Ten pages or less ✓
- All bulleted requirements are clearly covered in the description ✓
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

weak response to efficiency, work w/ DOE on route analysis, scheduling, timing, student count analysis

Interview:
- over 200 school bus personnel on Maui
- will be specific dispatchers & mechanics for school bus operations
- Bus cleaning policy; aides responsible for SpEd interior; drivers for exterior for RegEd buses drivers responsible inside & out.
- proposing that driver "lead" approach will help w/ cleanliness monitoring
- Efficiency – proposes that RHSB mgr work closely w/ OTD to ensure efficiency. Thinks Maui is already being run/routed efficiently

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFSB

Evaluation Description	Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response		
Evaluator Comments & Notes (continued): Efficiency – no reference to routemaking via student counts and working w/ DOE on how routes can be most efficient. Just focused on Roberts economies & scale & internal company efficiency measures not efficiencies that would help the DOE.		
	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RITSB

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR = 15.0

Scoring Rubric:

CR:
- No more than five pages ✓
- All bulleted requirements are clearly covered in the description ✓
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Child check mate
Training
bus maintenance
Measuring / monitoring
organizational Committee / proactive
pre/post trips
GPS/technology
Cameras
2-way communication w/ bus
vehicle maintenance
(no seat belts or emergency evac. drills thru)

Interview:
Nothing of signif. added

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Dep. ..nent of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: R1+5B

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	MO = 2.25

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

proposed #'s didn't reconcile to max award Conforming

Interview:

- There were buses in shop and contractwas ending -- that's why variance was requested for 16/17.
- Still assessing current fleet and # of new buses needed -- won't know until awarded #'s are known.
- Regarding reconciliation of New bus #'s -- response was that #'s shown include transitioning buses. Basically, just assuring that R1+5B will be not providing age compliant, reliable buses.

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR= 3.0

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided ✓
- Required information is clearly provided ✓

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Currently has more buses & drivers on Maui than max award so capacity is already in place

Interview:
- accepting to be new expectations for drivers/aides on maui

	Calculated Points:	

State of Hawaii Dep...ment of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR = 3.0

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Interview:
- Assured DOE that RHSB will work to be sure no service disruptions

	Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements ✓ • Income statements and balance sheets or tax returns for past two years ✓ • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation ✓	4.0	CR 4.0

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Calculated Points:	

Vendor: R1458

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR = 2.0

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded ✓
- Information adds value to the response ✓

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	

Gail Sagio
Aaron Kimura
Roy Pfund.

82

10/19/16

Interview Questions for Robert's Hawaii School Bus

RFP	Island	Tab	Question
D17-001	Maui	2	Your presentation provides conflicting information on the number of baseyards you have on Maui. In some locations you descibe it as three, while in others you state that you have just two. Please clarify for us your deifinition of the term baseyard as it is used in your presentation. 3 - Upcountry (Makawao) Lahaina, main base yard (Kahului)
D17-001	Maui	2	Your description of the Makawao baseyard indicated that it has the capacity to house up up to 14 vehicles. Can you provide the approximate square footage of your Makawao baseyard. Didn't Know
D17-001	Maui	2	Under Core components, you used the term Turnkey to describe your current operation. The term Turnkey implies that your current operation has the capacity to fulfill the RFP requirements of up to 85% of the available routes, including the minimum fleet average age requirements. We find that statement to be questionable as it relates to your current vehicle fleet. Please clarify for us your definition of the term Turnkey.
D17-001	Maui	2	Your presentation indicated that your company has "an unlimited level of resources through its affiliate companies to maintain consistency in its workforce". Please explain your policy on assigning your bus driver employee pool to the different divisions of your organization, including the school bus division.
D17-001	Maui	3	Your presentation indicated that your company has 39 active service delivery contracts but the number that appears on the chart shows 22. Please clarify that number for us, and can you confirm that they are school bus contracts only?
D17-001	Maui	5	Your presentation implies that the J40 system "tracks" vehicle data, meaning that it collects the data post-trip. How would you ensure that every assigned bus leaves it's location every morning on time if you J40 system tracks data post trip? And, how would you track park away vehicles?
D17-001	Maui	5	Your presentation stated that drivers routinely report important route changes and discrepancies to operations Management and Dispatchers. The question is how would your managers and dispatchers know if the drivers are indeed reporting all route discrepanices and changes?
D17-001	Maui	5	Your presentation provide staffing numbers for the entire state, but none specifically for Maui. Please describe the size and type of your current Maui operations staff.
D17-001	Maui	5	Your presentation spoke repeatedly of cleanliness of buses. Can you elaborate on what your policy is on routine cleaning and thorough cleaning of buses, inside and out.
D17-001	Maui	5	Can you provide more details on how Robert's Hawaii School Bus proposes to assist the DOE to ensure that route plans are desciqned and running as efficiently as possible?
D17-001	Maui	6	Your presentation stated that your firm will conduct on site observations of pre and post trip inspections up to 3 days per week. Please clarify who does these observations, what are the reporting mechanisms for violations, and why such observations are limited to only 3 days per week and not daily.
D17-001	Maui	7	Your acquisition projection table states that 1st year procurement will be 16 new buses. Your Maui operation requested for approval to operate more than 20 non-age compliant vehicles this year. Please clarify your plan?
D17-001	Maui	7	The new bus purchase numbers in your presentation indicated (130 total) did not reconcile with the maximum award possible of just 96 buses on Maui. Can you speak to this discrepancy and can you comment on what the correct number of new bus purchases you would engage under the maximum award scenario on Maui?
D17-001	Maui	8	Your presentation states that your company has access to 1800 employees statewide, enabling expeditious response to emergencies. What are your procedures for familiarizing drivers who are not familiar with the routes, terrain, students, schools and vehicles that need to be serviced?
D17-001	Maui	9	Can you speak to the steps RHSB will take to insure that current bus services on Maui that you and other vendors provide the DOE will not be disrupted throughout the transitional period?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3 ✓	
Tab 2: Executive Summary	3.0	2.25 ✓	
Tab 3: Qualifications & Experience	9.0	9 ✓	
Tab 4: References & Testimonials	6.0	6 ✓	
Tab 5: Proponent's Service Approach	9.0	~~✓~~ 6.75	
Tab 6: Proponent's Commitment to Safety	15.0	15 ✓	
Tab 7: Vehicles & Fleet Management	3.0	2.25 ✓	Pg. 39 - Table does not align w/ cluster proposal letter
Tab 8: Proponent's Staff	3.0	3 ✓	
Tab 9: Transition Plan	3.0	3.0 ✓	Transition plan focuses on Maui's
Tab 10: Financial Stability	4.0	4	
Tab 11: APPENDIX: Additional Information	2.0	2	
Total Points	**60.0**	56.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Q: 3 or 2 busyaids?

Q: Clarify use of the term Turnkey ✓

Q: Unlimited resources – policy for assigning drivers

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Q: Current active service contracts, statement "thirty-nine" active, but table shows only 22. Please clarify

Q: Dispatcher count of 44. How many dedicated to STS

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFISB

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	100

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

(NO)

Q: J20 system tracks data, implying ~~collection~~ its post-trip data. How do you ensure daily operations are delivered on time? In terms of detecting late/no show drivers?

A: What about park away? How handled?

↳ looking @ hand held devices

lead drivers

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: _____

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

Aides - interior
driver -
Fuel & wash weekly
Driver for interior of bus

} cleanliness

Calculated Points:	4.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB RHSB

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	AR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFP 8B

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	100

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Q. Your acquisition projection table limits 1st year procurements to only 16 units. Yet Maui operation already uses ~~nearly~~ more than 16 non-age compliant vehicles. Please clarify plan.

23

	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFSD

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: HFFSB

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: ???*** **IR** • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: 12/83

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	ok

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:

Interview Questions for Robert's Hawaii School Bus

RFP	Island	Tab	Question
D17-001	Maui	2	Your presentation provides conflicting information on the number of baseyards you have on Maui. In some locations you descibe it as three, while in others you state that you have just two. Please clarify for us your deifinition of the term baseyard as it is used in your presentation. ✓ 3 RHSB - Upcountry, Yards to Stage vehicles -
D17-001	Maui	2	Your description of the Makawao baseyard indicated that it has the capacity to house up up to 14 vehicles. Can you provide the approximate square footage of your Makawao baseyard. ✓ None
D17-001	Maui	2	Under Core components, you used the term Turnkey to describe your current operation. The term Turnkey implies that your current operation has the capacity to fulfill the RFP requirements of up to 85% of the available routes, including the minimum fleet average age requirements. We find that statement to be questionable as it relates to your current vehicle fleet. Please clarify for us your definition of the term Turnkey. Infrastructure ; work force, not vehicles.
D17-001	Maui	2	Your presentation indicated that your company has "an unlimited level of resources through its affiliate companies to maintain consistency in its workforce". Please explain your policy on assigning your bus driver employee pool to the different divisions of your organization, including the school bus division. Saqiao will have authority to secure ample driver pool from drivr pool.
D17-001	Maui	3	Your presentation indicated that your company has 39 active service delivery contracts but the number that appears on the chart shows 22. Please clarify that number for us, and can you confirm that they are school bus contracts only? 22
D17-001	Maui	5	Your presentation implies that the J40 system "tracks" vehicle data, meaning that it collects the data post-trip. How would you ensure that every assigned bus leaves it's location every morning on time if you J40 system tracks data post trip? And, how would you track park away vehicles? GPS, not J40. Pre-trip inspects
D17-001	Maui	5	Your presentation stated that drivers routinely report important route changes and discrepancies to operations Management and Dispatchers. The question is how would your managers and dispatchers know if the drivers are indeed reporting all route discrepanices and changes? Oahu, through leads w/in [redacted] clusters.
D17-001	Maui	5	✓ Your presentation provide staffing numbers for the entire state, but none specifically for Maui. Please describe the size and type of your current Maui operations staff. 2 dispatchers ; Maintenance Shop Assigned maintenance staff - ✓
D17-001	Maui	5	✓ Your presentation spoke repeatedly of cleanliness of buses. Can you elaborate on what your policy is on routine cleaning and thorough cleaning of buses, inside and out. Aides / interior,
D17-001	Maui	5	✓ Can you provide more details on how Robert's Hawaii School Bus proposes to assist the DOE to ensure that route plans are designed and running as efficiently as possible? Take existing routes, comply w/ Act on Board.
D17-001	Maui	6	✓ Your presentation stated that your firm will conduct on site observations of pre and post trip inspections up to 3 days per week. Please clarify who does these observations, what are the reporting mechanisms for violations, and why such observations are limited to only 3 days per week and not daily.
D17-001	Maui	7	✓ Your acquisition projection table states that 1st year procurement will be 16 new buses. Your Maui operation requested for approval to operate more than 20 non-age compliant vehicles this year. Please clarify your plan?
D17-001	Maui	7	✓ The new bus purchase numbers in your presentation indicated (130 total) did not reconcile with the maximum award possible of just 96 buses on Maui. Can you speak to this discrepancy and can you comment on what the correct number of new bus purchases you would engage under the maximum award scenario on Maui?
D17-001	Maui	8	✓ Your presentation states that your company has access to 1800 employees statewide, enabling expeditious response to emergencies. What are your procedures for familiarizing drivers who are not familiar with the routes, terrain, students, schools and vehicles that need to be serviced? Local ISL, training, orientation, GPS
D17-001	Maui	9	Can you speak to the steps RHSB will take to insure that current bus services on Maui that you and other vendors provide the DOE will not be disrupted throughout the transitional period? Bart + Avance

Q: Parkaway - ? Pre-trip inspection - ① ordering, ② hand held device - Zonar 20/20. ③ leads

Q: Leads - routine mtgs? That's the way it will be

Oahu: fleet managers, on-site verify start ops.
leads are responsible for oversight

Fleet acquisition - minimum due to existing; plus reduction in OGS ops due to the limitation of cluster size, older vehicles will be eliminated.

* Purchase plan projected to the end of contract period

#8 - DPSB proposes to look into fully credentialing non-SD drivers as SB qualified.

Interview Questions for Robert's Hawaii School Bus

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State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	2.25	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	2.25	
Tab 8: Proponent's Staff	3.0	2.25	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	51.00	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Cluster locations were not specifically identified in the cover letter.

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

- If awarded a contract on Kauai + Maui, How can the Bus Operations Manager be in two places at the same time? What is the Plan to support her?

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

-Daily Operations stat how many are statewide but not how many specifically on Maui run it.

- Lapaki Certication a plus to know when Certifications need Renewal.

- Fleetmax also a plus to track maintenance Status of each bus.

- 540 System for accounting & ensurance of all routes.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes: How does your firm ensure bus operations are safe from Day to Day Under Increased observations of Pre trip/Post trip inspections States for at least 3 days per week, RHSB driver trainers will observe & assist drivers while conducting Pre/Post trip inspections. These observations are conducted during real-life inspections which enhances the organization's safety measures to an uncompromised level, over and beyond formal training requirements. Why only 3 days & not 5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Expeditious response states capable of dispatching a multitude of active vehicles (servicing various contracts) within close geographic proximity to minimize length of down time should vehicle unexpectedly experience mechanical problems out on field. Per our contract you shouldn't be mixing assets between contracts as your contracted assets should cover your downtime repair vehicles with spares

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus, Inc

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

RHSB states a unique position to meet the demand or when unforseen circumstances occur to have access to 1800 employees & 550 School buses to respond expeditiously. Also that no other RFP respondent has this level of infastructure and access within the State. How do you know what the other respondent has? What procedures do you have in place for drivers you bring to Maui who don't know the island? How can you mix assets between contracts when it's not allowed in the Contract?

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Calculated Score: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

-Bank of Hawaii doesn't indicate finances.
-American Savings says qualifies but no amount given.

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus, Inc.

TAB 11 APPENDIX: ADDITIONAL INFORMATION

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Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score: 2.0

Interview Questions for Robert's Hawaii School Bus

RFP	Island	Tab	Question
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D17-001	Maui	9	Can you speak to the steps RHSB will take to insure that current bus services on Maui that you and other vendors provide the DOE will not be disrupted throughout the transitional period?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

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MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	✓
Tab 2: Executive Summary	3.0	1.5	✓
Tab 3: Qualifications & Experience	9.0	6.75	✓
Tab 4: References & Testimonials	6.0	6.0	✓
Tab 5: Proponent's Service Approach	9.0	6.75	✓
Tab 6: Proponent's Commitment to Safety	15.0	15.0	✓
Tab 7: Vehicles & Fleet Management	3.0	.75	✓
Tab 8: Proponent's Staff	3.0	3.0	✓
Tab 9: Transition Plan	3.0	2.25	~~HAS~~ LEADING INFORMATION - LEADING TO
Tab 10: Financial Stability	4.0	4.0	✓
Tab 11: APPENDIX: Additional Information	2.0	2.0	✓
Total Points	**60.0**	50.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

- COVER LETTER STATES PROPOSAL OPTION A BUT DOES NOT LIST THE 4 CLUSTERS BY DISCRIPTION

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? What specific elements of your proposal do you believe will exceed the State's service requirements? What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes: 3

* UNDER UNIQUELY - THEY STATE 3 STRATEGICALLY PLACED BASE YARDS BUT UNDER CORE COMPONENTS/ BULLET #1/ THEY STATE ONLY 2 STRATEGICALLY PLACED BASE YARDS

* UNDER CORE COMPONENTS / BULLET #6 / REFERENCE TO TAB-9 PAGE 55/ LIST OF BASEYARDS / #3 MAKAWAO / VEHICLE CAPACITY: 14 CANNOT BE ACCURATE

* "CORE COMPONENTS / BULLET #1 / REFERENCE TO THE TERM "TURN KEY" & ASSEMBLAGE OF OVER 130 SCHOOL BUSES" Q. THE TERM "TURN KEY" WOULD IMPLY THAT RHSB WOULD BE ABLE TO START UP SERVICES WITH WHAT IS CURRENTLY IN EXISTANCE. CAN THIS BE PROVEN BY EVIDENCE OF VEHICLE INVENTORY REPORTS, AND THAT EACH BUS ON EACH CLUSTER AWARDED WOULD BE IN COMPLIANCE WITH THE PROPOSED STATEMENT UNDER UNIQUELY WELL SUITED #5

Calculated Points: 2.25

* ELEMENTS/ OPTIMAL WORKFORCE/ WILL THIS 5% OF ADDITIONAL DRIVERS THAN REQUIRED BY THE AWARDED CLUSTER BE OFFICIALLY UNDER THE SCHOOL BUS DEPARTMENT?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

* STUDENT TRANSPORTATION SERVICING STATISTICS / • TOTAL DISPATCHERS / 44 STATEWI
  Q. ARE THESE SCHOOL BUS DEPARTMENT ONLY OR ALL DEPARTMENTS ?
* BULLETS 3 & 4 COMBINED AND REFERED TO AS "STUDENT TRANSPORTATION STATISTICS
* COMPARABLE AND CURRENTLY ACTIVE SERVICE DELIVERY CONTRACTS / STATES THAT THERE ARE 39 ACTIVE CONTRACTS BUT NUMBERS SHOWN IN (-) AND ONE CHART ONLY INDICATE A TOTAL OF 22. THIS MAKE THE STATEMENT TO APPEAR DESEPTIVE OR MISLEADING. COMPARBLE AND CURRENTLY ACTIVE IMPLIES "ALL" CONTRACTS NOT JUST DOE CONTRACTS

Calculated Score: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

* REFERENCE LETTERS WERE FROM (2) ATHLETIC DIRECTOR RELATING TO TRANSPORT SERVICES TO & FROM SPORTING EVENTS & (1) FROM THE PALS PROGRAM FOR OCCASIONAL CHARTERS. NONE WERE IN REFERENCE TO HOME-SCHOOL-HOME SCHOOL BUS SERVICE

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

*BULLET #2 / TRAINING / LACKING DETAILS OF WHO & WHEN IS RESPONSIBLE FOR PROVIDING THIS ~~DATA~~

*BULLET #3 / VEHICLE PRE/POST TRIP / Q HOW OFTEN & WHO REVIEWS PRE & POST TRIP REPORTS FOR PARK AWAYS OR IF THE DRIVERS ARE ACTUALLY PERFORMING THEM

*BULLET #5 / OPERATIONS MANAGEMENT & DISPATCHERS / Q HOW DO THEY KNOW IF DRIVERS ARE REPORTING ROUTE DISCREPANCIES? IS THERE A SYSTEM TO ROUTINELY QUESTION OR CONFIRM WITH EACH DRIVER?

LEAD SYSTEM ZONAL 20/20 & LEAD DESIGN

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

BULLET #6/ RELIABILITY / STATEWIDE MAINTENANCE TEAM / Q. ELABORATE MORE ON CLEANLINESS OF THE BUSES. HOW OFTEN CAN WE EXPECT TO SEE THEM THOUROGHLY CLEANED INSIDE AND OUT

Calculated Points: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	* INSPECTIONS ONLY 3 DAYS PER WEEK

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	MM

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

* STATEMENTS PERTAINING TO BASEYARDS & THEIR CAPABILITIES AT THOSE YARDS REMAIN QUESTIONABLE.

Calculated Points:	1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

* BASE YARD CLAIMS & PERSONNEL CLAIMS NOT PROVEN

Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: ???*** **IR** • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB – K

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A, all 3 clusters
Tab 2: Executive Summary	3.0	2.25	Concern about service to Waimea cluster w/ no base yard planned physical presence there probably because they aren't planning or getting that Cluster since it has fewer buses.
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	Weak response to "Efficiency" & working w/ STSB on identifying efficiency opp's
Tab 6: Proponent's Commitment to Safety	15.0	15.0	No 7pt seatbelts or emergency evac drills tho.
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	2.25	Not signif presence on Kauai currently No proposed org chart--only existing.
Tab 9: Transition Plan	3.0	2.25	School outreach/communication Avoid disruption of existing staff when recruiting.
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHS B – K

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR = 3.0

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement ✓
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR = 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR= 9.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: R45B

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR= 6.0

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

Calculated Points:	

Vendor: RHSB-K

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	NO = 6.75

Scoring Rubric:

CR:
- Ten pages or less ✓
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

weak response to "Efficiency". Focuses on internal efficiency for company but not on route efficiency for DOE.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RH5B

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR = 15.0

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages ✓ • All bulleted requirements are clearly covered in the description ✓ • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR = 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO = 2.25

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided ✓
- Required information is clearly provided ✓

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

DOES NOT currently have significant presence on Kauai

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO= 2.25

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided ✓
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Inadequate school outreach/communication
Didn't acknowledge need to avoid recruiting disruption to existing contractor staff

	Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: R+S B-K

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR= 4.0

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: ???*** **IR** • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	

State of Hawaii Dep[illegible]nent of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR= 2.0

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded ✓
- Information adds value to the response ✓

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0 ✓	
Tab 2: Executive Summary	3.0	3.0 ✓	
Tab 3: Qualifications & Experience	9.0	9.0 ✓	
Tab 4: References & Testimonials	6.0	6.0 ✓	
Tab 5: Proponent's Service Approach	9.0	9.0 ✓	
Tab 6: Proponent's Commitment to Safety	15.0	15.0 ✓	
Tab 7: Vehicles & Fleet Management	3.0	2.25 ✓	pg. 39. same
Tab 8: Proponent's Staff	3.0	3.0 ✓	
Tab 9: Transition Plan	3.0	2.25 ✓	Transition plan for 1st Mo.
Tab 10: Financial Stability	4.0	4.0 ✓	
Tab 11: APPENDIX: Additional Information	2.0	2.0 ✓	
Total Points	**60.0**	60.0	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided **MO:** • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings **MM** • 3 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (two or more) **IR** • No Executive Summary provided	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost. ✓	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided ✓ • At least one is a letter ✓ • All references are positive ✓ **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? ✓ • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

	Calculated Points:	

Vendor: _____

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	

Vendor: _____

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements ✓ • Income statements and balance sheets or tax returns for past two years ✓ • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation ✓	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: ???*** **IR** • No section provided • Two or more pieces of information not provided or ???	

	Calculated Points:	

Vendor: _____

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded • Information adds value to the response **MO:** • No additional information is provided • Information provided does not add value to the response **MM** • Not applicable **MA** • Not applicable **IR** • No section provided and no express rationale provided for the exclusion	

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus, Inc

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	2.25	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	2.25	
Tab 8: Proponent's Staff	3.0	2.25	
Tab 9: Transition Plan	3.0	2.25	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	50.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus, Inc

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

· Vendor: Roberts Hawaii School Bus, Inc

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Cluster locations not identified in cover letter

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus, Inc

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

- Why aquire a North Shore baseyard to Service Clusters Kapaa & Kauai when the current baseyard does. Isn't it more practical to set a West Kauai Baseyard to Service Waimea Cluster?
- If awarded a contract, How can the Bus operation Manager be in two places at the same time for Kauai and Maui? What is the plan to support her?

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

- Besides the charters @ Chiefess Kamakahelei & Kauai High School as indicated in the References. RHSB is the Contracted Veg ed Vendor for Chiefs & one of two Veg Ed Vendor at Kauai High.

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

- Lapaki Certification a plus to know when certifications need renewal.
- Fleetmax also a plus to track maintenance status of each bus.
- 540 system for accounting & insurance of all routes.

Vendor: Roberts Hawaii School Bus Inc

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

Daily operations State how many statewide but not how many specifically on Kauai run it.

Calculated Points: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MD

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Ensure how operations are safe from Day to Day
Under increased observations of Pre/Post trip
inspections 5)d.c. for at least 3 days per week,
RHSB driver trainers will observe & assist drivers
while conducting Pre/Post-trip inspections. These
Observations are Conducted during real-life inspections
which enhances the organizations Safety measures
to uncompromised level. over and beyond formal training.
Why only 3 days & not 5?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus, Inc

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus, Inc

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Expeditions Response States capable of dispatching a multitude of active Vehicles (servicing various Contracts) within close geographic Proximity to minimize length of down time should Vehicle unexpectly experience mechanical problems out on field. Per our Contract you shouldn't be mixing assets between Contracts as your Contracted assets should cover your down time repair Vehicles with spares.

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus, Inc

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

RHSB States a unique position to meet the demand of when unforseen circumstances occur to have access to 1800 employees & 558 School buses to respond expeditiously. Also that no other RFP respondent has this level of infrastructure and access within the State. How do you know what the other respondent has? What procedure do you have in place for the drivers you bring here that don't know Kauai? How can you mix buses between contracts when it's not allowed in the contract?

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

- Transition Plan #2 States Operation Manager is Committed to work on site with Maui's operations Prior to and through initial stages. Other Commitment is Maui what about Kauai?

Calculated Score: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus, Inc

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

- Bank of Hawaii: doesn't indicate finances.
- American Savings Says qualified but no amount given

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus, Inc

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	✓
Tab 2: Executive Summary	3.0	1.75	✓
Tab 3: Qualifications & Experience	9.0	6.75	✓
Tab 4: References & Testimonials	6.0	6.0	✓
Tab 5: Proponent's Service Approach	9.0	4.50	✓
Tab 6: Proponent's Commitment to Safety	15.0	11.25	✓
Tab 7: Vehicles & Fleet Management	3.0	2.25	✓
Tab 8: Proponent's Staff	3.0	3.0	✓
Tab 9: Transition Plan	3.0	1.5	✓
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	~~11.25~~ 44.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

PROPONENT STATES "FOR ALL THREE (3) CLUSTER" HOWEVER EVAL DISCRIPTION ASK FOR "A LIST OF THE CLUSTERS" ON WHICH YOU ARE PROPOSING

THE FACT THAT THERE ARE 2 ACTIVE RFP'S I WOULD LIKE TO SEE PRECISE AND ACCURATE

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	N/A

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to the three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

* EXECUTIVE SUM/PARAGRAPH 3/"DIRECTOR OF SCHOOL BUS OPERATIONS IS COMMITTED TO WORK WITH KAUAI'S MANAGEMENT TEAM "ON-SITE" PRIOR & THROUGH THE INITIAL STAGES. — WITH THE LIKELYHOOD OF RHSB BEING AWARDED CONTRACTS ON BOTH MAUI & KAUAI STARTING AT THE SAME TIME, THIS MAY PROVE TO BE A SERIOUS CHALLANGE FOR GAIL S. WHAT IS RHSB's PLAN TO SUPPORT GAIL DURING THIS PERIOD.

* UNIQUELY WELL SUITED/PARAGRAPH 3/ STATES PREPARED TO ACQUIRE A LOCATION WITHIN NORTH KAUAI TO STRATEGICALLY STAGE IT'S OPERATIONS TO EFFICIENTLY SERVICE CLUSTERS (KAPAA & KAUAI) WITHIN CLOSE PROXIMITY.
Q. ISN'T YOUR CURRENT BASE YARD SITUATED RIGHT BETWEEN THESE 2 CLUSTERS ALREAD?

Q IF YOU WERE OFFERED THE WAIMEA CLUSTER WOULD YOU BE AS PREPARED AND/OR WILLING TO DO THE SAME?

Calculated Points: .75

OVER

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

* COMPARABLE & CURRENTLY ACTIVE SERVICE DELIVERY CONTRACTS / SPELLED OUT READS 39 BUT IN PARENTICIES NUMBER IS 22. WHICH IS THE SAME AS THE CHART BELOW PARAGRAPH. (actual number of contracts S/O A 29)

* BULLETS 3 & 4 COMPINED AND REFERED TO AS " STUDENT TRANS STATISTICS"

Calculated Score: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

COMMENT: ALL THREE REFERENCE LETTERS POSITIVE BUT ALL PERTAINS TO CHARTER SERVICES ONLY. THE PROPOSAL IS PRIMARILY FOR DAILY HOME-SCHOOL-HOME SERVICE. THEREFORE I FAIL TO SEE THE RELEVANCE OF THE REFERENCE LETTERS

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	M.M

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

* DAILY OPERATIONS / INTERESTING & IMPRESSIVE STATS BUT DOES NOT PROVIDE EVALUATOR WITH SPECIFICS PERTAINING TO THIS SPECIFIC PROPOSAL INFORMATION IS MERELY REPETATIVE.

* J40 SYSTEM / HOW CAN THE J40 SYSTEM TO IDENTIFY & ALERT MANAGEMENT OF DRIVER NO SHOWS / OR (OR IS IT POSSIBLE FOR) SHOWING UP LATE

* VEHICLE PRE/POST TRIP INSPECTIONS / FOR "PARK-AWAY" & PARKING @ REMOTE BASE YARDS, HOW WOULD & HOW FREQUENTLY WOULD RHSB'S MAINTENANCE DEPT. REVIEW THESE REPORTS ? HOW WOULD THEY MONITOR DRIVERS REPORTING LOYALTY & CONSISTANT PARTICIPATION IN @ WITH THE PROGRAM

Vendor: RHSB

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

¥ COLLABORATIVE PARTNERSHIP / STATEMENT IS "RHSB EXCEEDS CONTRACTUAL EXPECTATIONS AND RESPONDS EXPEDITIOUSLY TO ALL INQUIRIES"
Q POINT OUT EXAMPLE OF THIS CLAIM ?

¥ DIRECT ACCESS TO AN EXISTING INFRASTRUCTURE / AGAIN REFERANCE TO A POSSIBLE SECOND BASE YARD FOR THE NORTH DISTRICT.
Q DOES RHSB UNDERSTAND THE LOCATIONS OF THE CLUSTERS ?
Q WHAT ABOUT THE WESTSIDE CLUSTER OF WAIMEA THAT EXPERIENCES SEVERE TRAFFIC

Calculated Points: 4.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

✓ BULLET #4 / HOW - DAY TO DAY / • INCREASED OBSERVATIONS OF PRE/POST TRIP INSP. STATEMENT IS: "FOR AT LEAST THREE DAYS PER WEEK" DRIVER TRAINERS WILL OBSERVE AND ASSIST DRIVERS WHILE CONDUCTING PRE/POST TRIP INSPECTIONS

Q. SHOULD THIS NOT BE A DAILY REQUIREMENT OF ALL RHSB DRIVER TRAINERS?

Q. WHY IS IT IMPORTANT ONLY 3 DAYS A WEEK?

* CHILD CHECK-MATE SYSTEM / DEFINE THE TERM "COMPLETION OF A ROUTE"

Q DOES IT REFER TO EACH TRIP DROPPED OFF AT A CAMPUS OR LAST STOP. OR JUST WHEN THE DRIVER IS PARKING THE BUS AT BASE OR IT'S PARKING PLACE?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided

Evaluator Comments & Notes (continued):

* COMMENT: MUCH OF THIS SECTION REFERED TO RHSB's OVERALL PRACTICES STATEWIDE AND ONE COULD ASSUME THAT THESE VALUES & PRACTICES WILL BE TAUGHT AND PRACTICED HERE ON KAUAI. BUT VERY LITTLE IF ANY, FACTUAL DATA RELATING TO RHSB's KAUAI OPERATION ITSELF WAS PROVIDED.

LEAVING ME UNABLE TO EVALUATE THE ACTUAL TEAM THAT WILL BE CARRYING OUT THE DAILY TASK.

Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

RHSB IN House LAPAKI PROGRAM

BULLETS 1&2 - RESPONSE VERY GENERIC WITH NO SPECIFIC BRANDS OF BUSES NAMED OR CURRENT LOCAL FLEET INVENTORY FOR INFORMATIONAL PURPOSES OFFERED CHART ONLY INDICATES PROPOSED NUMBER OF BUS PURCHASED DURING DURATION OF CONTRACT TO MAINTAIN CONTRACT COMPLIANCE. INFORMATION DID NOT DEMONSTRATE A DEIRE TO EXCEED THE CONTRACT REQUIREMENTS EVALUATOR LEFT FEELING THAT PROPONENT DESIRES TO PROVIDE CONTRACTED WITH BARE MINIMUMS OF CONTRACT REQUIREMENTS

BULLET # 3 - VERY STRONG, POSITIVE & IMPRESSIVE

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MM

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

SUM OF TRANSITION PLAN UNIQUE FACTOR #2 / STATEMENT READS: " MS. SAGIAO IS COMMITTED TO WORK "ON SITE" WITH RHSB'S MAUI OPERATIONS PRIOR & THRU THE INITIAL STAGES OF IMPLEMENTING DOE'S NEWLY REFORMED STS PROGRAM

Q. PERHAPS A TYPO BUT WOULD LIKE CLARIFICATION ON SUPPORTS FOR MS SAGIAO IN THE HIGH PROBABILITY THAT RHSB WILL BE AWARDED CONTRACTS ON BOTH MAUI & KAUAI THAT WILL START SIMULTANIOUSLY ?

CONCERN — PROPOSAL REFLECTS MUCH KNOWLEDGE & INTEREST FOR SERVICES FOR THE KAUAI & KAPAA CLUSTERS AND MAKES NO REFERENCES TO A TRANSITION PLAN SHOULD THEY BE ELIGIBLE OR AWARDED THE WAIMEA CLUSTER. TRAFFIC CONDITIONS BETWEEN KALAHEO & LIHUE ARE JUST AS BAD AS KAPAA TO LIHUE. MY FEELINGS IS THAT IT WOULD BE JUST AS CRITICAL TO HAVE A BASE YARD BEYOND THE TRAFFIC POINT GOING WEST AS IT IS GO NORTH.

Calculated Score: 1.50

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A, all clusters, unlimited award but letter not signed?
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	6.75	Concerns about Q&E being adequate to support such a large increase in trip's scope
Tab 4: References & Testimonials	6.0	6.0	3 LOR's
Tab 5: Proponent's Service Approach	9.0	6.75	Numerous grammatical & spelling errors. A few sections weak on substance. Good efficiency section
Tab 6: Proponent's Commitment to Safety	15.0	15.0	
Tab 7: Vehicles & Fleet Management	3.0	3.0	Has most of buses needed for one cluster already & good plan for additional needed
Tab 8: Proponent's Staff	3.0	1.5	No succession plan; missing routing/op's recruiting position in org-chart.
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	3.0	F/S's were self-prepped; not reviewed or audited
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**		

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yarnea

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR = 3.0

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement ✓
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

NOT signed ?

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR= 3.0 for CDL drivers even for CDL drivers in particular in Kauai

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more) — Didn't highlight how company is well suited to meet req's
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Interview:
- Clarified why hires CDL drivers. very particular in hiring
  - prefers older, more mature drivers
  - feels they are more competent
  - can use as back-up for big bus routes
- Not fancy but steady; in business for 73 years
- small, family run business where everyone is respected
- Howard runs every route at some point
- only takes on things they know they can handle
- been on Kauai; know Kauai
- better than other duty equipment
- stresses need to work together w/ STSB

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services ✓ • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company ✓ • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry ✓	9.0	MO = 6.75

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Currently on Kauai & long-time provider there -- had even higher # of buses than current ? in part. However concern about Q&E being adequate for maximum award. Also, no succession plan.

Interview:
- Have had SpEd on Kauai years ago; had SpEd on PI & Oahu in past years
- If successful, they will hire a SpEd person
- has expanded in 1986 from 4 buses to 40 some.
- knows they can handle this since all on Kauai

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yuma

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR = 6.0

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 LOR's provided

Calculated Points:	

State of Hawaii Dep[illegible].ment of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO = 6.75

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

Numerous grammatical & spelling errors
a few sections were weak in substance.

Interview:
- regarding grammatical/spelling errors -- was just a matter of limited time & resources apologized — for small company — would shore up w/ support help if awarded
- Technology - son is a website developer & social media marketer
  son-in-law is software mgr @ yahoo
  said they have good relationship w/ Ground Transport who could help w/ bus technology.
  Wasn't clear what other technology was needed/applicable — just don't know but willing to do whatever necessary to comply

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Dep..ment of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? ✓ • How does your firm measure its safety success? ✓ • How has that measurement or metric changed over the past three years? ✓ • How does your firm ensure operations are safe from day to day? ✓	15.0	CR = 15.0

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages ✓ • All bulleted requirements are clearly covered in the description ✓ • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR = 3.0

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less ✓ • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. ✓ • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. ✓ • Provide brief biographical information for the key management personnel you expect to assign to the proposed services. ✓	3.0	MM = 1.5

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Incomplete org chart w/ no indication of how increased daily ops aspect would be covered (routing, communications, dispatch)

Interview:
- Would like us to be interested in company but he's not interested
- planning to hire - will develop internal capacity
- Is corporation and Joan/Howard are not majority owners so future corporate ownership shouldn't be a problem.

Calculated Points:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition ✓ • Fleet acquisition ✓ • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR = 3.0

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Interview:

Avoiding disruption

-- won't "poach" drivers

-- would start earlier: recognizes the importance of on-boarding early but ~~[illegible]~~ actually hiring later.

Calculated Score:

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yuma

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements ✓ • Income statements and balance sheets or tax returns for past two years ✓ • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation ✓	4.0	MO = 3.0

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

✓ Self-prepared F/S's w/ no auditor review

Interview:

F/S's were self-prepared. No outside requirements for audits & reviews.

Banks reviewed the F/S's and thought they were ok.

	Calculated Points:	

State of Hawaii Dep[illegible]nent of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yama

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR= 2.0

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	

Howard Yamaguchi
Joan Yamaguchi

BKB
10/19/16

Interview Questions for Yamaguchi Bus Service

RFP	Island	Tab	Question
D17-002	Kauai	2	Your presentation states that you are committed to using CDL licensed drivers even on SPED vehicles even though it is not a requirement. Can you explain the purpose of this approach?
D17-002	Kauai	2	Your response to the question of what makes your company uniquely suited for this endeavor stated two traits: that your baseyard is located near schools and you have a solid financial background. Surely there's more. Can you elaborate on what makes your company uniquely suited to being the best bus vendor for Kauai?
D17-002	Kauai	3	Your presentation indicated that Yamaguchi is currently running 7 bus routes for the Hawaii Department of Education, none of which are for special education routes. If awarded the maximum, this would increase your Kauai operation to about 46 routes, an increase of nearly 700%. It would also include up to 10 special education routes. Please speak to how Yamaguchi would coordinate such a large expansion from an organizational and operational standpoint, particularly in terms of preparing for the provision of special education transportation services for the first time on Kauai.
D17-002	Kauai	5	Tab 5, Service Approach, there are numerous grammatical and spelling errors. While this may be a minor technicality in terms of an RFP presentation, it can affect public perception of a company's ability to fulfill their contractual requirements. What is Yamaguchi's plan to insure the professional quality and appearance of future high-stakes and publicly visible communications and reports?
D17-002	Kauai	5	Your presentation makes only a passive reference to training on DOE and DOT rules. Can you explain expound on what topics those training courses include, and who delivers those courses?
D17-002	Kauai	5	Your presentation on Daily Operations states that you have a spare driver on hand at the main base yard to fill in if someone is absent. What are your procedures for drivers who do not park their vehicles at your main base yard?
D17-002	Kauai	5	Your response to Use of Technology states that you will "hire someone" to coordinate your IT program. Your organizational chart on Tab 9 Proponent's Staff includes a spot for an IT person but makes no reference to anyone in particular. Technology is far too critical a component in the new contracts for such passive references. Can you provide more detailed information on how you intend to recruit someone for this role?
D17-002	Kauai	5	Use of Technology: Your presentation only makes reference to using technology to vehicles, drivers and routes for compliance, but the technology we required will be used for much more than that. What is your understanding of the DOE's technology initiative and its purpose?
D17-002	Kauai	6	Has Yamaguchi bus ever implimented or participated in a Safety Rewards program to help encourage safer behavior from it's employees?
D17-002	Kauai	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans for replacing key company owners and leaders after they retire?
D17-002	Kauai	9	Your presentation indicated that you have base yards in Kilauea and Kalaheo. If you are awarded the Kauai cluster, do you plan on acquiring a third base yard? In no, how do you plan on servicing the Kauai cluster?
D17-002	Kauai	9	Please comment on the steps that Yamaguchi Bus Service intends to take to ensure that current services by any vendor is not disrupted throughout the contract transition period.
D17-002	Kauai	10	Your financial reports included financial statements that appeared to have been self prepared with no independent verification or attestation. Can you comment on precisely how your reports were prepared and what assurances the DOE has that these reports are true and accurate?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

100

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	~~Transmittal Letter not signed.~~ NO
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	Org. chart fails to connect all functionality of stable org environment
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	None needed review
Tab 11: APPENDIX: Additional Information	2.0	2.0/5	Does not add value.
Total Points	**60.0**	57.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Transmittal letter not signed

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Uniquely suited: Not fancy but steady; better equipment

	Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services ✓ • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company ✓ • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry ✓	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less ✓ • Clear summary understanding of Q&E ✓ • All required information is provided ✓ • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

	Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided ✓ • At least one is a letter ✓ • All references are positive ✓ **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR?

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):** re: Mgmnt Philosophy:		
		Calculated Points:	

Vendor: _____

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	safety/accident free Attendance rewards

Vendor: _____

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	

Vendor: _____

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: _____

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: ???*** **IR** • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	

Vendor: _____

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded • Information adds value to the response **MO:** • No additional information is provided • Information provided does not add value to the response **MM** • Not applicable **MA** • Not applicable **IR** • No section provided and no express rationale provided for the exclusion	

Calculated Score:	

2:05

Interview Questions for Yamaguchi Bus Service

RFP	Island	Tab	Question
D17-002	Kauai	2	Your presentation states that you are committed to using CDL licensed drivers even on SPED vehicles even though it is not a requirement. Can you explain the purpose of this approach? Experienced, older – literate employees
D17-002	Kauai	2	Your response to the question of what makes your company uniquely suited for this endeavor stated two traits: that your baseyard is located near schools and you have a solid financial background. Surely there's more. Can you elaborate on what makes your company uniquely suited to being the best bus vendor for Kauai? Experience, maintenance, vehicles, air ride s – better equipment; family approach
D17-002	Kauai	3	Your presentation indicated that Yamaguchi is currently running 7 bus routes for the Hawaii Department of Education, none of which are for special education routes. If awarded the maximum, this would increase your Kauai operation to about 46 routes, an increase of nearly 700%. It would also include up to 10 special education routes. Please speak to how Yamaguchi would coordinate such a large expansion from an organizational and operational standpoint, particularly in terms of preparing for the provision of special education transportation services for the first time on Kauai. SPED experience on Kauai in past; had SPED experience on other locations: Expansion experience on Oahu & B.I.
D17-002	Kauai	5	Tab 5, Service Approach, there are numerous grammatical and spelling errors. While this may be a minor technicality in terms of an RFP presentation, it can affect public perception of a company's ability to fulfill their contractual requirements. What is Yamaguchi's plan to insure the professional quality and appearance of future high-stakes and publicly visible communications and reports? Size had to do w/ the presentation.
D17-002	Kauai	5	Your presentation makes only a passive reference to training on DOE and DOT rules. Can you ~~explain~~ expound on what topics those training courses include, and who delivers those courses? Training: Appendix included topics – John Lopez – teaching at Red Cross/CPR – Staff
D17-002	Kauai	5	Your presentation on Daily Operations states that you have a spare driver on hand at the main base yard to fill in if someone is absent. What are your procedures for drivers who do not park their vehicles at your main base yard? Check
D17-002	Kauai	5	Your response to Use of Technology states that you will "hire someone" to coordinate your IT program. Your organizational chart on Tab 9 Proponent's Staff includes a spot for an IT person but makes no reference to anyone in particular. Technology is far too critical a component in the new contracts for such passive references. Can you provide more detailed information on how you intend to recruit someone for this role? Son is website developer; social media marketing
D17-002	Kauai	5	Use of Technology: Your presentation only makes reference to using technology to vehicles, drivers and routes for compliance, but the technology we required will be used for much more than that. What is your understanding of the DOE's technology initiative and its purpose? Not familiar w/ tech initiative.
D17-002	Kauai	6	Has Yamaguchi bus ever implimented or participated in a Safety Rewards program to help encourage safer behavior from it's employees?
D17-002	Kauai	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans for replacing key company owners and leaders after they retire? Son developing leaders from within
D17-002	Kauai	9	Your presentation indicated that you have base yards in Kilauea and Kalaheo. If you are awarded the Kauai cluster, do you plan on acquiring a third base yard? In no, how do you plan on servicing the Kauai cluster? Will acquire
D17-002	Kauai	9	Please comment on the steps that Yamaguchi Bus Service intends to take to ensure that current services by any vendor is not disrupted throughout the contract transition period. Honor driver attrition; stand up buses early,
D17-002	Kauai	10	Your financial reports included financial statements that appeared to have been self prepared with no independent verification or attestation. Can you comment on precisely how your reports were prepared and what assurances the DOE has that these reports are true and accurate?

Interview Questions for Yamaguchi Bus Service

RFP	Island	Tab	Question
D17-002	Kauai	2	Your presentation states that you are committed to using CDL licensed drivers even on SPED vehicles even though it is not a requirement. Can you explain the purpose of this approach? Always have [illegible] CDL driver. Important is who you hire. Experience qualified & older drivers.
D17-002	Kauai	2	Your response to the question of what makes your company uniquely suited for this endeavor stated two traits: that your baseyard is located near schools and you have a solid financial background. Surely there's more. Can you elaborate on what makes your company uniquely suited to being the best bus vendor for Kauai? Not a [illegible]. Steady but moving. try for little equipment. Hard to be unique from others. family approach.
D17-002	Kauai	3	Your presentation indicated that Yamaguchi is currently running 7 bus routes for the Hawaii Department of Education, none of which are for special education routes. If awarded the maximum, this would increase your Kauai operation to about 46 routes, an increase of nearly 700%. It would also include up to 10 special education routes. Please speak to how Yamaguchi would coordinate such a large expansion from an organizational and operational standpoint, particularly in terms of preparing for the provision of special education transportation services for the first time on Kauai. Did have Sped before on Kauai, [illegible] 1970 [illegible] 4 routes to 30 [illegible]. We can do it again. [illegible] can handle.
D17-002	Kauai	5	Tab 5, Service Approach, there are numerous grammatical and spelling errors. While this may be a minor technicality in terms of an RFP presentation, it can affect public perception of a company's ability to fulfill their contractual requirements. What is Yamaguchi's plan to insure the professional quality and appearance of future high-stakes and publicly visible communications and reports? being small doesn't make sense to hire full time anything. had to make due w/ what I had. other responsibilities.
D17-002	Kauai	5	Your presentation makes only a passive reference to training on DOE and DOT rules. Can you explain expound on what topics those training courses include, and who delivers those courses? training done mostly by Howard. Talk to driver right there & [illegible]. on hands training.
D17-002	Kauai	5	Your presentation on Daily Operations states that you have a spare driver on hand at the main base yard to fill in if someone is absent. What are your procedures for drivers who do not park their vehicles at your main base yard?
D17-002	Kauai	5	Your response to Use of Technology states that you will "hire someone" to coordinate your IT program. Your organizational chart on Tab 9 Proponent's Staff includes a spot for an IT person but makes no reference to anyone in particular. Technology is far too critical a component in the new contracts for such passive references. Can you provide more detailed information on how you intend to recruit someone for this role? Try social media, marketing, Daughter structural engineer, SIL - [illegible] @ yahoo.. [illegible] recommend. Louis gives help
D17-002	Kauai	5	Use of Technology: Your presentation only makes reference to using technology to vehicles, drivers and routes for compliance, but the technology we required will be used for much more than that. What is your understanding of the DOE's technology initiative and its purpose? Never heard what info you did in 2013 w/technology.
D17-002	Kauai	6	Has Yamaguchi bus ever implimented or participated in a Safety Rewards program to help encourage safer behavior from it's employees? attendance rewards, no accidents. not active. Can do better.
D17-002	Kauai	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans for replacing key company owners and leaders after they retire? Still interested & trying to adjust. Want son on board but he doesn't [illegible]. Hire younger. Some existing employees need [illegible]
D17-002	Kauai	9	Your presentation indicated that you have base yards in Kilauea and Kalaheo. If you are awarded the Kauai cluster, do you plan on acquiring a third base yard? In no, how do you plan on servicing the Kauai cluster? Will rent if need to. We have money in [illegible] or build.
D17-002	Kauai	9	Please comment on the steps that Yamaguchi Bus Service intends to take to ensure that current services by any vendor is not disrupted throughout the contract transition period. Won't hire anyone till school is over, won't disrupt service. Assures drivers they have a job.
D17-002	Kauai	10	Your financial reports included financial statements that appeared to have been self prepared with no independent verification or attestation. Can you comment on precisely how your reports were prepared and what assurances the DOE has that these reports are true and accurate? Self prep. didn't borrow or lease in 8 yrs. No longer pay to review. Banks were given for review, they know what we have in our acct. Sometimes utilize [illegible] for tax work.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.00	
Tab 2: Executive Summary	3.0	2.25	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	2.25	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	3.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	53.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc.

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Signature is missing from cover letter but is on the hard copy

Calculated Points: 3.00

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Did not really elaborate why they are uniquely well suited to the State's requirements.

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Added number of drivers & baseyards.

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc.

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc.

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
	Calculated Points:		9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc.

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MD

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

How does your firm ensure operations are safe from day to day? only describing what was already mentioned that drivers do everyday as far as Pre-trip. Nothing added of possible incentives drivers have by keeping safe.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc.

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Current fleet is fairly new

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc.

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Organizing chart doesn't connect all the positions needed

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc.

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MO

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

- Letters from financial Institutes indicating financing for Vehicle Procurement
- Financials are not 3rd Party Submittal So anyone could Prepare it.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service, Inc.

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

Interview Questions for Yamaguchi Bus Service

RFP	Island	Tab	Question
D17-002	Kauai	2	Your presentation states that you are committed to using CDL licensed drivers even on SPED vehicles even though it is not a requirement. Can you explain the purpose of this approach?
D17-002	Kauai	2	Your response to the question of what makes your company uniquely suited for this endeavor stated two traits: that your baseyard is located near schools and you have a solid financial background. Surely there's more. Can you elaborate on what makes your company uniquely suited to being the best bus vendor for Kauai?
D17-002	Kauai	3	Your presentation indicated that Yamaguchi is currently running 7 bus routes for the Hawaii Department of Education, none of which are for special education routes. If awarded the maximum, this would increase your Kauai operation to about 46 routes, an increase of nearly 700%. It would also include up to 10 special education routes. Please speak to how Yamaguchi would coordinate such a large expansion from an organizational and operational standpoint, particularly in terms of preparing for the provision of special education transportation services for the first time on Kauai.
D17-002	Kauai	5	Tab 5, Service Approach, there are numerous grammatical and spelling errors. While this may be a minor technicality in terms of an RFP presentation, it can affect public perception of a company's ability to fulfill their contractual requirements. What is Yamaguchi's plan to insure the professional quality and appearance of future high-stakes and publicly visible communications and reports?
D17-002	Kauai	5	Your presentation makes only a passive reference to training on DOE and DOT rules. Can you explain expound on what topics those training courses include, and who delivers those courses?
D17-002	Kauai	5	Your presentation on Daily Operations states that you have a spare driver on hand at the main base yard to fill in if someone is absent. What are your procedures for drivers who do not park their vehicles at your main base yard?
D17-002	Kauai	5	Your response to Use of Technology states that you will "hire someone" to coordinate your IT program. Your organizational chart on Tab 9 Proponent's Staff includes a spot for an IT person but makes no reference to anyone in particular. Technology is far too critical a component in the new contracts for such passive references. Can you provide more detailed information on how you intend to recruit someone for this role?
D17-002	Kauai	5	Use of Technology: Your presentation only makes reference to using technology to vehicles, drivers and routes for compliance, but the technology we required will be used for much more than that. What is your understanding of the DOE's technology initiative and its purpose?
D17-002	Kauai	6	Has Yamaguchi bus ever implimented or participated in a Safety Rewards program to help encourage safer behavior from it's employees?
D17-002	Kauai	8	Although the RFP did not require you to provide the department with a strategic plan for ensuring the stability of your company throughout the contract period, would you be willing to comment on what your short and long term contingency plans for replacing key company owners and leaders after they retire?
D17-002	Kauai	9	Your presentation indicated that you have base yards in Kilauea and Kalaheo. If you are awarded the Kauai cluster, do you plan on acquiring a third base yard? In no, how do you plan on servicing the Kauai cluster?
D17-002	Kauai	9	Please comment on the steps that Yamaguchi Bus Service intends to take to ensure that current services by any vendor is not disrupted throughout the contract transition period.
D17-002	Kauai	10	Your financial reports included financial statements that appeared to have been self prepared with no independent verification or attestation. Can you comment on precisely how your reports were prepared and what assurances the DOE has that these reports are true and accurate?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	✓
Tab 2: Executive Summary	3.0	2.25	✓
Tab 3: Qualifications & Experience	9.0	9.0	✓
Tab 4: References & Testimonials	6.0	6.0	✓
Tab 5: Proponent's Service Approach	9.0	9.0	✓
Tab 6: Proponent's Commitment to Safety	15.0	7.5	✓
Tab 7: Vehicles & Fleet Management	3.0	3.0	✓
Tab 8: Proponent's Staff	3.0	2.25	✓
Tab 9: Transition Plan	3.0	3.0	✓
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	51.0	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

NOTE: CORPORATE RESOLUTION - IN TAB II

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to the three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

* ELEMENTS THAT EXCEEDS SERVICE REQUIREMENTS STATEMENTS
  HAS MORE THAN 10% SPARE BUSES
  HAS MORE THAN 10% SPARE CDL DRIVERS

Q Is proponent referring to existing service contracts or committing to have these as part of an awarded contract?

* Q ARE BASEYARDS LOCATED NEAR SCHOOLS AND STUDENTS ACTUALLY BASEYARDS OR MIRELY "PARK AWAYS" OR PARKED AT THE DRIVERS RESIDENCE?

DEMONSTRATED KNOWLEDGE OF SERVICE AREA WITH STATEMENT OF
- WEIGHT LIMITATIONS BRIDGES
- NARROW BACK ROADS

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Hamaguchi

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less (4)
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:

CR:
- Ten pages or less (a)
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

LAST PARAGRAPH PERTAINS MORE EFFICIENCIES THAT THE DOE COULD/SHOULD IMPOSE

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MA

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

* HOW MEASUREMENT OR METRIC CHANGED PAST THREE YEARS
PARAGRAPHS 1 & 2 OKAY, WOULD HAVE PREFERED A CHART
PARAGRAPH 3 DEMONSTRATES THAT PROPONENT IS NOT FAMILIAR WITH OR DOES NOT UNDERSTAND THE VIDEO RULES & PROCEDURES

* HOW DOES YOUR FIRM ENSURE OPERATIONS ARE SAFE FROM DAY TO DAY
PROPONENT ONLY REPEATED DRIVERS DAILY OPERATING PROCEDURES.
EVIDENCE OF A REWARDS PROGRAM OR EVEN AN AFFIRMATIVE ACTION PLAN WOULD HAVE ANSWERED THE QUESTION MORE ACCURATELY

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	7.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

* MEETING FLEET REQUIREMENTS / STATEMENT READS " ALL EXISTING BUSES WILL BE WIRED FOR TECHNOLOGY AND REQUIRED VIDEO CAMERAS & ZONAR EQUIPMENT INSTALLED LOCALLY.
CONCERN - THERE IS NO MENTION OF A TIME FRAME OF WHEN THE INSTALLATION WILL BE COMPLETED BY

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO

Scoring Rubric:

CR: (2)
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

capacity irrelivant if busses already exist in fleet

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

BULLET #1 - already existing AND PLANS FOR RENOVATIONS

BULLET #2 - MOST OF FLEET ALREADY THERE

BULLET # 3 - SATISFACTORY

BULLET # 4 - SATISFACTORY

BULLET # 5 - STATED WELL, DEMONSTRATES SUPERIOR UNDERSTANDING OF REQUIREMENTS

Calculated Score: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score: 2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	4.5	MO
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	MO
Tab 7: Vehicles & Fleet Management	3.0	2.25	MO
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	0.0	IR
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	50.0	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

pdf letter not signed but hard copy is signed.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	MO

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

→ Letter from Kamehameha Schools Maui is neutral.

Calculated Points:	4.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

"Reliability" requirement ~~was~~ was addressed sufficiently, except for park-aways; no procedure for park aways.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):** → The response to question of metrics is insufficient. In order to know if a safety program is effective, specific metrics must be measured & analyzed. Once a metric stabilizes, it must be replaced by a new metric. The response provides no such details.		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

The response on the question of meeting/exceeding fleet and age requirements not clear. Appendix G, as referenced, did not sufficiently respond to the question.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	IR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

(IR)
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Financial reports not attached

Calculated Points: Ø

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	4.5	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	50.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

NOTE: HARD COPY CONFIRMED TO HAVE PROPONENT'S AUTHORIZED REPRESENTATIVES SIGNATURE

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

NOTE ONLY: AKINA BUS HAS ONLY 2 TRIPS TO AND FROM LOKELANI INTER

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: ✓• No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. ✓• If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	MO

Scoring Rubric:

CR:
- ✓ Three references provided
- ✓ At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

✓ KSM LETTER - NEUTRAL

✓ SEABURY HALL LETTER - POSITIVE AND 100% RELATED TO H-S-H SCHOOL BUS SERVICE

	Calculated Points:	4.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach* • *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

Evaluation Description	Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	Evaluator Comments & Notes (continued): * PANELIST LEFT UNCLEAR IF PROPONENT ACTUALLY USES REAL DATA AND CHARTS OF ACTUAL ACCIDENTS & INCIDENTS TO MEASURE, TRACK & ANALYZE THEIR SAFETY RECORD FOR ANY PERIOD OF TIME	
	Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. X • What types and age of vehicles to you propose to provide? X • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? X • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- X • Five pages or less
- X • Clear summary description of fleet management process
- X • Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

* ERROR TO APPENDIX REFERENCE FOR MEETING & EXCEEDING FLEET AGE REQUIREMENT. SHOULD BE APPENDIX 7 NOT 5 AS STATED.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: X • Provide a proposed organizational chart to deliver the proposed services. X • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. X • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- X • Five pages or less (excluding bios)
- X • Clear summary description of firm's capacity is provided
- X • Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: elements of the capacity or staffing are not credible (one or more)*

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Calculated Points:	30

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. ✓ • Facility identification & acquisition ✓ • Fleet acquisition ✓ • Management and driver staffing ✓ • Service location familiarization (schools, geography, etc.) ✓ • Client communications during the transition	3.0	CR

Scoring Rubric:

CR:
- ✓ Five pages or less
- ✓ Clear summary description of transition plan is provided
- ✓ Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years X • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	IR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: ???*

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes: 2 OF 3 BULLETS NOT ADDRESSED ADEQUATELY

* COULD NOT LOCATE CERTIFICATE OF INSURANCE AS WELL AS EITHER 2 YEARS OF TAX RETURNS OR 2 YEARS OF FINANCIAL STATEMENTS.

Calculated Points: 0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: AKINA BUS SERVICE

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

NOTE: ONE TAB REFERENCE STATED INCORRECTLY

Calculated Score:	20

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	option B - Clusters 2 & 4 w/ 32 bus max.
Tab 2: Executive Summary	3.0	3.0	Would like to have had more info on how proposal exceeded state min. req's tho
Tab 3: Qualifications & Experience	9.0	6.75	Concern about capacity to handle such a large increase in # buses
Tab 4: References & Testimonials	6.0	4.5	One of the LOR's was neutral
Tab 5: Proponent's Service Approach	9.0	9.0	would like to have seen stronger response to identification of efficiencies tho.
Tab 6: Proponent's Commitment to Safety	15.0	15.0	Strong response - many facets. NO Seat belts or emerg. evac drills tho.
Tab 7: Vehicles & Fleet Management	3.0	3.0	Cluster 2 = 13 new indicated 4 = 26 new indicated
Tab 8: Proponent's Staff	3.0	2.25	Proposed org chart was confusing/unclear. Also, capacity to finance new buses unclear.
Tab 9: Transition Plan	3.0	2.25	Proposal didn't address school communication component. Also, didn't reference minimizing current vendor disruption.
Tab 10: Financial Stability	4.0	0	Didn't provide cert. of ins. or F/S's.
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	50.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina - 2

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement ✓
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Single page - electronic copy was not signed through ?
Option A - clusters 2 & 4 ; 32 bus maximum.

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? ✓ • What specific elements of your proposal do you believe will exceed the State's service requirements? ✓ • What factors differentiate your company's approach to service delivery from that of your competitors? ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

compliant, but weak response to how proposal exceeds state min. req.'s

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	MO

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

– presently has 6 HIDOE bus routes on Maui out of 21 total buses overall

if Cluster 2 = $\frac{19-6}{21}$ = 62% incr. in capac.

if Cluster 4 = $\frac{32-6}{21}$ = 124% incr. in capac.

possible concern re: capacity to handle such a large increase

Calculated Score: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina -2

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	MO

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

→ 1 of LOR's was neutral out of the 3 provided

Calculated Points:	4.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina -2

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy ✓ • Driver recruitment, retention, and training ✓ • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology ✓ In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability ✓ • Reliability ✓ • Responsiveness ✓ • Efficiency ✓ – not very strong response on efficiency but compliant	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less ✓ • All bulleted requirements are clearly covered in the description ✓ • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	Would like to have seen more emphasis on identifying efficiencies

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? ✓ • How does your firm measure its safety success? ✓ • How has that measurement or metric changed over the past three years? ✓ • How does your firm ensure operations are safe from day to day? ✓	15.0	CR

Scoring Rubric:

CR:
- No more than five pages ✓
- All bulleted requirements are clearly covered in the description ✓
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Strong on Safety Commitment - many items noted:
- Training
- GPS/Zonar
- Awards
- pre-post trip
- checkpoint@ back of bus
- CPR/1ST Aid
- Accident/Incident review
- mirror alignment
- GPS
- maintenance of buses
- no seat belts tho

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? ✓ • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Cluster 2 — 13 new buses indicated

4 — 26 new buses indicated

age & equip compliant

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. ✓ • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. ✓ • Provide brief biographical information for the key management personnel you expect to assign to the proposed services. ✓	3.0	NO

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Org chart provided was confusing and didn't clearly indicate what if any new positions would be added as result of any new contract

Also, capacity to finance new buses unclear, concern esp. for cluster 4.

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina -2

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition ✓ • Fleet acquisition ✓ • Management and driver staffing ✓ • Service location familiarization (schools, geography, etc.) ✓ • Client communications during the transition ✓	3.0	MO

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

proposed plan did not address communication w/ schools during transition. Also, did not address efforts efforts to minimize disruption of current service providers/drivers.

Calculated Score: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	IR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

— No cert. of insurance or F/S's were provided — non-compliant/incomplete

Calculated Points: Ø

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina-2

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	4.5	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	2.25	
Tab 10: Financial Stability	4.0	0.00	
Tab 11: APPENDIX: Additional Information	2.0	1.5	
Total Points	**60.0**	53.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Signature missing from cover letter
but hard copy has it.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided **MO:** • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings **MM** • 3 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (two or more) **IR** • No Executive Summary provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service LLC

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service LLC

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	MO

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

Kamehameha letter is general just states the use of the company

Calculated Points:	4.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Aking Bus Service Ltd

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

Vendor: Akina Bus Service Ltd

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	

Calculated Points:	9.8

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Question #3 on how has this measurement or Metric changed over the Past 3 years? You mentioned a number of new actions were developed in the Summer 2016. You only talked about one of them, Pointed a permanent grid, How many did you establish and why only this one is mentioned?

Vendor: Akina Bus Service Ltd

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	
	Calculated Points: 15.0

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	**Evaluator Comments & Notes:**
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	30

TAB 8 PROPONENT'S STAFF

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akona Bus Service LLC

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Calculated Points:	3.0

TAB 9 TRANSITION PLAN

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

- Existing facility is well suited to accomodate additional equipment under facility identification & Aquisition. Td references to tab-11 Appendix 5 but that info is not there. Appendix 5 shows only a DOT authorization letter.
- Rigorous training & Screening required by potential bus drivers as detailed on pages 1a & 11 & tab 11 appendix 5 but Page 1a & 11 is reference letters and tab 11 appendix 5 is a DOT authorization.

Calculated Score: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	IR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

- tab 11 appendix 7 indicates a first Hawaiian Bank letter but it does not confirm financing by the bank.
- Tax returns state they are included on Attachment A w/ certificate of insurance but these attachments don't exist.

Calculated Points:	0.00

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Akina Bus Service Ltd

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Appendix 5 is not complete as the facility and identification & the driver training & Screen which are both referred to in tab 9 are not listed as indicated to be in appendix 5.

Calculated Score:	1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd.

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	MO
Tab 6: Proponent's Commitment to Safety	15.0	11.25	MO
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	1.5	MO
Total Points	60.0	53.5	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd.

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • One page or less • Meets all form & content requirements • Provides Proposal Option statement • Provides understanding of who is the proponent **MO:** • Exceeds page limit • Missing required content (one or more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide Proposal Option statement • No understanding provided of who is the proponent **IR** • No cover letter provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akuta Enterprises

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided MO: • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings MM • 3 or more minor, 1 major MA • Fails to provide credible answers to three required questions (two or more) IR • No Executive Summary provided	

	Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd.

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd.

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd.

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

— Presentation failed to sufficiently respond to "Reliability" and "Responsiveness" in terms of defining in-house communication protocols for emergencies such as:

1) driver no-shows
2) mechanical breakdowns
3) timely notification to DOE

Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprise

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	100

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akiva Enterprises

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):** Presentation failed to sufficiently describe specific metrics that are used to measure the effectiveness of their safety program. Presentation also failed to sufficiently describe how metrics changed over time		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd.

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises Ltd.

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd.

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

→ Tab 11 presentation does not add value to the response

Calculated Score: 1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	2.25	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	2.25	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	1.5	
Total Points	60.0	54.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

BULLET #1 - ONLY POINTS 1,2,3 & 7 APPLY - 4,5,6 & 8 ARE MERELY PROPOSED

BULLET # 3 - POINT #4 - VEHICLES CAN ONLY BE A PROPOSAL AT THIS POINT
POINT #5 - TWO INCIDENTS FROM CURRENT SY WOULD DISPUTE THIS CLAIM
POINT #9 - INABILITY TO END ROUTE CONSOLIDATION DISPUTES CLAIM

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

* STATEMENT THAT HAIKU & HANA CONTRACTS WERE NOT RENEWED BY THE DEPARTMENT ARE NOT TRUE. AKITA ENTERPRISES WAS OFFERED AN EXTENSION BUT TURNED IT DOWN DUE TO DRIVER SHORTAGE CAUSED BY EMPLOYEE DISPUTE

* REFERENCE LETTERS THOUGH POSITIVE ARE NOT RELATIVE TO HOME-SCHOOL-HOME SCHOOL BUS SERVICE

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: ✓ • Management philosophy ✓ • Driver recruitment, retention, and training ✓ • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: ✓ • Accountability ✓ • Reliability ✓ • Responsiveness ✓ • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: ✓ • Ten pages or less ✓ • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach* • *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*	AFTER INTERVIEW ANSWERS RANK CHANGED TO CR INTERVIEW Q & A VERIFIED BASEYARD CONCERNS

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • *Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM: • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):** PROPONENT FAILS TO DEMONSTRATE VIA CHARTS METRIX OR GRAPHS THE USE OF ACTUAL DATA IN ORDER TO ACTUALLY BE PREPARED OR ABLED TO MEASURE THEIR SAFETY SUCCESS DAY TO DAY OR YEAR to YEAR		
	Calculated Points:		11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. X • What types and age of vehicles to you propose to provide? X • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? X • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	MO

Scoring Rubric:

CR:
X • Five pages or less
• Clear summary description of fleet management process
• Required answers are provided and RFP compliant

MO:
• Reader left unclear as to specific questions posed (one of more)

MM
• 2 or more minor, 1 major

MA
• Fails to provide credible answers to three required questions (one or more)

IR
• No section provided
• Two or more questions unanswered
• Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

READER LEFT UNCLEAR HOW ONLY 2 SHOP TRUCKS CAN ADEQUATELY PROVIDE EMERGENCY SERVICE TO 7 SATELLITE BASE YARDS

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: elements of the capacity or staffing are not credible (one or more)* IR • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. x • Facility identification & acquisition x • Fleet acquisition x • Management and driver staffing x • Service location familiarization (schools, geography, etc.) x • Client communications during the transition	3.0	CR

Scoring Rubric:

CR:
- x • Five pages or less
- x • Clear summary description of transition plan is provided
- x • Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: elements of the plan are not credible (one or more)*

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

CONCERN: CLIENT COMMUNICATION NEEDS TO ALSO BE WITH LOCAL DTO.

CONCERNS WITH ACTUALLY HAVING 7 BASEYARDS CLEAR UP DURING INTERVIEW PROCESS

CONCERNS WITH SERVICE LOCATION FAMILIARIZATION WAS ALSO CLEARED UP DURING INTERVIEW PROCESS

Calculated Score: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: X • A sample certificate of insurance that meets the contract requirements X • Income statements and balance sheets or tax returns for past two years X • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: X • Clear summary description of firm's source of capital is provided X • Required information is clearly proviced MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: ???* IR • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKITA ENTERPRISES

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

STATEMENTS PROVIDED WERE PURELY REPETITIVE, NO CHARTS, GRAPHS, REFERENCES ATTACHED AND PROVIDED NO FURTHER VALUE

Calculated Score: 1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A for all 3 clusters
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	Already has 36 Kauai buses vs max. award of 47
Tab 4: References & Testimonials	6.0	6.0	3 written LOR's + testimonials
Tab 5: Proponent's Service Approach	9.0	6.75	Response only addressed bus-based technology and didn't address office/support/admin IT.
Tab 6: Proponent's Commitment to Safety	15.0	15.0	No 3pt. seat belts or emerg. evac. drills tho.
Tab 7: Vehicles & Fleet Management	3.0	3.0	48 new buses--all new fleet but was discrepancy on pg 8 (97 buses) vs page 22 (80 buses)?
Tab 8: Proponent's Staff	3.0	2.25	Didn't provide proposed org chart (only current). Addressed succession plan in on-site interview.
Tab 9: Transition Plan	3.0	2.25	Failed to address route reviews, dry runs and efforts to avoid disruption of current vendors.
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	1.5	No signif. value added
Total Points	**60.0**	55.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement ✓
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

- Option A for all 3 clusters

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? ✓ • What specific elements of your proposal do you believe will exceed the State's service requirements? ✓ • What factors differentiate your company's approach to service delivery from that of your competitors? ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services ✓ • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company ✓ • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry ✓	9.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Hawaii School

Current	Reg	Sped	total
Big Isle	16	7	23
Kauai	23	13	36
	39	20	59

Other Schools/orgs served too

max new award on Kauai
47

47 − 36 = 11

11/59 = 18.9%

would be manageable increase

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. ✓ - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost. ✓	6.0	CR

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 positive LOR's plus testimonials

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology – no indication of office/support/admin technology to be used. In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	Response only addressed technology to be used on buses, not office/admin.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita - 2

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Multi-faceted:
Pre/post trip insp.
employee screening
CPR / 1st aid
Zonar
GPS
cameras
Skills/road tests
Child safe checks
Certified Driver Trainer
bus maintenance
employee training

(no 3pt seat belts or emerg evac drills tho)

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita - 2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? ✓ • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

proposing 48 new buses - all new fleet

as max award = 47

But also re: discrepancy on page 8 (97 buses) vs page 22 (80 buses)?

	Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. — proposed org chart not provided • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. ✓ • Provide brief biographical information for the key management personnel you expect to assign to the proposed services. ✓	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided — No proposed org. chart

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Concern re: succession plan, although that was addressed in on-site interview

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition ✓ • Fleet acquisition ✓ • Management and driver staffing ✓ • Service location familiarization (schools, geography, etc.) – already serves Kauai community • Client communications during the transition – incl. schools	3.0	MO

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

– no indication of plan to avoid disruption of current vendors when recruiting during any transition. Discussed in on-site interview two also didn't address route reviews & dry runs

	Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita -2

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

48 hrs ave.
x 110,000
$5,280,000 – covered by Cash balance per F/S & plus 9/20/16 line of credit letter from Bofh.

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita-2

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Nothing of signif value added.

Calculated Score:	1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises Ltd

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	1.5	
Total Points	60.0	59.50	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

- Under what factors differentiate your company's approach to service delivery from that of your competitors, "8 operations supervisors have hands-on experience driving buses and working with Special education students and families. Will the Operation Supervisors continue to drive regular routes as they do right now if you are awarded a contract? Supervisory driving takes away from them being available when needed to put a bus out of bay phone due to driving a route

	Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akin Enterprises, Ltd

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** MO: • Missing required information (one or more) MM • 3 or more minor, 1 major MA • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** IR • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKAN Enterprises, Ltd

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises Ltd

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	
	Calculated Points: 9.0

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akina Enterprises, LTD

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:	**Evaluator Comments & Notes:**
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

Vendor: Akita Enterprises, Ltd

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	
	Calculated Points: 15.0

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AKiko Enterprises, Ltd.

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	**Evaluator Comments & Notes:**
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

TAB 8 PROPONENT'S STAFF

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd.

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Calculated Points:	3.0

TAB 9 TRANSITION PLAN

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd.

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • ***Judgment: elements of the plan are not credible (one or more)*** IR • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: AK-Da Enterprises, Ltd

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • *Judgment: ???* **IR** • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Akita Enterprises, Ltd.

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

No additional information was provided that was not already mentioned in the proposal. Said they are reiterating what was already mentioned which adds no value.

Calculated Score:	1.5

D17-001 Total Scoring
Island of Maui

Cluster	Location Description
1	Makawao
2	Baldwin
3	Lahaina
4	Maui

Akina			
Technical	Price	Total	Rank
NA	NA	**NA**	**NA**
51.19	28.45	**79.64**	**4.00**
NA	NA	**NA**	**NA**
51.19	27.18	**78.37**	**4.00**

Ground			
Technical	Price	Total	Rank
57.06	40.00	**97.06**	**1.00**
57.06	40.00	**97.06**	**1.00**
57.06	40.00	**97.06**	**1.00**
57.06	40.00	**97.06**	**1.00**

Iosepa			
Technical	Price	Total	Rank
52.56	37.29	**89.85**	**3.00**
52.56	29.71	**82.27**	**3.00**
52.56	32.60	**85.16**	**3.00**
52.56	32.69	**85.25**	**3.00**

Roberts			
Technical	Price	Total	Rank
55.13	39.46	**94.58**	**2.00**
55.13	36.61	**91.74**	**2.00**
55.13	36.46	**91.59**	**2.00**
55.13	35.72	**90.84**	**2.00**

Cluster	Location Description	Total Buses	First Vendor	Buses	Second Vendor	Buses
1	Makawao	42	Ground		Roberts	42
2	Baldwin	18	Ground	18	Roberts	
3	Lahaina	19	Ground	19	Roberts	
4	Maui	34	Ground	34	Roberts	
Total		**113**		**71**		**42**

RFP D17-001 Technical Scoring
Island of Maui

Cluster 1 - Makawao		Akina					Ground					Iosepa					Roberts				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	NA	NA	NA	NA	**NA**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	3.00	3.00	**2.63**	3.00	2.25	3.00	3.00	**2.81**
2 - Executive Summary	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**
3 - Qualifications & Experience	9	NA	NA	NA	NA	**NA**	9.00	6.75	9.00	9.00	**8.44**	9.00	9.00	9.00	6.75	**8.44**	9.00	6.75	9.00	9.00	**8.44**
4 - References and Testimonials	6	NA	NA	NA	NA	**NA**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	NA	NA	NA	NA	**NA**	9.00	9.00	6.75	9.00	**8.44**	9.00	6.75	6.75	6.75	**7.31**	9.00	6.75	6.75	6.75	**7.31**
6 - Proponent's Commitment to Safety	15	NA	NA	NA	NA	**NA**	15.00	15.00	11.25	15.00	**14.06**	15.00	11.25	11.25	15.00	**13.13**	15.00	11.25	11.25	15.00	**13.13**
7 - Vehicles & Fleet Management	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	3.00	1.50	3.00	3.00	**2.63**
8 - Proponent's Staff	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	3.00	**3.00**
9 - Transition Plan	3	NA	NA	NA	NA	**NA**	3.00	3.00	2.25	1.50	**2.44**	3.00	2.25	2.25	1.50	**2.25**	3.00	3.00	3.00	3.00	**3.00**
10 - Financial Stability	4	NA	NA	NA	NA	**NA**	4.00	4.00	4.00	4.00	**4.00**	2.00	3.00	3.00	2.00	**2.50**	4.00	4.00	4.00	4.00	**4.00**
11 - Additional Information	2	NA	NA	NA	NA	**NA**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**NA**	**NA**	**NA**	**NA**	**NA**	**60.00**	**57.00**	**53.25**	**58.00**	**57.06**	**57.25**	**51.50**	**52.25**	**49.25**	**52.56**	**60.00**	**48.75**	**54.00**	**57.75**	**55.13**

Cluster 2 - Baldwin		Akina					Ground					Iosepa					Roberts				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	3.00	3.00	**2.63**	3.00	2.25	3.00	3.00	**2.81**
2 - Executive Summary	3	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**
3 - Qualifications & Experience	9	9.00	9.00	9.00	6.75	**8.44**	9.00	6.75	9.00	9.00	**8.44**	9.00	9.00	9.00	6.75	**8.44**	9.00	6.75	9.00	9.00	**8.44**
4 - References and Testimonials	6	4.50	4.50	4.50	4.50	**4.50**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	6.75	9.00	**8.44**	9.00	6.75	6.75	6.75	**7.31**	9.00	6.75	6.75	6.75	**7.31**
6 - Proponent's Commitment to Safety	15	15.00	11.25	11.25	15.00	**13.13**	15.00	15.00	11.25	15.00	**14.06**	15.00	11.25	11.25	15.00	**13.13**	15.00	11.25	11.25	15.00	**13.13**
7 - Vehicles & Fleet Management	3	3.00	3.00	2.25	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	3.00	1.50	3.00	3.00	**2.63**
8 - Proponent's Staff	3	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	3.00	**3.00**
9 - Transition Plan	3	2.25	3.00	3.00	2.25	**2.63**	3.00	3.00	2.25	1.50	**2.44**	3.00	2.25	2.25	1.50	**2.25**	3.00	3.00	3.00	3.00	**3.00**
10 - Financial Stability	4	0.00	0.00	0.00	0.00	**0.00**	4.00	4.00	4.00	4.00	**4.00**	2.00	3.00	3.00	2.00	**2.50**	4.00	4.00	4.00	4.00	**4.00**
11 - Additional Information	2	1.50	2.00	2.00	2.00	**1.88**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**53.25**	**50.75**	**50.00**	**50.75**	**51.19**	**60.00**	**57.00**	**53.25**	**58.00**	**57.06**	**57.25**	**51.50**	**52.25**	**49.25**	**52.56**	**60.00**	**48.75**	**54.00**	**57.75**	**55.13**

Cluster 3 - Lahaina		Akina					Ground					Iosepa					Roberts				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	NA	NA	NA	NA	**NA**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	3.00	3.00	**2.63**	3.00	2.25	3.00	3.00	**2.81**
2 - Executive Summary	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**
3 - Qualifications & Experience	9	NA	NA	NA	NA	**NA**	9.00	6.75	9.00	9.00	**8.44**	9.00	9.00	9.00	6.75	**8.44**	9.00	6.75	9.00	9.00	**8.44**
4 - References and Testimonials	6	NA	NA	NA	NA	**NA**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	NA	NA	NA	NA	**NA**	9.00	9.00	6.75	9.00	**8.44**	9.00	6.75	6.75	6.75	**7.31**	9.00	6.75	6.75	6.75	**7.31**
6 - Proponent's Commitment to Safety	15	NA	NA	NA	NA	**NA**	15.00	15.00	11.25	15.00	**14.06**	15.00	11.25	11.25	15.00	**13.13**	15.00	11.25	11.25	15.00	**13.13**
7 - Vehicles & Fleet Management	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	3.00	1.50	3.00	3.00	**2.63**
8 - Proponent's Staff	3	NA	NA	NA	NA	**NA**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	3.00	**3.00**
9 - Transition Plan	3	NA	NA	NA	NA	**NA**	3.00	3.00	2.25	1.50	**2.44**	3.00	2.25	2.25	1.50	**2.25**	3.00	3.00	3.00	3.00	**3.00**
10 - Financial Stability	4	NA	NA	NA	NA	**NA**	4.00	4.00	4.00	4.00	**4.00**	2.00	3.00	3.00	2.00	**2.50**	4.00	4.00	4.00	4.00	**4.00**
11 - Additional Information	2	NA	NA	NA	NA	**NA**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**NA**	**NA**	**NA**	**NA**	**NA**	**60.00**	**57.00**	**53.25**	**58.00**	**57.06**	**57.25**	**51.50**	**52.25**	**49.25**	**52.56**	**60.00**	**48.75**	**54.00**	**57.75**	**55.13**

Cluster 4 - Maui		Akina					Ground					Iosepa					Roberts				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	2.25	2.25	3.00	3.00	**2.63**	3.00	2.25	3.00	3.00	**2.81**
2 - Executive Summary	3	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**
3 - Qualifications & Experience	9	9.00	9.00	9.00	6.75	**8.44**	9.00	6.75	9.00	9.00	**8.44**	9.00	9.00	9.00	6.75	**8.44**	9.00	6.75	9.00	9.00	**8.44**
4 - References and Testimonials	6	4.50	4.50	4.50	4.50	**4.50**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	4.50	**5.63**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	6.75	9.00	**8.44**	9.00	6.75	6.75	6.75	**7.31**	9.00	6.75	6.75	6.75	**7.31**
6 - Proponent's Commitment to Safety	15	15.00	11.25	11.25	15.00	**13.13**	15.00	15.00	11.25	15.00	**14.06**	15.00	11.25	11.25	15.00	**13.13**	15.00	11.25	11.25	15.00	**13.13**
7 - Vehicles & Fleet Management	3	3.00	3.00	2.25	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00	**3.00**	3.00	1.50	3.00	3.00	**2.63**
8 - Proponent's Staff	3	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	3.00	**3.00**
9 - Transition Plan	3	2.25	3.00	3.00	2.25	**2.63**	3.00	3.00	2.25	1.50	**2.44**	3.00	2.25	2.25	1.50	**2.25**	3.00	3.00	3.00	3.00	**3.00**
10 - Financial Stability	4	0.00	0.00	0.00	0.00	**0.00**	4.00	4.00	4.00	4.00	**4.00**	2.00	3.00	3.00	2.00	**2.50**	4.00	4.00	4.00	4.00	**4.00**
11 - Additional Information	2	1.50	2.00	2.00	2.00	**1.88**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**53.25**	**50.75**	**50.00**	**50.75**	**51.19**	**60.00**	**57.00**	**53.25**	**58.00**	**57.06**	**57.25**	**51.50**	**52.25**	**49.25**	**52.56**	**60.00**	**48.75**	**54.00**	**57.75**	**55.13**

RFP D17-001 Price Scoring
Island of Maui

Scheduled Routes

	Cluster 1 - Makawao	Cluster 2 - Baldwin	Cluster 3 - Lahaina	Cluster 4 - Maui
Akina	NA	$ 2,202,660.00	NA	$ 3,847,320.00
Ground	$ 3,783,510.00	$ 1,525,635.00	$ 1,774,822.50	$ 2,534,310.00
Iosepa	$ 3,889,042.20	$ 2,001,249.00	$ 2,106,217.80	$ 2,998,816.20
Roberts	$ 3,800,520.00	$ 1,664,640.00	$ 1,945,350.00	$ 2,842,200.00
Minimum	**$ 3,783,510.00**	**$ 1,525,635.00**	**$ 1,774,822.50**	**$ 2,534,310.00**

Points	**Cluster 1 - Makawao**	**Cluster 2 - Baldwin**	**Cluster 3 - Lahaina**	**Cluster 4 - Maui**
Akina	NA	24.93	NA	23.71
Ground	36.00	36.00	36.00	36.00
Iosepa	35.02	27.44	30.34	30.42
Roberts	35.84	32.99	32.84	32.10

Total Points	**Cluster 1 - Makawao**	**Cluster 2 - Baldwin**	**Cluster 3 - Lahaina**	**Cluster 4 - Maui**
Akina	NA	28.45	NA	27.18
Ground	40.00	40.00	40.00	40.00
Iosepa	37.29	29.71	32.60	32.69
Roberts	39.46	36.61	36.46	35.72

Supplemental Services

	Cluster 1 - Makawao	Cluster 2 - Baldwin	Cluster 3 - Lahaina	Cluster 4 - Maui
Akina	NA	$ 72.00	NA	$ 73.00
Ground	$ 63.33	$ 63.33	$ 63.33	$ 63.33
Iosepa	$ 112.00	$ 112.00	$ 112.00	$ 112.00
Roberts	$ 70.00	$ 70.00	$ 70.00	$ 70.00
Minimum	**$ 63.33**	**$ 63.33**	**$ 63.33**	**$ 63.33**

Points	**Cluster 1 - Makawao**	**Cluster 2 - Baldwin**	**Cluster 3 - Lahaina**	**Cluster 4 - Maui**
Akina	NA	3.52	NA	3.47
Ground	4.00	4.00	4.00	4.00
Iosepa	2.26	2.26	2.26	2.26
Roberts	3.62	3.62	3.62	3.62

Rank	**Cluster 1 - Makawao**	**Cluster 2 - Baldwin**	**Cluster 3 - Lahaina**	**Cluster 4 - Maui**
Akina	**NA**	**4.00**	**NA**	**4.00**
Ground	**1.00**	**1.00**	**1.00**	**1.00**
Iosepa	**3.00**	**3.00**	**3.00**	**3.00**
Roberts	**2.00**	**2.00**	**2.00**	**2.00**

Route Costs	Cluster 1 - Makawao	Cluster 2 - Baldwin	Cluster 3 - Lahaina	Cluster 4 - Maui
Akina	NA	$ 1,949,400.00	NA	$ 3,340,800.00
Ground	$ 3,611,520.00	$ 1,439,640.00	$ 1,703,160.00	$ 2,362,320.00
Iosepa	$ 3,798,322.20	$ 1,955,889.00	$ 2,068,417.80	$ 2,908,096.20
Roberts	$ 3,551,040.00	$ 1,539,900.00	$ 1,841,400.00	$ 2,592,720.00

Aide Costs	Cluster 1 - Makawao	Cluster 2 - Baldwin	Cluster 3 - Lahaina	Cluster 4 - Maui
Akina	NA	$ 253,260.00	NA	$ 506,520.00
Ground	$ 171,990.00	$ 85,995.00	$ 71,662.50	$ 171,990.00
Iosepa	$ 90,720.00	$ 45,360.00	$ 37,800.00	$ 90,720.00
Roberts	$ 249,480.00	$ 124,740.00	$ 103,950.00	$ 249,480.00

Total Routes Costs	Cluster 1 - Makawao	Cluster 2 - Baldwin	Cluster 3 - Lahaina	Cluster 4 - Maui
Akina	NA	$ 2,202,660.00	NA	$ 3,847,320.00
Ground	$ 3,783,510.00	$ 1,525,635.00	$ 1,774,822.50	$ 2,534,310.00
Iosepa	$ 3,889,042.20	$ 2,001,249.00	$ 2,106,217.80	$ 2,998,816.20
Roberts	$ 3,800,520.00	$ 1,664,640.00	$ 1,945,350.00	$ 2,842,200.00

RFP D17-002 Total Scoring
Island of Kauai

		Akita				Iosepa				Roberts				Yamaguchi			
Cluster	Location Description	Technical	Price	Total	Rank	Technical	Price	Total	Rank	Technical	Price	Total	Rank	Technical	Price	Total	Rank
1	Waimea	55.75	39.07	**94.82**	**1.00**	52.50	23.95	**76.45**	**4.00**	54.94	27.25	**82.18**	**3.00**	54.31	38.26	**92.57**	**2.00**
2	Kapaa	55.75	40.00	**95.75**	**1.00**	52.50	25.54	**78.04**	**4.00**	54.94	32.10	**87.03**	**3.00**	54.31	33.87	**88.18**	**2.00**
3	Kauai	55.75	40.00	**95.75**	**1.00**	52.50	25.21	**77.71**	**4.00**	54.94	32.27	**87.21**	**3.00**	54.31	37.09	**91.40**	**2.00**

Cluster	Location Description	Total Buses	First Vendor	Buses	Second Vendor	Buses
1	Waimea	19	Akita		Yamaguchi	19
2	Kapaa	25	Akita	25	Yamaguchi	
3	Kauai	21	Akita	21	Yamaguchi	
Total		**65**		**46**		**19**

RFP D17-002
Island of Kauai Services

Cluster 1 - Waimea		Akita					Iosepa					Roberts					Yamaguchi				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	3.00	3.00	3.00	3.00	**3.00**	2.25	2.25	3.00	3.00	**2.63**	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**
2 - Executive Summary	3	3.00	2.25	3.00	3.00	**2.81**	3.00	2.25	3.00	3.00	**2.81**	3.00	2.25	3.00	3.00	**2.81**	3.00	2.25	3.00	2.25	**2.63**
3 - Qualifications & Experience	9	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	6.75	**8.44**
4 - References and Testimonials	6	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	4.50	4.50	**5.25**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	9.00	9.00	6.75	6.75	**7.88**	9.00	6.75	6.75	6.75	**7.31**	9.00	6.75	6.75	6.75	**7.31**	9.00	9.00	6.75	6.75	**7.88**
6 - Proponent's Commitment to Safety	15	15.00	11.25	11.25	15.00	**13.13**	15.00	11.25	11.25	15.00	**13.13**	15.00	11.25	11.25	15.00	**13.13**	11.25	11.25	11.25	15.00	**12.19**
7 - Vehicles & Fleet Management	3	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**
8 - Proponent's Staff	3	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	2.25	2.25	3.00	2.25	**2.44**
9 - Transition Plan	3	3.00	3.00	3.00	2.25	**2.81**	3.00	2.25	2.25	2.25	**2.44**	2.25	1.50	3.00	2.25	**2.25**	3.00	3.00	3.00	3.00	**3.00**
10 - Financial Stability	4	4.00	4.00	4.00	4.00	**4.00**	2.00	2.00	3.00	2.00	**2.25**	4.00	4.00	4.00	4.00	**4.00**	4.00	4.00	4.00	3.00	**3.75**
11 - Additional Information	2	1.50	1.50	1.50	1.50	**1.50**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	2.00	**2.00**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**59.50**	**54.25**	**53.50**	**55.75**	**55.75**	**57.25**	**49.75**	**50.75**	**52.25**	**52.50**	**59.25**	**50.25**	**54.00**	**56.25**	**54.94**	**55.50**	**54.75**	**54.00**	**53.00**	**54.31**

Cluster 2 - Kapaa		Akita					Iosepa					Roberts					Yamaguchi				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	3.00	3.00	3.00	3.00	**3.00**	2.25	2.25	3.00	3.00	**2.63**	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**
2 - Executive Summary	3	3.00	2.25	3.00	3.00	**2.81**	3.00	2.25	3.00	3.00	**2.81**	3.00	2.25	3.00	3.00	**2.81**	3.00	2.25	3.00	2.25	**2.63**
3 - Qualifications & Experience	9	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	6.75	**8.44**
4 - References and Testimonials	6	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	4.50	4.50	**5.25**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	9.00	9.00	6.75	6.75	**7.88**	9.00	6.75	6.75	6.75	**7.31**	9.00	6.75	6.75	6.75	**7.31**	9.00	9.00	6.75	6.75	**7.88**
6 - Proponent's Commitment to Safety	15	15.00	11.25	11.25	15.00	**13.13**	15.00	11.25	11.25	15.00	**13.13**	15.00	11.25	11.25	15.00	**13.13**	11.25	11.25	11.25	15.00	**12.19**
7 - Vehicles & Fleet Management	3	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**
8 - Proponent's Staff	3	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	2.25	2.25	3.00	2.25	**2.44**
9 - Transition Plan	3	3.00	3.00	3.00	2.25	**2.81**	3.00	2.25	2.25	2.25	**2.44**	2.25	1.50	3.00	2.25	**2.25**	3.00	3.00	3.00	3.00	**3.00**
10 - Financial Stability	4	4.00	4.00	4.00	4.00	**4.00**	2.00	2.00	3.00	2.00	**2.25**	4.00	4.00	4.00	4.00	**4.00**	4.00	4.00	4.00	3.00	**3.75**
11 - Additional Information	2	1.50	1.50	1.50	1.50	**1.50**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	2.00	**2.00**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**59.50**	**54.25**	**53.50**	**55.75**	**55.75**	**57.25**	**49.75**	**50.75**	**52.25**	**52.50**	**59.25**	**50.25**	**54.00**	**56.25**	**54.94**	**55.50**	**54.75**	**54.00**	**53.00**	**54.31**

Cluster 3 - Kauai		Akita					Iosepa					Roberts					Yamaguchi				
Tab	Max Point	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average	Pua Foster	Robert Joseph	James Kauhi	Bruce Ellerman	Average
1 - Transmittal Letter	3	3.00	3.00	3.00	3.00	**3.00**	2.25	2.25	3.00	3.00	**2.63**	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**
2 - Executive Summary	3	3.00	2.25	3.00	3.00	**2.81**	3.00	2.25	3.00	3.00	**2.81**	3.00	2.25	3.00	3.00	**2.81**	3.00	2.25	3.00	2.25	**2.63**
3 - Qualifications & Experience	9	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	9.00	**9.00**	9.00	9.00	9.00	6.75	**8.44**
4 - References and Testimonials	6	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	4.50	4.50	**5.25**	6.00	6.00	6.00	6.00	**6.00**	6.00	6.00	6.00	6.00	**6.00**
5 - Proponent's Service Approach	9	9.00	9.00	6.75	6.75	**7.88**	9.00	6.75	6.75	6.75	**7.31**	9.00	6.75	6.75	6.75	**7.31**	9.00	9.00	6.75	6.75	**7.88**
6 - Proponent's Commitment to Safety	15	15.00	11.25	11.25	15.00	**13.13**	15.00	11.25	11.25	15.00	**13.13**	15.00	11.25	11.25	15.00	**13.13**	11.25	11.25	11.25	15.00	**12.19**
7 - Vehicles & Fleet Management	3	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**	3.00	2.25	3.00	3.00	**2.81**	3.00	3.00	3.00	3.00	**3.00**
8 - Proponent's Staff	3	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	3.00	3.00	3.00	2.25	**2.81**	2.25	2.25	3.00	2.25	**2.44**
9 - Transition Plan	3	3.00	3.00	3.00	2.25	**2.81**	3.00	2.25	2.25	2.25	**2.44**	2.25	1.50	3.00	2.25	**2.25**	3.00	3.00	3.00	3.00	**3.00**
10 - Financial Stability	4	4.00	4.00	4.00	4.00	**4.00**	2.00	2.00	3.00	2.00	**2.25**	4.00	4.00	4.00	4.00	**4.00**	4.00	4.00	4.00	3.00	**3.75**
11 - Additional Information	2	1.50	1.50	1.50	1.50	**1.50**	2.00	2.00	2.00	1.50	**1.88**	2.00	2.00	2.00	2.00	**2.00**	2.00	2.00	2.00	2.00	**2.00**
Technical Total	**60**	**59.50**	**54.25**	**53.50**	**55.75**	**55.75**	**57.25**	**49.75**	**50.75**	**52.25**	**52.50**	**59.25**	**50.25**	**54.00**	**56.25**	**54.94**	**55.50**	**54.75**	**54.00**	**53.00**	**54.31**

D17-002 Pricing Scores
Island of Kauai

Scheduled Routes

	Cluster 1 - Waimea	Cluster 2 - Kapaa	Cluster 3 - Kauai
Akita	$ 1,288,980.00	$ 1,641,960.00	$ 1,416,150.00
Iosepa	$ 2,028,774.60	$ 2,475,727.20	$ 2,187,095.40
Roberts	$ 1,842,660.00	$ 2,011,860.00	$ 1,744,740.00
Yamaguchi	$ 1,255,680.00	$ 1,865,520.00	$ 1,474,200.00
Minimum	**$ 1,255,680.00**	**$ 1,641,960.00**	**$ 1,416,150.00**

Points	**Cluster 1 - Waimea**	**Cluster 2 - Kapaa**	**Cluster 3 - Kauai**
Akita	35.07	36.00	36.00
Iosepa	22.28	23.88	23.31
Roberts	24.53	29.38	29.22
Yamaguchi	36.00	31.69	34.58

Total	**Cluster 1 - Waimea**	**Cluster 2 - Kapaa**	**Cluster 3 - Kauai**
Akita	39.07	40.00	40.00
Iosepa	23.95	25.54	25.21
Roberts	27.25	32.10	32.27
Yamaguchi	38.26	33.87	37.09

Supplemental Services

	Cluster 1 - Waimea	Cluster 2 - Kapaa	Cluster 3 - Kauai
Akita	$ 47.50	$ 47.50	$ 53.33
Iosepa	$ 114.00	$ 114.00	$ 112.00
Roberts	$ 70.00	$ 70.00	$ 70.00
Yamaguchi	$ 84.00	$ 87.00	$ 85.00
Minimum	**$ 47.50**	**$ 47.50**	**$ 53.33**

Points	**Cluster 1 - Waimea**	**Cluster 2 - Kapaa**	**Cluster 3 - Kauai**
Akita	4.00	4.00	4.00
Iosepa	1.67	1.67	1.90
Roberts	2.71	2.71	3.05
Yamaguchi	2.26	2.18	2.51

Rank	**Cluster 1 - Waimea**	**Cluster 2 - Kapaa**	**Cluster 3 - Kauai**
Akita	**1.00**	**1.00**	**1.00**
Iosepa	**4.00**	**4.00**	**4.00**
Roberts	**3.00**	**3.00**	**3.00**
Yamaguchi	**2.00**	**2.00**	**2.00**

Scheduled Routes

	Cluster 1 - Waimea	Cluster 2 - Kapaa	Cluster 3 - Kauai
Akita	$ 1,234,800.00	$ 1,587,780.00	$ 1,334,880.00
Iosepa	$ 1,998,534.60	$ 2,445,487.20	$ 2,141,735.40
Roberts	$ 1,759,500.00	$ 1,928,700.00	$ 1,620,000.00
Yamaguchi	$ 1,190,160.00	$ 1,800,000.00	$ 1,375,920.00

Bus Aide costs	Cluster 1 - Waimea	Cluster 2 - Kapaa	Cluster 3 - Kauai
Akita	$ 54,180.00	$ 54,180.00	$ 81,270.00
Iosepa	$ 30,240.00	$ 30,240.00	$ 45,360.00
Roberts	$ 83,160.00	$ 83,160.00	$ 124,740.00
Yamaguchi	$ 65,520.00	$ 65,520.00	$ 98,280.00

Total route costs	Cluster 1 - Waimea	Cluster 2 - Kapaa	Cluster 3 - Kauai
Akita	$ 1,288,980.00	$ 1,641,960.00	$ 1,416,150.00
Iosepa	$ 2,028,774.60	$ 2,475,727.20	$ 2,187,095.40
Roberts	$ 1,842,660.00	$ 2,011,860.00	$ 1,744,740.00
Yamaguchi	$ 1,255,680.00	$ 1,865,520.00	$ 1,474,200.00

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grandz Transport Incorporated

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	60.0	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grant's Transport Incorporated

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grande Transport Incorporated

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided MO: • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings MM • 3 or more minor, 1 major MA • Fails to provide credible answers to three required questions (two or more) IR • No Executive Summary provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grande Transport Incorporated

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** MO: • Missing required information (one or more) MM • 3 or more minor, 1 major MA • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** IR • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Goodale Transport Incorporated

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive MO: • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) MM • 3 or more minor, 1 major MA • One reference is clearly negative • Two or more references are neutral or not positive IR • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grande Transport Incorporated

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach* • *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*	

Vendor: Grandi's Transport Incorporated

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	
	Calculated Points: 9.0

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grandy's Transport Incorporated

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Minor infractions during DOT inspection & Procedures and Protocols for Child left behind & lost items were answered in interview.

Vendor: Grounds Transport Incorporated

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	
	Calculated Points: 15.0

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grounds Transport Incorporated

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant MO: • Reader left unclear as to specific questions posed (one of more) MM • 2 or more minor, 1 major MA • Fails to provide credible answers to three required questions (one or more) IR • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

TAB 8 PROPONENT'S STAFF

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grandi's Transport Incorporated

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** IR • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

TAB 9 TRANSITION PLAN

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grande Transport Incorporated

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: elements of the plan are not credible (one or more)* IR • No section provided • Two or more elements not credible	Answered question in interview regarding facility acquisition.

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Gandy's Transport Incorporated.

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: ???* IR • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Grandy's Transport Incorporated.

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	NO
Tab 6: Proponent's Commitment to Safety	15.0	11.25	NO
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	2.25	NO
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	53.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	110

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

→ The response to the question of "Reliability" is insufficient. No information is provided on internal communication protocols for emergencies, such as driver no shows particularly for park-aways. Described procedures is insufficient.

Calculated Points: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided

Evaluator Comments & Notes (continued):

→ Response to how has measurement/"metric" changed is insufficient. Response states the safety is measured by the metric of accidents/1,000 driver hours, but response to the question of change speaks to technology and procedures. In order to know that safety program is working, metrics must change occasionally. It cannot be measured by accidents alone.

Calculated Points: 11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	M.O.

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

→ Facility identification & acquisition plan as well as service location familiarization is insufficient.

Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ground Transport

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score: 2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	6.75	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	57.0	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

EXCEEDED PAGE LIMIT

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: ✓ What makes your company, and your proposal, uniquely well suited to the State's requirements? ✓ What specific elements of your proposal do you believe will exceed the State's service requirements? ✓ What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- ✓ Five pages or less
- ✓ Clear summary understanding of overall proposal
- ✓ Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: ✓ Corporate lineage in the provision of student transportation bus services ✓ A brief description of comparable and currently active service delivery contracts being operated by the company ✓ The total number of school buses operated by the company ✓ The total number of student transportation clients served by the company ✓ Any relevant company qualifications or experience outside of the student transportation industry	9.0	MO

Scoring Rubric:

CR:
- ✓ Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

QUANTITY OF STUDENT RIDERSHIP NOT CLEARLY EXPRESSED OR DEMONSTRATED

Calculated Score:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: X • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. X • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- X Three references provided
- X At least one is a letter
- X All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

APPROPRIATE NUMBER OF LETTERS OF REFERENCES PROVIDED BUT I WAS WANTING TO SEE LETTERS PERTAINING TO HOME-SCHOOL - HOME SERVICE SINCE THIS PROPOSAL IS JUST THAT.

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: ✓ Management philosophy ✓ Driver recruitment, retention, and training ✓ Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: ✓ Accountability ✓ Reliability ✓ Responsiveness ✓ Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: ✓ Ten pages or less ✓ All bulleted requirements are clearly covered in the description ✓ *Judgment: Response to every item is consistent with RFP approach* ✓ *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus*	

Vendor: GROUND TRANSPORT

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	Evaluator Comments & Notes (continued):		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. ✓ What types and age of vehicles to you propose to provide? ✓ How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: ✓ Five pages or less ✓ Clear summary description of fleet management process ✓ Required answers are provided and RFP compliant MO: • Reader left unclear as to specific questions posed (one of more) MM • 2 or more minor, 1 major MA • Fails to provide credible answers to three required questions (one or more) IR • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

	Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: elements of the capacity or staffing are not credible (one or more)*

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • ***Judgment: elements of the plan are not credible (one or more)*** IR • No section provided • Two or more elements not credible	* AFTER INTERVIEW

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: ✓ A sample certificate of insurance that meets the contract requirements ✓ Income statements and balance sheets or tax returns for past two years ✓ Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: ✓ Clear summary description of firm's source of capital is provided ✓ Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: ???* IR • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GROUND TRANSPORT

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	20

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A for all 4 clusters
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	3 LOR's (2 not dated) but add'l testimonials & references
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	Numerous facets of Safety Pgm but No 3pt. seat belts; no emergency evac. drills thru
Tab 7: Vehicles & Fleet Management	3.0	3.0	ack re: how maint. quality will be assured until GTI has own facility ?
Tab 8: Proponent's Staff	3.0	3.0	Ask re: what will be done to assure Oahu op's won't be adversely affected ?
Tab 9: Transition Plan	3.0	1.5	Concerns: 1) single base yard if multiple clusters awarded 2) recruiting methods/sources 3) avoiding current vendor disruption
Tab 10: Financial Stability	4.0	4.0	Strong F/S & bank financing letter
Tab 11: APPENDIX: Additional Information	2.0	1.5	No signif. value added
Total Points	**60.0**	58	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI -2

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement — Option A for all 4 clusters
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? ✓ • What specific elements of your proposal do you believe will exceed the State's service requirements? ✓ • What factors differentiate your company's approach to service delivery from that of your competitors? ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Exceeds:
fleetage
Training
Safety Pgm
Seating Capacity
% of spares

Differentiated:
island based
family owned
Fleet mgmt
experience

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services ✓ • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company ✓ • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry ✓	9.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** ✓

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Currently on Oahu only w/ 152 buses (139 on route & 13 spares)

If Maui Max awarded:

$113 \times 85\% = 96$

3 clusters = 42, 32, 20 / 94

$\frac{94}{139} \simeq 67\%$ increase in # of buses.

Grew successfully at ~7% on Oahu BR 1st phase of GOB.

	Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 written LOR's (but 2 weren't dated)
but also incl. numerous testimonials
and a detailed list of references/contacts

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy ✓ • Driver recruitment, retention, and training ✓ • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology ✓ In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability ✓ • Reliability ✓ • Responsiveness ✓ • Efficiency ✓	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less ✓ • All bulleted requirements are clearly covered in the description ✓ • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	Fully addressed all requirements

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Numerous safety components:
- Training
- Bus Maint
- Bus inspections
- CPR/1st aid
- Pre/post trip
- Cameras
- Child Check Mate
- Independent Safety review
- employee screening

No seat belts or emergency evac drills indicated tho.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Plans to purchase new buses to extent needed but will spread out age - compliant Oahu buses as needed. Will be age compliant at all times w/ DOE specs.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. ✓ • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. ✓ • Provide brief biographical information for the key management personnel you expect to assign to the proposed services. ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Unclear — org chart did not include new Maui support positions altho those were indicated in the narrative section. Has mgmt/corporate succession plan in place per on-site interview. Also has operational capacity for day-to-day

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MM

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

– weak response in areas of staff/driver recruitment methods/sources
Also, single base yard indicated may be concern in event of multiple cluster award. Also, need to address avoiding current provider disruption.

Calculated Score:	1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements ✓ • Income statements and balance sheets or tax returns for past two years ✓ • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation ✓	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided ✓
- Required information is clearly provided ✓

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

F/S's provided. Excepted from audited F/S's per on-site interview. Financing capacity appears sufficient

94 buses
x 110,000
10,340,000

low 8 figures

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: GTI-2

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded ✓
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

info didn't really add any signif. value

Calculated Score: 1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ioscpa Transportation

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	4.5	MO
Tab 5: Proponent's Service Approach	9.0	6.75	MO
Tab 6: Proponent's Commitment to Safety	15.0	11.25	MO
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	2.25	MO
Tab 10: Financial Stability	4.0	3.0	MO
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	50.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

	Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ioane Transportation

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	4.0

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

- USDB letter more than a year old
- Lochner letter not relevant to type of service required by the RFP

Calculated Points: 4.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	110

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iozepa Transportation

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

→ A response to Driver Training is missing in the presentation

presentations response to Reliability and Responsiveness is insufficient in terms of describing internal communication protocols for emergencies

Calculated Points: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ioscpa Transportation

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided

Evaluator Comments & Notes (continued):

→ Response is insufficient in terms of describing the metrics that are measured to determine if safety program is working

Response is insufficient in describing how these metrics have changed over the years

Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ioseps Transportation

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Information regarding facility identification and acquisition and service location familiarization was not provided.

Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MO

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Presentation failed to substantiate source of capital/ financing for an all clusters award.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score: 2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	2.25	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	2.25	
Tab 10: Financial Stability	4.0	2.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	49.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes: PROPONENT FAILED TO LIST THE 3 CLUSTERS

CONCERN: NO CORPORATE RESOLUTION THAT DEFINES RYAN H. FULLER AS AUTHORIZED TO SIGN THE TRANSMITTAL LETTER

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: JOSEPA

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: × • What makes your company, and your proposal, uniquely well suited to the State's requirements? × • What specific elements of your proposal do you believe will exceed the State's service requirements? × • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
× • Five pages or less
• Clear summary understanding of overall proposal
× • Required subheadings are provided

MO:
• Reader left unclear as to major proposal elements (one or more)
• Missing required subheadings

MM
• 3 or more minor, 1 major

MA
• Fails to provide credible answers to three required questions (two or more)

IR
• No Executive Summary provided

Evaluator Comments & Notes: PROPONENT DOES NOT PROVIDE ENOUGH DETAILS ON SPARE VEHICLES. ALSO MAKES A CLAIM THAT THEY ARE THE ONLY VENDOR USING THE STAR SEATING OPTIONS, HANNA HIGH HAS BUSES WITH SUCH SEATS

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: ✓ • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company ✓ • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes: COMPARABLE AND CURRENT ACTIVE SERVICE STATED BUT NOT UNDER CLEAR HEADING

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: X • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. X • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
X • Three references provided
X • At least one is a letter
X • All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes: REFERENCE LETTERS ALL REFER TO WASATCH ONLY ONE RELATES DIRECTLY TO H-S-H SERVICE. ALL ARE POSITIVE.

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: ✓ • Management philosophy ✓ • Driver recruitment, retention, and training ✓ • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: ✓ • Accountability ✓ • Reliability ✓ • Responsiveness ✓ • Efficiency	9.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: ✓ • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	PANELIST LEFT WONDERING IF RECRUITMENT PROCESS DESCRIBED WOULD BE EFFECTIVE. RETENTION STATEMENT STRONG BUT YOU HAVE TO HAVE THESE EMPLOYEES FIRST

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • *Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM: • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	Evaluator Comments & Notes (continued):		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: X • What are the most relevant aspects of your company's safety program? X • How does your firm measure its safety success? X • How has that measurement or metric changed over the past three years? X • How does your firm ensure operations are safe from day to day?	15.0	NO

Scoring Rubric:	Evaluator Comments & Notes:
CR: X • No more than five pages • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus*	NO CHARTS OR GRAPHS PROVIDED OR MENTIONED AS BEING USED TO TRACK SAFETY PROGRESS OR AREAS OF CONCERN.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	Evaluator Comments & Notes (continued):		
		Calculated Points:	11,25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. X • What types and age of vehicles to you propose to provide? X • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? X • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- X • Five pages or less
- X • Clear summary description of fleet management process
- X • Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes: ALL NEW BUSES - ADDRESS ALL CONCERNS UP AND THRU YEAR 9 OF THE CONTRACT ONLY

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: X • Provide a proposed organizational chart to deliver the proposed services. X • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. X • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- X • Five pages or less (excluding bios)
- X • Clear summary description of firm's capacity is provided
- X • Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: elements of the capacity or staffing are not credible (one or more)*

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes: ORG CHART DOES NOT PROVIDE FOR SEPARATE DISTRICTS SHOULD THEY BE AWARDED A CONTRACT ON MAUI & KAUAI

Calculated Points:	30

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: JOSEPA

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. x • Facility identification & acquisition x • Fleet acquisition x • Management and driver staffing x • Service location familiarization (schools, geography, etc.) x • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: elements of the plan are not credible (one or more)*

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes: INFO ON REALTOR BEING USED BUT NO POSSIBLE SITES/LOCATIONS OR EVEN AREAS RESEARCHED.

* PROPONENT FAILS TO CLARIFY A PLAN FOR FAMILIARIZATION SUCH AS DRY RUNS, DRIVER TRAINING FOR NEW EQUIPMENT

Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: ✕ • A sample certificate of insurance that meets the contract requirements ✕ • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly proviced

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: ???*

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

CONCERNS 3 DOCUMENTS FROM AMERICA FIRST DATED IN 2013
DOCUMENT FROM ZION'S CREDIT CORP DATED IN 2014

* DOCUMENT FROM DAIMLER TRUCK FINANCIAL - EXPIRED 2/20/16

Calculated Points:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	MO
Tab 6: Proponent's Commitment to Safety	15.0	11.25	MO
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	2.25	MO
Tab 10: Financial Stability	4.0	3.0	MO
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	52.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Joseph Trans

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans.

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

All letters of reference are dated from several months up to a year. Also, I would have preferred that local references were used, considering the vendor has been operating in Hawaii for years.

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	10

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ioscpa Trans

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

→ Response to "Training" is insufficient. Page 24, where response should be located, does not include a sufficient response.

→ Response to "Reliability" is insufficient. It fails to provide information on internal communication protocols for emergencies such as driver no shows particularly for park-aways

Calculated Points: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans.

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	110

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans.

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*

MM
- 3 or more minor, 1 major

MA
- *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided

Evaluator Comments & Notes (continued):

→ Presentation's response to "How does your firm measure its safety success" and "How has that metric changed" is insufficient. In order to know whether a safety program is effective, you must have specific metrics to measure then make improvements pursuant to the data results. Accidents/per road hours and Behind-The-Wheel Evaluation Deficiencies / Eval are samples of safety metrics that directly affect the quality of a safety program. Iosepa response offered no such information on metrics.

Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans.

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans.

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans.

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

→ Response to questions on Facility and Service location familiarization is insufficient. Though the presentation does offer the use of locals to help bridge that gap, the response did not include expected approaches such as GPS research or other innovative ways of ensuring facility & service location familiarity.

Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans.

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MO

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

→ Financial reports suggested that there could be a funding issue if maximum award is given, which poses a significant barrier to standing up an operation.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Trans.

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	2.25	
Tab 10: Financial Stability	4.0	3.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	51.5	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPA

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPH

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

* ACTUAL LIST OF CLUSTERS NOT PROVIDED

*

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPA

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided MO: • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings MM • 3 or more minor, 1 major MA • Fails to provide credible answers to three required questions (two or more) IR • No Executive Summary provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** MO: • Missing required information (one or more) MM • 3 or more minor, 1 major MA • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** IR • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: ✗ • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. ✓ • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- ✗ Three references provided
- ✗ At least one is a letter
- ✓ All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

* REFERENCE LETTERS REFER TO WASATCH & NOT IOSEPA

* ONLY 1 of 3 RELATES TO HOME-SCHOOL-HOME SCHOOL BUS SERVICES

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: ✓ • Management philosophy ✗ • Driver recruitment, retention, and training ✓ • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: ✓ • Accountability ✓ • Reliability ✓ • Responsiveness ✓ • Efficiency	9.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: ✓ • Ten pages or less ✓ • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	* WANTED PROPOSER TO PROVIDE MORE SPECIFIC METHODS AND OR PROGRAMS FOR RECRUITMENT OF DRIVER * WOULD HAVE LIKED PROPOSER TO ELABORATE MORE ON TRAINING PRACTICES.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • *Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM: • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	* PROPONENT DOES NOT DEMONSTRATE THE USE OF DATA TO MEASURE THEIR SAFETY SUCCESS OR METRIX. * THOUGH THE OPORTUNITY EXIST, THE PROPONENT DOES NOT PROVIDE CHARTS OR STATISTICS TO PROVE OR DEMONSTRATE SAFETY IMPROVEMENT OR NOT.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	Evaluator Comments & Notes (continued):		
	Calculated Points:		11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPA

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant MO: • Reader left unclear as to specific questions posed (one of more) MM • 2 or more minor, 1 major MA • Fails to provide credible answers to three required questions (one or more) IR • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	
	Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: x • Provide a proposed organizational chart to deliver the proposed services. x • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. x • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
x • Five pages or less (excluding bios)
x • Clear summary description of firm's capacity is provided
x • Required information is clearly provided

MO:
• Required information (one or more) is not provided

MM
• 2 or more minor

MA
• ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
• No section provided
• Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

* ORG CHART NOT CLEAR TO DETERMINE LOCATION OF EACH POSITION

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. X • Facility identification & acquisition X • Fleet acquisition X • Management and driver staffing X • Service location familiarization (schools, geography, etc.) X • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
X
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: elements of the plan are not credible (one or more)*

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

X PROPONENT INFORMS PANELIST OF A SPECIFIC REALTOR WHO THEY WORK WITH BUT DOES NOT DEMONSTRATE KNOWLEDGE OF ACTUAL OR POSSIBLE LOCATIONS/SITES

X PROPONENT FAILED TO CONVINCE THIS PANELIST OF THEIR KNOWLEDGE OF OF LAND & PLAN TO CONDUCT MEANINGFUL DRY RUNS AND TRAINING FOR NEW DRIVERS

Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: × • A sample certificate of insurance that meets the contract requirements × • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MO

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: ???*

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

* AMERICA FIRST DOCUMENT - DATED OCTOBER 24, 2013
CB CENTRAL BANK DOCUMENT - DATED JULY 08, 2015
ZION CREDIT CORPORATION DOCUMENT - DATED NOVEMBER 4, 2014
DAIMLER TRUCK DOCUMENT - DATED FEBRUARY 20, 2015 - EXPIRED 2/20/16

NOTE: THOUGH FIRST 3 ARE OLDER DOCUMENTS THEY DO NOT HAVE EXPIRATION DATES THE DAIMLER TRUCK LEASING DOCUMENT IS THE ONLY ONE THAT IS ACTUALLY EXPIRED AND THEREFORE NOT CREDABLE.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded • Information adds value to the response MO: • No additional information is provided • Information provided does not add value to the response MM • Not applicable MA • Not applicable IR • No section provided and no express rationale provided for the exclusion	

	Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: JOSEPA-KZ

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A for all 3 clusters
Tab 2: Executive Summary	3.0	3.0	verify new buses w/ A/c & 3 pt. belt included
Tab 3: Qualifications & Experience	9.0	9.0	But would have concern if got cluster or clusters on both Maui & Kauai since no current presence on either
Tab 4: References & Testimonials	6.0	4.5	3 LOR's but none from Hawaii and all were about 1 year old
Tab 5: Proponent's Service Approach	9.0	6.75	Needed more specifics on methods/sources of recruiting new drivers/aides/staff
Tab 6: Proponent's Commitment to Safety	15.0	15.0	3 pt. belts included but no emerg. evac drills
Tab 7: Vehicles & Fleet Management	3.0	3.0	All new buses w/ A/c & 3 pt. belts. SpEd would be gas powered.
Tab 8: Proponent's Staff	3.0	2.25	No "proposed" org chart provided -- just current. Concern re: succession plan, esp. David.
Tab 9: Transition Plan	3.0	2.25	Inadequate response to facility aspect and lacked recruitment methods/sources. No school outreac
Tab 10: Financial Stability	4.0	2.0	All bank letters were old/expired. Unclear if adequate for Kauai & Maui if combined.
Tab 11: APPENDIX: Additional Information	2.0	1.5	
Total Points	**60.0**	52.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: JOSEPA-K2

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-K2

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement ✓
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

- Option A for all 3 clusters

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-K2

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Compliant but weak response to how Iosepa would exceed state min. req's.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-KZ

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services ✓ • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company ✓ • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry ✓	9.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** ✓

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

would have concern if Iosepa was awarded both Kauai & Maui clusters tho since no current presence on either island. Kauai more manageable than Maui tho.

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-KZ

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. ✓ - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost. ✓	6.0	MO

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 LOR's but none were from Hawaii
all all were about 1 yr old.

Calculated Points:	4.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-K2

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy ✓ • Driver recruitment, retention, and training ✓ — weak on methods/sources of recruitment • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology ✓ In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability ✓ • Reliability ✓ • Responsiveness ✓ • Efficiency ✓ — strong section	9.0	MD

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less ✓ • All bulleted requirements are clearly covered in the description ✓ • ***Judgment: Response to every item is consistent with RFP approach*** ✓ • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	Had excellent efficiency discussion but short on specifics regarding sources/methods of recruiting new drivers/staff - Critical on new island.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: JOSEPA-KZ

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-KZ

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Numerous safety facets:
- 3pt. Seat belts
- Accident/Incident review
- Training
- Cameras
- Child safe check
- Safety Awards/Incentives
- Employee screening
- pre-trip (not clear on post-trip tho?)
- OTR Training
- 3rd party safety review
- Driver footwear
- 2 way comm.

No emergency evac drills tho.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-K2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-KZ

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Proposing all new Thomas buses w/ 4k & 8pt. belts
Gas powered SpEd buses.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-KZ

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

No proposed org chart was provided to indicate positions/responsibility for Kauai contract... only provided existing/current org chart. Capacity therefore not clear.

Also, possible concern re: succession plan for key mgmt in company, esp. David.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: EOSEPA-K2

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition – inadequate response • Fleet acquisition ✓ • Management and driver staffing – lacked recruitment specifics re: methods/sources • Service location familiarization (schools, geography, etc.) – weak plan - just indicates they will hire people familiar w/ local areas • Client communications during the transition – no school communication aspect.	3.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • ***Judgment: elements of the plan are not credible (one or more)*** IR • No section provided • Two or more elements not credible	

Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: IOSEPA - KZ

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

47
X $110,000
$5,170,000

bank letters were old
w/ no guarantees.

Line of credit indicated $5.3 million
but date was expired.
Not sure of relationship between
Iosepa & Wasatch-
Financing probably adequate for
Kauai but unclear

	Calculated Points:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: EOSEPA-K2

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Nothing of signif. added

Calculated Score:	1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPA-MR

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A for all 4 clusters
Tab 2: Executive Summary	3.0	3.0	verify new buses w/ 3pt. seatbelts & A/C included?
Tab 3: Qualifications & Experience	9.0	6.75	Concern re: such a large business expansion on new island.
Tab 4: References & Testimonials	6.0	4.50	Had 7 LOR but none were from Big Island and all were ≈ 1 year old
Tab 5: Proponent's Service Approach	9.0	6.75	Had excellent efficiency section but lacked adequate indication of driver/aide recruitment methods/ sources of training outline.
Tab 6: Proponent's Commitment to Safety	15.0	15.0	Numerous facets, incl. 3pt seat belts Ask re: emergency evac drills & post-trips
Tab 7: Vehicles & Fleet Management	3.0	3.0	All new buses w/ 3pt. seat belts and A/C. ask re: SPED buses gasoline powered?
Tab 8: Proponent's Staff	3.0	2.25	Response did not include proposed org chart as requested. Also, ask re: succession plan
Tab 9: Transition Plan	3.0	1.50	Lacked adequate response to 1) facility ID and acquisition 2) recruitment sources/methods 3) service familiarization area 4) school comm. component
Tab 10: Financial Stability	4.0	2.0	Indicated sources of financing appears inadequate for max award. all bank letters were old/ expired. Explain Wasatch vs Josepa financials?
Tab 11: APPENDIX: Additional Information	2.0	1.5	Add'l info added no signif value.
Total Points	**60.0**	49.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-M2

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-M2

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement — Option A-all 4 clusters
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-M2

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? ✓ • What specific elements of your proposal do you believe will exceed the State's service requirements? ✓ • What factors differentiate your company's approach to service delivery from that of your competitors? ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

compliant but weak response to how Iosepa would exceed state min. req's.

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-AZ

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services ✓ • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company ✓ • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry ✓	9.0	ND

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Current Contractor
HIADE = 19
Mainland = 97
116 Total

Max Maui award = 94

$\frac{94}{116}$ = 81% increase in # of buses overall and

94/19 = 495% increase on Hawaii alone

possible concern re: capacity/ability for such a large increase on new island w/ no current presence

Calculated Score: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-M2

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	MO

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 LOR's but none from Hawaii (Big Island) and all were ≥ a year old

Calculated Points:	4.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-M2

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy ✓ • Driver recruitment, retention, and training ✓ • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology ✓ In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability ✓ • Reliability ✓ • Responsiveness ✓ • Efficiency ✓	9.0	10

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

- No clearly indicated driver/aide training section provided. Also, not clear what their methods/sources of recruitment would be.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-MR

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPA-M2

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Numerous safety facets:
- 3 pt. seat belts
- Accident/incident review
- Training
- Cameras
- Child safe check
- Awards/incentives for safety
- Employment checks
- pre-trip (what about post trip tho?)
- OTR training
- 3rd party safety checks
- Shoes/footwear of drivers
- 2 way comm. drills
- No emergency evac tho.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-M2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPA-MR

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? ✓ • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant ✓

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

All new buses proposed, incl. spares.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-MZ

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. ✓ • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. ✓ • Provide brief biographical information for the key management personnel you expect to assign to the proposed services. ✓	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided ✓
- Required information is clearly provided ✓

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

No proposed org chart provided to indicate positions/resp. for Maui contract... only provided existing org chart. Capacity therefore not clear

Poss. Concern re: Succession plan for key mgmt, esp. David.

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPA-M2

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition — inadequate response • Fleet acquisition ✓ • Management and driver staffing — lacked recruitment specifics • Service location familiarization (schools, geography, etc.) — weak plan - only indicate they will have people familiar w/ local areas • Client communications during the transition — no school communication component	3.0	MM

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	1.50

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: IOSEPA-MZ

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Financing mechanism indicated (bank letters) would not be sufficient to cover potential maximum award of 9cl buses x 110,000 / 10,340,000

bank letters were old & incl. no guarantees. US explained line of credit of $5.3 million. Established Ability to finance expansion is unclear.

	Calculated Points:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: JOSEPH-MZ

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	MO

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

nothing of signif value added.

Calculated Score:	1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	2.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	57.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Mentions bidding for all multiple Clusters but not the exact number of Clusters.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Ioane Transportation

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided MO: • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings MM • 3 or more minor, 1 major MA • Fails to provide credible answers to three required questions (two or more) IR • No Executive Summary provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Tosa Transportation

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Tasopa Transportation

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

- No letters from who they serve in Hawaii
- Letters refer to Wasatch and not Tasopa

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach* • *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*	

Vendor: Ioane Transportation

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	
	Calculated Points: 9.0

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	– why is an injury a direct failure of Management?

Vendor: Fosco Transportation

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	
	Calculated Points: 15.0

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

TAB 8 PROPONENT'S STAFF

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Joseph Transportation

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: elements of the capacity or staffing are not credible (one or more)* IR • No section provided • Two or more pieces of information not provided or not credible	

	Calculated Points:	3.0

TAB 9 TRANSITION PLAN

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Tosco Transportation

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: elements of the plan are not credible (one or more)* IR • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: ???*

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

- American First Letter is dated 3 years ago. Doesn't indicate financial approval.
- Central Pacific Bank says good relations & customers but no mention of financial approval.
- Ariton Holdings has an approval but it expired on 2/15/16.

Calculated Points:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Tasaka Transportation

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

No additional information provided.

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	2.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	57.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ioane Transportation

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Tasopa Transportation

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	Mo

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

The number of clusters is not mentioned in cover letter it only mentions bidding for all multiple clusters.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Isaacs Transportation

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided MO: • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings MM • 3 or more minor, 1 major MA • Fails to provide credible answers to three required questions (two or more) IR • No Executive Summary provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Tosga Transportation

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** MO: • Missing required information (one or more) MM • 3 or more minor, 1 major MA • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** IR • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iosepa Transportation

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided
- At least one is a letter
- All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

- No letters from who they service from Hawaii.

- Letters refer to Waiakea and not Iosepa.

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ioane Transportation

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach* • *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*	

Vendor: Iosepa Transportation

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	
	Calculated Points: 9.0

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Iasepa Transportation

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	– Why is an injury a direct failure of Management?

Vendor: Tasaga Transportation

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	
	Calculated Points: 15.0

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Jasga Transportation

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

TAB 8 PROPONENT'S STAFF

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Isaga Transportation

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

- Drivers are easily identified with uniforms & ID
- Real life examples are shared at Quarterly In-service Mtgs. Also Driver accomplishments are celebrated

Calculated Points:	3.0

TAB 9 TRANSITION PLAN

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Lasoya Transportation

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: elements of the plan are not credible (one or more)* IR • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Isaiga Transportation

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MM

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: ???*

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

- American first letter is dated 3 years ago. Doesn't indicate financial approval.
- Central Pacific Bank has good relations & customers but no mention of financial approval.
- Triton Holdings has an approval but it expired on 2/29/16.

Calculated Points:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Ioseph Transportation

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

No additional information was added to proposal.

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc. (RHSB)

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	54	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RFSB

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RH&B

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: QHSB

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	10

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

presentation does not sufficiently address internal communication protocols for emergencies such as driver no shows or mechanical failures, particularly for buses that are stored/parked away from a baseyard
- monitoring devices or procedures

Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: DHSB

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	100

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RFSB

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*

MM
- 3 or more minor, 1 major

MA
- *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided

Evaluator Comments & Notes (continued):

- Presentation does not sufficiently how metrics
  a) accidents / 1,000 hrs.
  b) injuries / 1,000 hrs.
  c) fatalities
  changed over the years.

Calculated Points: 11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? ✓ • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus (RHSB)

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	MO
Tab 6: Proponent's Commitment to Safety	15.0	11.25	MO
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	54	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFSB

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RH/SB

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RH/SB

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided **MO:** • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings **MM** • 3 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (two or more) **IR** • No Executive Summary provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RH&B

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	10

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RYSB

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

→ Response to "Reliability" bullet is insufficient. It fails to include details on policies relating to internal communication protocols for emergencies such as driver no shows & particularly for park-aways.

Calculated Points: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	110

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided

Evaluator Comments & Notes (continued):

→ Response to how has safety metrics changed is insufficient. The presentation's response to the question of how is safety measured indicated two metrics: Accidents/1,000 driving hours, and Student Injuries/ 1000 driving hours. Response to how these two metrics changed speaks to partnering with third party experts and enhancing communications instead of pointing to specific metrics that enables the overall effectiveness of the safety program.

Calculated Points: 11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

While the presentation did not provide a detailed strategy that focused specifically on vehicle acquisition for Maui Island only, it did disclaim that a final strategy will be determined once all awards are finalized.

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RFSB

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: R4SB

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score: 2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB - K2

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A for all 3 clusters
Tab 2: Executive Summary	3.0	3.0	Ask re: 5% spare driver commitment?
Tab 3: Qualifications & Experience	9.0	9.0	Ask re: SpEd preps since not currently doing any on Kauai
Tab 4: References & Testimonials	6.0	6.0	3 LOR's all from Kauai
Tab 5: Proponent's Service Approach	9.0	6.75	Lacked specifics of what RHSB would do to help the DOE identify efficiency opp's beneficial to DOE
Tab 6: Proponent's Commitment to Safety	15.0	15.0	no 3pt. belts or emerg. evac. drills thru
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	2.25	Proposed org chart not detailed enough - just like existing but w/ Gail in charge. Possibly spreading too thin? (No existing SpEd presence)
Tab 9: Transition Plan	3.0	2.25	Inadequate school communication/outreach. Also didn't reference avoiding service disruption during transition
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	56.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RH58-K2

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K2

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement ✓
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

– option A for all 3 clusters

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RSHB-K2

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? ✓ • What specific elements of your proposal do you believe will exceed the State's service requirements? ✓ • What factors differentiate your company's approach to service delivery from that of your competitors? ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal ✓
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

No base yard apparently planned for Waimea
Possible concern about spreading Gail S (Dir of Sch Bus Ops) too thin and not being on island.
Address in org chart section 8.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RSHB-K2

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services ✓ • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company ✓ • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry ✓	9.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

not doing any SpEd on Kauai presently but does on BI of Oahu

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RSHB-K2

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 written LOR's all from Kauai

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K2

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy – would like to see efficiency as part of mgmt philosophy • Driver recruitment, retention, and training – good response • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology ✓ In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability ✓ • Reliability ✓ • Responsiveness ✓ • Efficiency – emphasis was on company size/economies of scale & efficiencies not so much for being partner w/ DOE to ID	9.0	MO for RHSB, efficiency opp's for DOE.

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOE, esp. in SpEd area, route review/analysis & ridership analysis.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RH56-K2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K2

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Multi-faceted
Child check note
Bus maint.
pre/post trip
GPS
Safety monitoring/measurements
Training
Cameras
vehicle maint.
(No 3pt. seat belts or emerg. evac drills tho)

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB - K2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K2

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? ✓ • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less ✓ • Clear summary description of fleet management process ✓ • Required answers are provided and RFP compliant ✓ **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K2

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. – essentially just existing org chart but w/ Gail S. over Kauai ops. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes: Proposed org chart not detailed enough. Does not currently have signif. presence on Kauai & NO SpEd. Proposing to put Gail in charge of start up. Possible concern she would be spread too thin w/ other responsibilities on Oahu, HI & Maui.

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RH5B-K2

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition ✓ • Fleet acquisition ✓ • Management and driver staffing ✓ • Service location familiarization (schools, geography, etc.) ✓ • Client communications during the transition ✓	3.0	MO

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

- Did not adequately address school outreach/communication

Also didn't note need to insure current service wasn't disrupted during any transition

	Calculated Score:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K2

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements ✓ • Income statements and balance sheets or tax returns for past two years ✓ • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation ✓	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided ✓
- Required information is clearly provided ✓

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Financing capacity beyond question
Ins Cert & F/S's provided

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: RHSB-K2

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded ✓ • Information adds value to the response ✓ **MO:** • No additional information is provided • Information provided does not add value to the response **MM** • Not applicable **MA** • Not applicable **IR** • No section provided and no express rationale provided for the exclusion	

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB-M2

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A for all 4 clusters - possibly ask re: preference?
Tab 2: Executive Summary	3.0	3.0	Ask re: 5% spare driver commitment
Tab 3: Qualifications & Experience	9.0	9.0	Already serves more than max award level on Maui
Tab 4: References & Testimonials	6.0	6.0	3 LoR's but one not dated
Tab 5: Proponent's Service Approach	9.0	6.75	Lacked specifics of what RHSB would do to help the DOE identify efficiency opp's beneficial to DOE?
Tab 6: Proponent's Commitment to Safety	15.0	15.0	but no 3pt. seat belts or emerg. evac. drills
Tab 7: Vehicles & Fleet Management	3.0	3.0	New bus purchase #'s did not reconcile with max award #'s but RHSB committed to meeting spec's.
Tab 8: Proponent's Staff	3.0	3.0	Capacity already in place but ask how to make sure Gail not spread too thin.
Tab 9: Transition Plan	3.0	3.0	Very Little transition would be needed
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	57.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB-M2

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB-M2

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements ✓
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

option A for all 4 clusters
not really a good sense of the company
but technically met spec's.

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB - M2

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? ✓ • What specific elements of your proposal do you believe will exceed the State's service requirements? ✓ • What factors differentiate your company's approach to service delivery from that of your competitors? ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of overall proposal
- Required subheadings are provided ✓

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

explain 5% spare driver commitment indicated
Good base yard presence of existing financial strength

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB – M2

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services ✓ • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company ✓ • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry ✓	9.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Current Company:
426 current buses
105 on Maui

$\frac{94}{426} \simeq 22\%$

105 already on Maui so 94 would actually be decrease already has organizational asset & personnel infrastructure on Maui.

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB-M2

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

Provided 3 LOR's (one not dated tho)
and 3 client references/contacts w/ complete info.

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB-M2

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy – would like to see efficiency as part of mgmt philosophy • Driver recruitment, retention, and training – good response • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology ✓ In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability ✓ • Reliability ✓ • Responsiveness ✓ • Efficiency – emphasis was on economy of scale & efficiencies for RHSB, not much for looking partnering w/ DOE to ID DOE efficiency opportunities	9.0	MO

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOE, esp. in SpEd area

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB-M2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB-M2

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

multi-faceted

Child check mate
Bus Maint.
Pre/post trip
GPS
Safety monitoring/measurements
Training
Cameras
2 way communication
vehicle maintenance

(No seat belts or emergency evac drills tho)

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB -M2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB – M2

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? ✓ • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

Confusing — # of proposed buses didn't reconcile/match maximum award. In on site interviews assured DOE that RHSB would be providing age-compliant, reliable buses tho for whatever bid award was.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB - M2

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

RHSB already has more busses and drivers on Maui than max bid award # so capacity is not in question. Org chart would put Gail S. over Maui ops. but otherwise same as current. Concern (possible) of spreading Gail too thin.

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB – M2

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition ✓ • Fleet acquisition ✓ • Management and driver staffing ✓ • Service location familiarization (schools, geography, etc.) ✓ • Client communications during the transition ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided ✓
- Required information is clearly provided ✓

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

RHSB already has 95+% of Maui buses so transition/change would be minimal @ driver/aide level and base yard level.

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB - M2

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements ✓ • Income statements and balance sheets or tax returns for past two years ✓ • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation ✓	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided ✓
- Required information is clearly provided ✓

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Strong financials both internally and outside commitments. Financing ability unquestionable.

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: RHSB-M2

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR.

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded • Information adds value to the response **MO:** • No additional information is provided • Information provided does not add value to the response **MM** • Not applicable **MA** • Not applicable **IR** • No section provided and no express rationale provided for the exclusion	

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC.

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	2.25	
Tab 3: Qualifications & Experience	9.0	9.0	*
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	2.25	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	1.5	*
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	50.25	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC.

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes: PROPONENT FAILED TO PROVIDE A LIST OF THE THREE CLUSTERS THEY ARE BIDDING FOR.

Calculated Points: 2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC.

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: X • What makes your company, and your proposal, uniquely well suited to the State's requirements? X • What specific elements of your proposal do you believe will exceed the State's service requirements? X • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- X • Five pages or less
- • Clear summary understanding of overall proposal
- X • Required subheadings are provided

MO:
- • Reader left unclear as to major proposal elements (one or more)
- • Missing required subheadings

MM
- • 3 or more minor, 1 major

MA
- • Fails to provide credible answers to three required questions (two or more)

IR
- • No Executive Summary provided

Evaluator Comments & Notes: 1. EXECUTIVE SUMMARY / PARAGRAPH #3 / DIRECTOR OF SCHOOL BUS OPERATIONS IS COMMITTED TO WORK WITH KAUAI'S MANAGEMENT TEAM "ON SITE" PRIOR & THROUGH THE INITIAL STAGES. - WITH A LIKELIHOOD OF RHSB BEING AWARDED CONTRACTS ON MAUI & KAUAI STARTING SIMOTAINIOUSLY. THIS MAY PROVE TO BE A CHALLANGE FOR GAIL SAGIAO. WHAT IS RHSB's PLAN TO SUPPORT GAIL DURING THIS PERIOD.

2. UNIQUELY WELL SUITED / PARAGRAPH #3 / PREPARED TO ACQUIRE A LOCATION WITHIN NORTH SHORE TO STRAGEGICALY STAGE IT'S OPERATIONS TO EFFICIENTLY SERVICE KAPAA & KAUAI CLUSTERS.

Q. IS YOUR CURRENT BASE YARD NOT BETWEEN THESE TO CLUSTERS ALREADY?

Q. EXPLAIN REASON FOR NEED OF NORTH SHORE BASEYARD?

Q. WOULD YOU CONSIDER A WESTSIDE BASEYARD IF AWARDED THE WAIMEA CLUSTER?

3. ELEMENTS THAT WILL EXCEED / OPTIMAL WORK FORCE / RHSB SHALL EMPLOY AT LEAST 5% ADDITIONAL DRIVER PERSONNEL THEN REQUIRED BY THE AWARDED CLUSTERS.

Q. WILL THESE DRIVERS ACTUALLY BE ASSIGNED TO THE SCHOOL BUS DIVISION SO THEY HAVE PRIORITY TO USE THEM?

Calculated Points: 2.25

4. ELEMENTS THAT WILL EXCEED / OPTIMAL FLEET / RHSB SHALL MAINTAIN A MINIMUM SPARE VEHICLE LEVEL OF 12% ON THE ISLAND OF KAUAI

Q WILL ALL OF THESE VEHICLES BE AGE COMPLIANT?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC.

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes: /- HEADINGS 3 & 4 CONSOLIDATED

2. COMPARABLE & CURRENT ACTIVE DELIVERY CONTRACTS / WHEN SPELLED OUT STATES 39 BUT IN PARENTICIES NUMBER IS 22 WHICH IS THE SAME AS THE CHART. ACTUAL NUMBER OF DOE CONTRACTS FOR STSB IS 29
Q WHICH NUMBER IS CORRECT?

NOTE: CR RANKING GIVEN ONLY BECAUSE NO OTHER CLASSIFICATION OF SCORING RUBRIC FIT CONCERNS OF CREDIBLE OR ACCURATE INFORMATION BEING PROVIDED

Calculated Score: 9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS INC.

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: X • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. X • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- X • Three references provided
- X • At least one is a letter
- X • All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes: ALL THREE LETTERS ARE POSITIVE. HOWEVER NONE ARE RELATED DIRECTLY TO H·S·H SCHOOL BUS SERVICE. ALL PERTAIN TO CHARTER SERVICES. THE MAIN PURPOSE OF THIS CONTRACT IS TO PROVIDE H·S·H SERVICE. IN MY OPINION THE REFERENCE LETTERS SHOULD BE FOR THE TYPE OF SERVICE THE PROPONENT IS BIDDING FOR.

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC.

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: X • Management philosophy X • Driver recruitment, retention, and training X • Daily operations (driver assignment, dispatch, on-road supervision, etc.) X • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: X • Accountability X • Reliability X • Responsiveness X • Efficiency	9.0	MO

Scoring Rubric:

CR:

X • Ten pages or less
X • All bulleted requirements are clearly covered in the description
• ***Judgment: Response to every item is consistent with RFP approach***
• ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes: MO BULLET #3 JUDGMENT / PROPONENT MAKES NO MENTION OF HOW OR IF ANY OF 8 POINTS RELATES TO THEIR "KAUAI" OPERATIONS.

FOR EXAMPLE:

DRIVER RECRUITMENT CHANNELS - RESPONSE IS GENERIC - MORE DETAILED INFORMATION SUCH AS STATING PERHAPS KONG RADIO OR GARDEN ISLE POST WOULD HAVE DEMONSTRATED MORE ACTUAL KNOWLEDGE OF THE DISTRICT

TRAINING/LATAKI CERTIFICATION SYSTEM/RECENT EXPERIENCE WITH AIDE CERTIFICATIONS WAS DIFFICULT AT BEST. WAS THIS DUE TO USER ERROR OR LACK OF APPROPRIATE TRAINING ON HOW TO USE THE SYSTEM.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): **MO:** • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** **MM:** • 3 or more minor, 1 major **MA** • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** **IR** • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):** DAILY OPERATIONS – RESPONSE IS ONCE AGAIN GENERIC STATING STATEWIDE FIGURES AND NOT SPECFIC TO THE KAUAI ISLAND DISTRICT. ALSO AGAIN MENTIONS PREPAREDNESS TO ACQUIRE A BASEYARD LOCATION ON NORTH SHORE. RHSB BID FOR ALL CLUSTERS SO WHAT IF WAIMEA CLUSTER WAS AWARDED TO RHSB		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

* Child Checkmate System – Define the term "Completion of a Route"
Q. after each trip or upon return to barn yard or park-away location

Q Is it acceptable to have student monitor press button or lift emergency door handle to silence alarm.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):** * Much of this Section refered to RHSB's overall Practices statewide and one could assume that those Values & Practices will be taught and practiced there on Kauai, however, very little if any, factual data directly related to the RHSB's Kauai operations itself was provided. Therefore leaving this panelist unable to evaluate the actual RHSB Kauai Team members that will be carrying out the daily task and assignments. Including Charts		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC.

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

NO CURRENT VEHICLE INVENTORY FOR THE KAUAI OPERATIONS PROVIDED TO HELP PANELIST CALCULATE APPROXIMATE AGE OF FLEET OR BUSES NEEDED TO FULFILL TERMS OF CONTRACT.

INFORMATION DEMONSTRATED/SUGGEST THAT PROPONENT IS OFFERING TO PROVIDE ONLY WHAT THE CONTRACT REQUIRES AND NOT EXCEED IT.

Calculated Points:	2.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC.

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** IR • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC.

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MM

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

STATEMENT OF MS SAGIAOS COMMITMENT TO BE WORKING ON SITE WITH MAUI OPERATIONS PRIOR & THRU THE INITIAL STAGES.

Q THIS PROPOSAL IS FOR THE KAUAI DISTRICT SO AM I TO ASSUME HER PRIORITY WILL BE MAUI AND NOT KAUAI OR IS THIS A TYPO.

Q IF A TYPO, HOW DOES R+SB PLAN TO SUPPORT HER EFFORTS IF AWARDED CONTRACTS ON BOTH MAUI & KAUAI THAT START AT THE SAME TIME.

PROPONENT PROVIDES NO PLAN IF AWARDED WAIMEA CLUSTER YET IS BIDDING FOR ALL CLUSTERS

Calculated Score: 1.50

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROGERS HAWAII SCHOOL BUS, INC.

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • ***Judgment: ???*** IR • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS, INC

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	20

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	2.25	
Tab 2: Executive Summary	3.0	2.25	
Tab 3: Qualifications & Experience	9.0	6.75	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	1.5	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	48.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	MO

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes: A list of the 4 clusters that is being proposed for was not provided

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

* CONFLICTING STATEMENTS PERTAINING TO THE NUMBER OF STRATEGICALLY PLACED BASE YARDS IN BULLETS #1 & 3

* CAPACITY & FUNCTIONALITY OF MAKAWAO BASEYARD QUESTIONABLE — DEFINE THE TERM "BASEYARD" AND EXPLAIN WHAT THE DOE COULD EXPECT FROM EACH OF THESE LOCATIONS.

* TURN KEY STATEMENT - CURRENT FLEET WOULD NOT MEET AVERAGE AGE REQUIREMENTS IF AWARDED 85% OF CLUSTERS.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of Q&E
- All required information is provided
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

* 44 DISPATCHERS STATEWIDE – ARE THEY SCHOOL BUS DEPARTMENT OR DOES IT INCLUDE TOUR & PUBLIC TRANSIT PERSONNEL AS WELL?

* BULLETS 3 & 4 WERE COMBINED INTO ONE STATEMENT

	Calculated Score:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: X • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. X • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- X Three references provided
- X At least one is a letter
- X All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

* APPROPRIATE NUMBER OF REFERENCE LETTERS PROVIDED HOWEVER NONE PERTAINED TO THE TYPE OF SERVICES THE PROPOSAL IS INTENDED TO COVER.

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: X• Management philosophy X• Driver recruitment, retention, and training X• Daily operations (driver assignment, dispatch, on-road supervision, etc.) X• Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: X• Accountability • Reliability • Responsiveness • Efficiency	9.0	NO

Scoring Rubric:

CR:
- Ten pages or less
- All bulleted requirements are clearly covered in the description
- *Judgment: Response to every item is consistent with RFP approach*
- *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*

Evaluator Comments & Notes:

* ACCURACY & COMPLIANCE TO REQUIRED ROUTINE PRE TRIP INSPECTIONS HOW CAN RHSB VERIFY THIS WITH HIGH LEVEL OF CONFIDENCE FOR PARK-AWAYS ?

* REPORTING OF ROUTE DISCREPANCES - WHAT STEPS DOES RHSB USE TO CHECK AND VERIFY ROUTE SCHEDULE COMPLIANCE.

* IN HOUSE INSPECTIONS FOR BUS CLEANING - WHO DOES THIS AND HOW OFTEN ?

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Robers Hawaii School Bus

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	NO

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

All responses to bulleted items are generic and does not reflect actual Maui team members performance.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	Evaluator Comments & Notes (continued):		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. X • What types and age of vehicles to you propose to provide? X • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? X • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	MM

Scoring Rubric:

CR:
- X • Five pages or less
- Clear summary description of fleet management process
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

* DESCRIPTIONS OF BASEYARDS REFERRED TO IN TAB 9 ARE NOT ACCURATE:

DEFINE BASEYARD, WHAT EXACTLY CAN WE EXPECT FROM EACH OF THESE LOCATIONS OPERATIONALLY?

Calculated Points:	1.5

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: elements of the capacity or staffing are not credible (one or more)* IR • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.6

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: elements of the plan are not credible (one or more)* IR • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: X A sample certificate of insurance that meets the contract requirements X Income statements and balance sheets or tax returns for past two years X Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- X Clear summary description of firm's source of capital is provided
- X Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: ???*

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: ROBERTS HAWAII SCHOOL BUS

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	60.0	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts School Bus Hawaii Inc

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • One page or less • Meets all form & content requirements • Provides Proposal Option statement • Provides understanding of who is the proponent MO: • Exceeds page limit • Missing required content (one or more) MM • 2 or more minor, 1 major MA • Fails to provide Proposal Option statement • No understanding provided of who is the proponent IR • No cover letter provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of overall proposal • Required subheadings are provided MO: • Reader left unclear as to major proposal elements (one or more) • Missing required subheadings MM • 3 or more minor, 1 major MA • Fails to provide credible answers to three required questions (two or more) IR • No Executive Summary provided	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts School Bus Hawaii Inc.

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** MO: • Missing required information (one or more) MM • 3 or more minor, 1 major MA • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** IR • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts School Bus Hawaii Inc.

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive MO: • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) MM • 3 or more minor, 1 major MA • One reference is clearly negative • Two or more references are neutral or not positive IR • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach* • *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*	Daily operations in proposal were specified for statewide & not specifically for Maui

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	
	Calculated Points: 9.0

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	Question regarding why drawdrums at Pre/Post trip being 3 days out 5

Vendor: Roberts Hawaii School Bus Inc.

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	
	Calculated Points: 15.0

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

TAB 8 PROPONENT'S STAFF

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** IR • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

TAB 9 TRANSITION PLAN

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: elements of the plan are not credible (one or more)* IR • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

—Bank of Hawaii letter doesn't indicate an approval for financing.

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-001 Island of Maui) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded • Information adds value to the response **MO:** • No additional information is provided • Information provided does not add value to the response **MM** • Not applicable **MA** • Not applicable **IR** • No section provided and no express rationale provided for the exclusion	

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	15.0	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	2.75	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	59.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Robert's Hawaii School Bus Inc.

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Robert's Hawaii Island Tours, Inc.

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

- Would it a beyond location in the Waimea Cluster be more ideal than a North Shore one since your current beyond has buses going to the north already?
- What type of support will the bus operations manager have if they are expected to be in two places at the same time for Maui & Kauai if a contracted is given for both islands?

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** MO: • Missing required information (one or more) MM • 3 or more minor, 1 major MA • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** IR • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive MO: • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) MM • 3 or more minor, 1 major MA • One reference is clearly negative • Two or more references are neutral or not positive IR • Insufficient/ no references provided	

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach* • *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*	

Vendor: Roberts Hawaii School Bus Inc.

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	
	Calculated Points: 9.0

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

- Why would increased observations of Pre/Post trip be only 3 days and not 5.
When ensuring operations are safe from day to day. Shouldn't safety be an everyday importance?

Vendor: Roberts Hawaii School Bus Inc.

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	
	Calculated Points: 15.0

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

TAB 8 PROPONENT'S STAFF

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc.

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: elements of the capacity or staffing are not credible (one or more)*

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

What procedures do you have for drivers that may be brought to Kauai and are not familiar with the island?

Calculated Points:	3.0

TAB 9 TRANSITION PLAN

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: elements of the plan are not credible (one or more)*

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

#2 of the transition plan says the operation Manager is committed to work on site with Maui's operations prior to and through initial stages. Where is the commitment for Kauai?

Calculated Score: 2.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: ???* IR • No section provided • Two or more pieces of information not provided or ???	

	Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Roberts Hawaii School Bus Inc

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	6.75	MO
Tab 6: Proponent's Commitment to Safety	15.0	11.25	MO
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	3.0	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	54	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** **MO:** • Missing required information (one or more) **MM** • 3 or more minor, 1 major **MA** • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** **IR** • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Service

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive **MO:** • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) **MM** • 3 or more minor, 1 major **MA** • One reference is clearly negative • Two or more references are neutral or not positive **IR** • Insufficient/ no references provided	

Calculated Points: 6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach*** • ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***	

Vendor: Yamaguchi Bus

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- Response is more than ten pages
- A response is missing to a bulleted item (one or more)
- ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM:
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response

Evaluator Comments & Notes (continued):

presentation fails to sufficiently respond to the use of "Information" technology. While the presentation does speak to operational technologies such as GPS and video cameras, it makes no reference to the use of information technology such as data integration, particularly in terms of integrating w/ DOE data systems.

presentation fails to sufficiently respond to internal communication protocols in emergencies such as driver no-shows and mechanical failures, particularly for park aways.

Calculated Points: 6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus

Evaluation Description	Maximum Points	Rank Assigned

Scoring Rubric (con't):

MO:
- ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.***

MM
- 3 or more minor, 1 major

MA
- ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.***

IR
- No service approach is defined/ described; or
- Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided

Evaluator Comments & Notes (continued):

Presentation claims that safety success is measured by the number of accident & liability claims filed per year, but it fails sufficiently describe how those "metrics" changed over the years. Indeed presentation assumes that they did not. In order to know if safety programs are working, metrics must change from time to time to include a wider range of safety contributors.

Calculated Points: 11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less (excluding bios) • Clear summary description of firm's capacity is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the capacity or staffing are not credible (one or more)*** **IR** • No section provided • Two or more pieces of information not provided or not credible	

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: elements of the plan are not credible (one or more)*** **IR** • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	ar

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score: 2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC.

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	2.25	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	11.25	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	2.25	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	54.75	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC.

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC.

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes: CORPORATE RESOLUTION IS IN TAB 11

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC.

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes: PANELIST LEFT UNCLEAR WITH RESPONSE TO INTERVIEW QUESTIONS PERTAINING TO "HAS MORE THAN 10% SPARE BUSES & CDL DRIVERS.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC.

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: x • Corporate lineage in the provision of student transportation bus services x • A brief description of comparable and currently active service delivery contracts being operated by the company x • The total number of school buses operated by the company x • The total number of student transportation clients served by the company x • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:

CR:
x • Five pages or less
x • Clear summary understanding of Q&E
x • All required information is provided
• ***Judgment: Proponent Q&E adequate to an awardable cluster combination***

MO:
• Missing required information (one or more)

MM
• 3 or more minor, 1 major

MA
• Cannot judge Q&E adequately
• ***Judgment: Q&E questionable or not adequate***

IR
• No Q&E provided

Evaluator Comments & Notes:

Calculated Score:	90

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC.

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: X • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. X • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- X • Three references provided
- X • At least one is a letter
- X • All references are positive

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes: 2 of 3 LETTERS DIRECTLY RELATED TO H-S-H SCHOOL BUS SERVICES. ALL POSITIVE

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC.

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach* • *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC.

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • *Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM: • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	MO

Scoring Rubric:	Evaluator Comments & Notes:
CR: • No more than five pages • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus*	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • *A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.* MM • 3 or more minor, 1 major MA • *Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.* IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	Evaluator Comments & Notes (continued): PROPONENT FAILS TO DEMONSTRATE REGULAR & CONSISTANT USE OF CHARTS OR GRAPHS TO DETERMINE TYPES OF ACCIDENTS AND THEN TO FOLLOW UP WITH REMINDERS AND HIGHLIGHTED TOPICS FOR DISCUSSION IN SAFETY MEETINGS		
		Calculated Points:	11.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. X • What types and age of vehicles to you propose to provide? X • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? X • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant MO: • Reader left unclear as to specific questions posed (one of more) MM • 2 or more minor, 1 major MA • Fails to provide credible answers to three required questions (one or more) IR • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

	Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC.

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: X • Provide a proposed organizational chart to deliver the proposed services. X • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO

Scoring Rubric:

CR:
X • Five pages or less (excluding bios)
X • Clear summary description of firm's capacity is provided
• Required information is clearly provided

MO:
• Required information (one or more) is not provided

MM
• 2 or more minor

MA
• *Judgment: elements of the capacity or staffing are not credible (one or more)*

IR
• No section provided
• Two or more pieces of information not provided or not credible

Evaluator Comments & Notes: PROPONENT FAILS TO PROVIDE ADEQUATE KEY PERSONNEL WHO WOULD BE ABLE TO TAKE OVER THE OPERATION IN THE UNFORTUNATE EVENT SOMETHING SERIOUS WOULD HAPPEN TO EITHER OR BOTH HOWARD OR JOAN.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC.

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. X • Facility identification & acquisition X • Fleet acquisition X • Management and driver staffing X • Service location familiarization (schools, geography, etc.) X • Client communications during the transition	3.0	CR

Scoring Rubric:

CR:
- X • Five pages or less
- X • Clear summary description of transition plan is provided
- X • Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: elements of the plan are not credible (one or more)*

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes: FACILITIES & FLEET ALREADY IN EXISTANCE. ALL OTHER POINTS SATISFACTORY

Calculated Score: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: × • A sample certificate of insurance that meets the contract requirements × • Income statements and balance sheets or tax returns for past two years × • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: × • Clear summary description of firm's source of capital is provided × • Required information is clearly proviced MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: ???* IR • No section provided • Two or more pieces of information not provided or ???	

	Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: YAMAGUCHI BUS SERVICE, INC

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi -2

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	Option A for all 3 clusters (electronic copy of letter not signed thru)
Tab 2: Executive Summary	3.0	2.25	Inadequate response to factors making company well-suited to meet state req's
Tab 3: Qualifications & Experience	9.0	6.75	Concern about company being able to handle such a large fin ops size & scope (SpED).
Tab 4: References & Testimonials	6.0	6.0	3 written LOR's
Tab 5: Proponent's Service Approach	9.0	6.75	Proposal included numerous grammatical & spelling errors & a few sections were lacking substance.
Tab 6: Proponent's Commitment to Safety	15.0	15.0	Commendable safety record. No 3pt. belts or emerg. evac drills thru
Tab 7: Vehicles & Fleet Management	3.0	3.0	Has most of buses already to service 1 cluster and has resources/plan for add'l buses.
Tab 8: Proponent's Staff	3.0	2.25	Org chart didn't cover routing/ops/recruiting/dispatch. No succession plan but addressed that in on-site interview.
Tab 9: Transition Plan	3.0	3.0	Ask re: size of base yards/parking adequate for > #'s
Tab 10: Financial Stability	4.0	3.0	F/S's were self-prep'd and not independently reviewed.
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	**60.0**	53.0	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi -2

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less ✓
- Meets all form & content requirements – electronic copy of letter not signed?
- Provides Proposal Option statement ✓
- Provides understanding of who is the proponent ✓

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	MO

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

- Weak response to factors making company well-suited to meet state req's.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services ✓ • A brief description of comparable and currently active service delivery contracts being operated by the company ✓ • The total number of school buses operated by the company • The total number of student transportation clients served by the company ✓ • Any relevant company qualifications or experience outside of the student transportation industry ✓	9.0	MO

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary understanding of Q&E ✓
- All required information is provided ✓
- ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** ✓

MO:
- Missing required information (one or more)

MM
- 3 or more minor, 1 major

MA
- Cannot judge Q&E adequately
- ***Judgment: Q&E questionable or not adequate***

IR
- No Q&E provided

Evaluator Comments & Notes:

Concern re: ability/capacity to handle such a large increase operationally.

Current = 7 buses

47 max Award ≈ 671% increase
7 current

Had higher # in past but lost B.I. contract for last 4 years and Oahu contracts year before that

No SPED on Kauai bus was on B.I.

Also, Concern re: succession plan.

	Calculated Score:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:

CR:
- Three references provided ✓
- At least one is a letter ✓
- All references are positive ✓

MO:
- Contact information substituted for letter of reference (one or more)
- One reference provided for a lost contract
- Letter of reference not positive or neutral (one or more)

MM
- 3 or more minor, 1 major

MA
- One reference is clearly negative
- Two or more references are neutral or not positive

IR
- Insufficient/ no references provided

Evaluator Comments & Notes:

3 written LOR's provided

Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy ✓ • Driver recruitment, retention, and training ✓ • Daily operations (driver assignment, dispatch, on-road supervision, etc.) ✓ • Use of information technology ✓ In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability ✓ • Reliability ✓ • Responsiveness ✓ • Efficiency ✓	9.0	MO

Scoring Rubric:

CR:
- Ten pages or less ✓
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach***
- ***Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery***

Evaluator Comments & Notes:

There were numerous grammatical & spelling errors noted in proposal and a few sections were weak on substance/understanding. Good efficiency section two. In on-site interviews they indicated they would get help w/ technology & communications if awarded a contract.

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	6.75

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	CR

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Employee screening
Training
Bus maint.
Passenger Ed.
CDL Licensed drivers only
CPR / 1st aid
random & post accid. drug testing
GPS
Cameras
Good record
(No 3pt. Seat belts or emerg. evac drills Tho.)

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

Evaluation Description		Maximum Points	Rank Assigned
Scoring Rubric (con't): MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	**Evaluator Comments & Notes (continued):**		
		Calculated Points:	15.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? ✓ • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? ✓ • What are the particular strengths of your company's fleet inspection, maintenance, and repair program? ✓	3.0	CR.

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of fleet management process ✓
- Required answers are provided and RFP compliant

MO:
- Reader left unclear as to specific questions posed (one of more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (one or more)

IR
- No section provided
- Two or more questions unanswered
- Fleet age, size, quantity not compliant

Evaluator Comments & Notes:

- Has most of buses needed for one cluster and good plan for acquiring add'l as needed. Has financing resources to do so too.

Calculated Points: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 8 PROPONENT'S STAFF

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. ✓ • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. ✓ • Provide brief biographical information for the key management personnel you expect to assign to the proposed services. ✓	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (excluding bios) ✓
- Clear summary description of firm's capacity is provided ✓
- Required information is clearly provided ✓

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the capacity or staffing are not credible (one or more)***

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Has no succession plan but addressed that in on-site interview.
Org chart provided had no indication of routing/ops/recruiting function in it.
No indication of how daily ops aspects such as routing, dispatch & communications would be handled.

Calculated Points:	2.25

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 9 TRANSITION PLAN

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition ✓ • Fleet acquisition ✓ • Management and driver staffing ✓ • Service location familiarization (schools, geography, etc.) ✓ • Client communications during the transition ✓	3.0	CR

Scoring Rubric:

CR:
- Five pages or less ✓
- Clear summary description of transition plan is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: elements of the plan are not credible (one or more)***

IR
- No section provided
- Two or more elements not credible

Evaluator Comments & Notes:

Has 2 base yards already & also add'l parking space but are they big enough for increased # of buses? Didn't really address need to minimize disruption of existing contractors, altho did address that in onsite interview. Good school commun. approach

Calculated Score: 3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	MO

Scoring Rubric:

CR:
- Clear summary description of firm's source of capital is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- ***Judgment: ???***

IR
- No section provided
- Two or more pieces of information not provided or ???

Evaluator Comments & Notes:

F/S's were self-prep'd w/ no outside/independent review.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi-2

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Additional information is provided or expressly excluded ✓ • Information adds value to the response ✓ MO: • No additional information is provided • Information provided does not add value to the response MM • Not applicable MA • Not applicable IR • No section provided and no express rationale provided for the exclusion	

Calculated Score:	2.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Inc

VENDOR SUMMARY

Evaluation Element	Available Points	Assigned Points	Summary Comments
Tab 1: Transmittal Letter	3.0	3.0	
Tab 2: Executive Summary	3.0	3.0	
Tab 3: Qualifications & Experience	9.0	9.0	
Tab 4: References & Testimonials	6.0	6.0	
Tab 5: Proponent's Service Approach	9.0	9.0	
Tab 6: Proponent's Commitment to Safety	15.0	11.75	
Tab 7: Vehicles & Fleet Management	3.0	3.0	
Tab 8: Proponent's Staff	3.0	2.75	
Tab 9: Transition Plan	3.0	3.0	
Tab 10: Financial Stability	4.0	4.0	
Tab 11: APPENDIX: Additional Information	2.0	2.0	
Total Points	60.0	55.50	

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Inc

POINT SYSTEM DEFINITIONS

Each evaluation element (Technical Proposal tab numbers) is assigned a point value using the following ranking system. The criteria used to assign a ranking are described beside each evaluation element in the matrix pages that follow.

Ranking	Description	Points to be Assigned
CR – Complete Response	The proposal provides a complete response with no omissions or noted deficiencies and clearly meets the requirements of the RFP.	100% of Available Points
MO – Minor Omissions	The proposal has a small number of minor omissions or deficiencies and substantially meets the requirements of the RFP.	75% of Available Points
MM – Many Minor Omissions	The proposal has many minor omissions or deficiencies, or a single major deficiency whereby significant clarification or supplemental information would be required to demonstrate that it meets the requirements of the RFP.	50% of Available Points
MA – Many Major Omissions	The proposal has many major omissions or deficiencies such that it does not fully address, or otherwise fails to demonstrate that the vendor understands and/or will comply with requirements of the RFP.	25% of Available Points
IR – Incomplete Response	The proposal response is substantially incomplete or missing information such that it is not possible to assess the vendor's understanding of, or compliance with the RFP requirements.	0% of Available Points

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Inc.

TAB 1 TRANSMITTAL LETTER

Evaluation Description	Maximum Points	Rank Assigned
Provide a proposal cover letter on company letterhead, dated and signed by the proponent's authorized representative. Provide a brief introduction to your company. Include a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing	3.0	CR

Scoring Rubric:

CR:
- One page or less
- Meets all form & content requirements
- Provides Proposal Option statement
- Provides understanding of who is the proponent

MO:
- Exceeds page limit
- Missing required content (one or more)

MM
- 2 or more minor, 1 major

MA
- Fails to provide Proposal Option statement
- No understanding provided of who is the proponent

IR
- No cover letter provided

Evaluator Comments & Notes:

Signature is missing from cover letter but is on hard copy

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Inc.

TAB 2 EXECUTIVE SUMMARY

Evaluation Description	Maximum Points	Rank Assigned
Address, in summary form, the major elements of your proposal that you would like to highlight for the reviewers' attention, and any aspect of your company's service offering that you feel is not adequately addressed elsewhere within the required proposal format. In addition, the following three specific questions must be addressed under separate headings within this section: • What makes your company, and your proposal, uniquely well suited to the State's requirements? • What specific elements of your proposal do you believe will exceed the State's service requirements? • What factors differentiate your company's approach to service delivery from that of your competitors?	3.0	CR

Scoring Rubric:

CR:
- Five pages or less
- Clear summary understanding of overall proposal
- Required subheadings are provided

MO:
- Reader left unclear as to major proposal elements (one or more)
- Missing required subheadings

MM
- 3 or more minor, 1 major

MA
- Fails to provide credible answers to three required questions (two or more)

IR
- No Executive Summary provided

Evaluator Comments & Notes:

Did not elaborate more as to why they are uniquely well suited to the State's requirements on proposal but did clarify more in interviews.

Calculated Points:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Inc.

TAB 3 QUALIFICATIONS & EXPERIENCE

Evaluation Description	Maximum Points	Rank Assigned
Utilize this section to describe your company's qualifications and experience as it relates to the required services. No specific format is required, but this section must address, at a minimum, the following elements: • Corporate lineage in the provision of student transportation bus services • A brief description of comparable and currently active service delivery contracts being operated by the company • The total number of school buses operated by the company • The total number of student transportation clients served by the company • Any relevant company qualifications or experience outside of the student transportation industry	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary understanding of Q&E • All required information is provided • ***Judgment: Proponent Q&E adequate to an awardable cluster combination*** MO: • Missing required information (one or more) MM • 3 or more minor, 1 major MA • Cannot judge Q&E adequately • ***Judgment: Q&E questionable or not adequate*** IR • No Q&E provided	

Calculated Score:	9.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Inc.

TAB 4 REFERENCES & TESTIMONIALS

Evaluation Description	Maximum Points	Rank Assigned
Provide the following specific information: • No less than one (1) and no more than three (3) letters of references directly relevant to the type of service required for contracts currently in force or completed within the past three (3) years. - Complete client contact information may be substituted for up to two (2) letters of reference. • If applicable, a brief description of a contract that was lost or not renewed and why it was lost.	6.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Three references provided • At least one is a letter • All references are positive MO: • Contact information substituted for letter of reference (one or more) • One reference provided for a lost contract • Letter of reference not positive or neutral (one or more) MM • 3 or more minor, 1 major MA • One reference is clearly negative • Two or more references are neutral or not positive IR • Insufficient/ no references provided	

	Calculated Points:	6.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi's Bus Inc.

TAB 5 PROPONENT'S SERVICE APPROACH

Evaluation Description	Maximum Points	Rank Assigned
Under separate headings, provide a summary description of how your company will approach the following aspects of service delivery. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed service approach: • Management philosophy • Driver recruitment, retention, and training • Daily operations (driver assignment, dispatch, on-road supervision, etc.) • Use of information technology In addition, fully describe and quantify where possible how your company will ensure the following relative to the State's service requirements: • Accountability • Reliability • Responsiveness • Efficiency	9.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Ten pages or less • All bulleted requirements are clearly covered in the description • *Judgment: Response to every item is consistent with RFP approach* • *Judgment: Response to every item demonstrates consistency with Q&E, and mastery of industry, management practice, and service delivery*	

Vendor: Yamaguchi Bus Inc.

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • Response is more than ten pages • A response is missing to a bulleted item (one or more) • ***Judgment: A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM: • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) fails to demonstrate consistency with Q&E, and mastery of industry, management practice, and service delivery*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response	
	Calculated Points: 9.0

TAB 6 PROPONENT'S COMMITMENT TO SAFETY

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Inc.

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your commitment to safety: • What are the most relevant aspects of your company's safety program? • How does your firm measure its safety success? • How has that measurement or metric changed over the past three years? • How does your firm ensure operations are safe from day to day?	15.0	M 0

Scoring Rubric:

CR:
- No more than five pages
- All bulleted requirements are clearly covered in the description
- ***Judgment: Response to every item is consistent with RFP approach and demonstrates safety focus***

Evaluator Comments & Notes:

Only stated what was mentioned about what drivers do everyday with pretrip in regards to how operations are safe from day to day. No safety program mentioned.

Vendor: Young's Bus Svc.

Scoring Rubric (con't):	Evaluator Comments & Notes (continued):
MO: • ***A response to a bulleted item (one or more) is insufficient, but further clarification is likely to lead to an adequate response.*** MM • 3 or more minor, 1 major MA • ***Judgment: A response to a bulleted item (one or more) is missing or fails to demonstrate consistency/ focus.*** IR • No service approach is defined/ described; or • Four or more bulleted items are not expressly addressed in the response Insufficient/ no references provided	
	Calculated Points: 11.25

TAB 7 VEHICLES & FLEET MANAGEMENT

Evaluation Description	Maximum	Rank

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Young's Bus Inc.

	Points	Assigned
Under separate headings, address (at a minimum) the following specific questions. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements vehicle and fleet management program. • What types and age of vehicles to you propose to provide? • How you intend to meet (or exceed) the contract's fleet equipment and age requirements (e.g., fleet replacement program description)? • What are the particular strengths of your company's fleet inspection, maintenance, and repair program?	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of fleet management process • Required answers are provided and RFP compliant **MO:** • Reader left unclear as to specific questions posed (one of more) **MM** • 2 or more minor, 1 major **MA** • Fails to provide credible answers to three required questions (one or more) **IR** • No section provided • Two or more questions unanswered • Fleet age, size, quantity not compliant	

Calculated Points:	3.0

TAB 8 PROPONENT'S STAFF

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Inc.

Evaluation Description	Maximum Points	Rank Assigned
Provide the required information: • Provide a proposed organizational chart to deliver the proposed services. • Provide a description of your firm's capacity to accept the proposed work and to deliver on all of the service requirements. • Provide brief biographical information for the key management personnel you expect to assign to the proposed services.	3.0	MO

Scoring Rubric:

CR:
- Five pages or less (excluding bios)
- Clear summary description of firm's capacity is provided
- Required information is clearly provided

MO:
- Required information (one or more) is not provided

MM
- 2 or more minor

MA
- *Judgment: elements of the capacity or staffing are not credible (one or more)*

IR
- No section provided
- Two or more pieces of information not provided or not credible

Evaluator Comments & Notes:

Organization chart doesn't connect all the positions noted.

Calculated Points:	2.25

TAB 9 TRANSITION PLAN

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Javanese Bus Inc.

Evaluation Description	Maximum Points	Rank Assigned
Provide a summary description of the process you will follow to initiate operations and prepare for the start of service delivery to include, at a minimum, the following elements. Provide page references to specific elements of appended information (see Tab 11), where deemed necessary or desirable to more fully describe elements of your proposed transition plan. • Facility identification & acquisition • Fleet acquisition • Management and driver staffing • Service location familiarization (schools, geography, etc.) • Client communications during the transition	3.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Five pages or less • Clear summary description of transition plan is provided • Required information is clearly provided MO: • Required information (one or more) is not provided MM • 2 or more minor MA • *Judgment: elements of the plan are not credible (one or more)* IR • No section provided • Two or more elements not credible	

Calculated Score:	3.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Inc.

TAB 10 FINANCIAL STABILITY

Evaluation Description	Maximum Points	Rank Assigned
Provide the following required information: • A sample certificate of insurance that meets the contract requirements • Income statements and balance sheets or tax returns for past two years • Describe your source of capital or financing for vehicle procurement and working capital needs, with substantiation	4.0	CR

Scoring Rubric:	Evaluator Comments & Notes:
CR: • Clear summary description of firm's source of capital is provided • Required information is clearly provided **MO:** • Required information (one or more) is not provided **MM** • 2 or more minor **MA** • ***Judgment: ???*** **IR** • No section provided • Two or more pieces of information not provided or ???	

Calculated Points:	4.0

State of Hawaii Department of Education
Student Transportation Services (RFP D17-002 Island of Kauai) Technical Proposal Evaluation Matrix

Vendor: Yamaguchi Bus Inc.

TAB 11 APPENDIX: ADDITIONAL INFORMATION

Evaluation Description	Maximum Points	Rank Assigned
Provide specific, page referenced supporting detail to Tabs 5, 6, 7, and 9 as required or deemed desirable by you. Also, at your sole option, you may describe any other important elements of your company's operations or other important factors you do not consider to be adequately addressed elsewhere in the required proposal format.	2.0	CR

Scoring Rubric:

CR:
- Additional information is provided or expressly excluded
- Information adds value to the response

MO:
- No additional information is provided
- Information provided does not add value to the response

MM
- Not applicable

MA
- Not applicable

IR
- No section provided and no express rationale provided for the exclusion

Evaluator Comments & Notes:

Calculated Score:	2.0

Document ID: 1510681_1_CDH

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DEPT. OF COMMERCE AND CONSUMER AFFAIRS
2017 MAR -3 P 1:36
HEARINGS OFFICER

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	Docket No. _____ PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S APPEAL OF DENIAL OF PROTEST OF AWARDS FOR REQUEST FOR PROPOSAL NO. RFP D17-001; BOND; DECLARATION OF CHARLES D. HUNTER; EXHIBITS "A" – "I"; CERTIFICATE OF SERVICE Hearing: Date: _____ Time: _____ Hearings Officer: _____

PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S APPEAL OF DENIAL OF PROTEST OF AWARDS FOR REQUEST FOR PROPOSAL NO. RFP D17-001

Petitioner Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this Appeal of Denial of Protest of Awards for Request For Proposal No. RFP D17-001 for Student Transportation Services on the Island of Maui (hereinafter "Appeal"). This Appeal is filed by Robert's as a result of the letter by Respondent

Kathryn S. Matayoshi, in her capacity as Superintendent and Chief Procurement Officer, State of Hawaii, Department of Education, which denied Robert's protest of the awards of Request For Proposal No. RFP D17-001 ("Protest") on February 24, 2017. Under HRS § 103D-712(a), this Appeal must be submitted within seven (7) calendar days, meaning March 3, 2017. Therefore this Appeal is timely.

I. IDENTIFICATION OF THE PROCUREMENT

RFP No. D17-001 ("RFP") for Student Transportation Services on the Island of Maui for the State Department of Education (DOE) was published by the State of Hawaii, Department of Education ("DOE") on July 20, 2016. The following table shows the significance of this procurement to both the DOE, and to Robert's. It is calculated using 2% annual increases in revenue and results in **$94,150,300 total revenue** over the 7yr + 3yr extension term based on the maximum number of clusters that can be awarded:

MAUI	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	TOTAL
Makawao	3,551,040	3,622,061	3,694,502	3,768,392	3,843,760	3,920,635	3,999,048	4,079,029	4,160,609	4,243,822	
Aide	436,590	445,322	454,228	463,313	472,579	482,031	491,671	501,505	511,535	521,765	
	3,987,630	*4,067,383*	*4,148,730*	*4,231,705*	*4,316,339*	*4,402,666*	*4,490,719*	*4,580,533*	*4,672,144*	*4,765,587*	*43,663,436*
Baldwin	1,539,900	1,570,698	1,602,112	1,634,154	1,666,837	1,700,174	1,734,178	1,768,861	1,804,238	1,840,323	
Aide	187,110	190,852	194,669	198,563	202,534	206,585	210,716	214,931	219,229	223,614	
	1,727,010	*1,761,550*	*1,796,781*	*1,832,717*	*1,869,371*	*1,906,759*	*1,944,894*	*1,983,792*	*2,023,467*	*2,063,937*	*18,910,278*
Maui	2,592,720	2,644,574	2,697,466	2,751,415	2,806,444	2,862,572	2,919,824	2,978,220	3,037,785	3,098,540	
Aide	291,060	296,881	302,819	308,875	315,053	321,354	327,781	334,336	341,023	347,844	
	2,883,780	*2,941,456*	*3,000,285*	*3,060,290*	*3,121,496*	*3,183,926*	*3,247,605*	*3,312,557*	*3,378,808*	*3,446,384*	*31,576,586*
	8,598,420	**8,770,388**	**8,945,796**	**9,124,712**	**9,307,206**	**9,493,350**	**9,683,217**	**9,876,882**	**10,074,419**	**10,275,908**	**94,150,300**

II. THE PROTEST

A. **Procedural History**

On November 1, 2016, the DOE sent a letter to Robert's announcing that Ground Transportation Incorporated ("GTI") was selected as the winning bidder for three clusters under the RFP, including Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). On November 2, 2016, Robert's submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section - requesting debriefing and information ("First Request for Debriefing"). The First Request for Debriefing notes,

* * *

> In addition, it should be noted that the Notice of Award states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:
>
> > (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.
> >
> > Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

See, Exhibit "A", First Request for Debriefing at pps. 1-2 (underline in original). The First Debriefing took place on November 16, 2016 ("First Debriefing"). The First Debriefing was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. The timing of the First Debriefing would generally require a protest be submitted on or before November 23, 2016; however, in a telephone conversation held on November 17, 2016 with Mr. Butt, he indicated that because there were outstanding questions from the

debriefing, the five day deadline to file a protest would begin as of November 17th, meaning the deadline to file a protest would be November 24, 2016.

On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals could be submitted. See, Exhibit "B". The letter made clear that Robert's believed the awards were issued in violation of law.

On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for REP Dl 7-001 and REP D17-O02 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring.** Upon review, the DOE concurs and **has decided to re score both RFPs. *****

(emphasis added). Rather than allowing proposers to resubmit proposals, the DOE simply re-scored the original submissions using the same panel of scorers.

The Second Debriefing took place on December 16, 2016, which required the Protest be submitted on or before December 23, 2016. The DOE received the Protest in writing as required by HRS § 103D-701 on December 23, 2016. See, Exhibit "C" (Maui Protest).

The DOE sent a letter to Robert's on January 20, 2017, attaching the DOE's January 11, 2017 Determination of Substantial State Interest ("DSSI") relating to the RFP. See, Exhibit "D". As discussed in detail below, Robert's disputed the DSSI in a letter dated February 6, 2017. See, Exhibit "E".

On February 24, 2017, the DOE sent a letter to Robert's counsel denying the Protest under Hawaii Revised Statutes ("HRS") § 103D-701(c), further stating that the decision is final. See, Exhibit "F" (Protest denial for Maui). Under HRS § 103D-712(a), this Appeal must be

submitted within seven (7) calendar days, meaning March 3, 2017, therefore this Appeal is timely.

B. **Robert's Has Secured and Attached a Bond as Required by HRS § 103D-709(e)**

HRS § 103D-709(e) provides:

> (e) The party initiating a proceeding falling within subsection (d) **shall pay to the department of commerce and consumer affairs a cash or protest bond in the amount of**:
>
> (1) $1,000 for a contract with an estimated value of less than $500,000;
> (2) $2,000 for a contract with an estimated value of $500,000 or more, but less than $1,000,000; or
> (3) One-half per cent of the estimated value of the contract if the estimated value of the contract is $1,000,000 or more; **provided that in no event shall the required amount of the cash or protest bond be more than $10,000**.
>
> If the initiating party prevails in the administrative proceeding, the cash or protest bond shall be returned to that party. If the initiating party does not prevail in the administrative proceeding, the cash or protest bond shall be deposited into the general fund.

Id. (emphasis added). As such, Robert's includes with this Appeal a cash or protest bond in the amount of $10,000.

C. **Robert's Reserves All Rights Despite Executing the Makawao Contract**

Robert's was awarded the Makawao cluster contract ("Makawao Contract") under the RFP and received contracts for execution from the DOE on January 17, 2017. Robert's has not yet executed the Makawao contract as of the time of the filing of this Appeal; however, Robert's reserves all rights in relation to the Protest and this Appeal regardless of whether it executes the Makawao Contract before the Hearings Officer makes a determination of this Appeal.

D. **The DOE Did Not Abide By Its Own Stated Scoring Procedure**

The DOE solicited proposals through the RFP, which specifically outlines the scoring method that the DOE represented to Robert's it would employ. Robert's drafted and submitted its proposal relying on the terms of that RFP and the DOE's obligation to score by its stated method. Instead of following its own process, the DOE adapted it mid-stream in an attempt to remedy both mathematical errors and other procedural flaws.

1. **The DOE Represented that Cost Evaluation Would Only Take Place AFTER the Completion of the Technical Evaluation**

The RFP is clear that the cost portion of the evaluation would take place only "AFTER the technical evaluation is completed..." (CAPS IN *ORIGINAL*). The DOE represented that it would segregate the technical evaluation from the cost evaluation, yet completely abandoned the agreed upon scoring method by allowing the same evaluators to score proposals AFTER each knew the pricing figures supplied by each proposer. Rather than amending the RFP to make clear to all proposers that the technical and cost evaluations would no longer be separate (and allowing them to resubmit proposals taking that into consideration), or selecting a new panel of scorers following the initial scoring, the DOE charged forward with its process nonetheless.

The following statements within the RFP make it clear that the bifurcation of the technical evaluation and cost evaluation was important to the fairness of the process. Robert's proposal strategy relied on the following from Section C.2 of the RFP:

> **This is a value-based procurement**... Cost will be a significant factor in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:
>
> A. *Determination of Proposal Qualification* - * * *
>
> B. *Technical Evaluation* - **An evaluation committee will evaluate the proponent's Technical Proposal**. The members of the committee **will**

evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – **AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The **lowest cost** proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- **This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster**.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – * * *

F. *Notice of Award* – * * *

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added).

Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE issued a Notice of Award noting that Robert's was awarded Cluster 1 (Makawao), with Ground Transport Incorporated ("GTI") being awarded Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation.** *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their**

> **input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will.** And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are.** So that's generally the process of how it worked...

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking...**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever***. **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

Following the First Debriefing, on November 17, 2016, Mr. Butt called Aaron Kimura and offered to re-score the proposals submitted by all proponents. On November 18, 2016, Robert's sent a letter to the DOE entitled "Request for re-solicitation of proposals", which notes in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.

> * * *
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders.** However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring.**
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring.**

Id. (emphasis added).

On November 21, 2016, Robert's received the "Notice of Re-score" from the DOE. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it simply stated that the evaluation panel would re-score the existing proposals.

Despite the representations in the RFP (including the requirement that pricing be submitted in a separate and sealed envelope), and also the importance of keeping the pricing evaluation isolated from the technical evaluation as stated above by both Mr. Butt and Mr. Kauhi, the DOE conducted its re-scoring process with the same panel of evaluators, *each of whom knew pricing information from the initial scoring process*. The RFP was never amended. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure. The result is that each evaluator knew the pricing information of each proposer *during the scoring of the technical proposals*.

During the Second Debriefing which took place on December 16th, 2016, the following discussion took place:

> Aaron Kimura: ... **the panel now had access to the outcome of the prices... the rates. Now that is different from the initial process,**

right, where it was kept away from them, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to… **you were the only one who had access to the pricing**…

James Kauhi: **Right**…

Aaron Kimura: **So that's a difference**…

James Kauhi: **Yeah**…

Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing… On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**…

* * *

Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind… we just did that as an extra step**. But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores. *I don't know if they have a photographic memory or not***, but again, I don't think…

Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing…

James Kauhi: So… let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well… but they were not involved in that process.

Christian Butt: So again… **yeah Chad… they did see it… but no, they didn't have it in front of them when they re-evaluated, so**…

* * *

Charles Hunter (counsel for Robert's): This is Charles Hunter here. Excuse my ignorance here, but **can you tell me why the pricing was done as a separate process?**

James Kauhi: ***That's unfortunate* because this discussion was already had… I was hoping that this debrief would center around those what was not discussed… I apologize**…

> Christian Butt: Well… I don't mind answering the question… I mean… **there is nothing under the procurement code or anything that requires that… It was just the way that we chose to do the process. That's all… agency preference**.
>
> Charles Hunter: **Why?**
>
> James Kauhi: **Why not?**
>
> Charles Hunter: **I'm just asking for the logic on why that decision was made**. I just, I don't know.
>
> James Kauhi: I'm sorry… **I think Aaron and Roy and Chad should be able to explain that to you no problem**.
>
> Charles Hunter: They can explain *your* logic as to why…?
>
> James Kauhi: They can explain why the pricing presentations were reevaluated…
>
> Charles Hunter: I don't know that that is true…

As it turns out, Robert's *could* have explained the DOE's logic to Mr. Hunter based upon the First Debriefing, where Mr. Butt stated,

> …we didn't expose the price to the evaluators **so they are not influenced by that**. So again **they were blind to that**. So again, we didn't want to say oh well, **I'm going to score this guy up because his price was kind of low or whatever**. So again **we try to remove that barrier**. So again you know, that **these guys scored it they don't know how it's going to turn out**...

Yet somehow, during the Second Debriefing the DOE took the positions that, (i) the procurement code does not require the technical and price scoring to be bifurcated, despite the clear language of the RFP, (ii) that the scorers somehow forgot the price rankings because they do not have photographic memories, (iii) that they did not wish to discuss the logic as to why the initial decision was made to keep the technical and price evaluations separate, and (iv) that

Robert's should somehow be able to explain the DOE's reasoning behind structuring the RFP in the way it did.

If the DOE preferred to eliminate the pricing-blind process that was stated in the RFP, and which was determined to be an important procedure during the First Debriefing, it should have issued an addendum to the RFP making clear the change in procedure. Further, the DOE should have allowed proposers to resubmit proposals with the new procedure taken into consideration, as specifically requested in Robert's November 18, 2016 letter. Instead, the DOE ignored the importance of that procedure, claimed its evaluation panel somehow forgot the pricing results, and rushed forward with its process.

2. **DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates**

The initial RFP stated that for the pricing score, the proponent's supplemental rates would be used; however, Addendum 3 to the RFP noted that the aides rate would be used in the pricing scores. In fact, the DOE used the supplemental rates, which was misleading as Robert's strategized its bid rates based on what the Addendum stated.

Addendum 3 to the RFP states in part:

> ... This addendum **provides clarification for submission requirements** of the RFP related to the need to provide bus aides for special needs services. **This response is hereby incorporated and made a part of the RFP**.
>
> ... for purposes of developing their response **vendors should plan to provide a bus aide** for all identified special needs buses shown on Attachment B.
>
> ... The **cost of the bus aide should be identified** on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum. [This statement is contained four (4) times in Addendum 3.]
>
> ... **The cost of the bus aide will be used in the evaluation of cost provided by each vendor**.

Id. (emphasis added).

During the First Debriefing, Aaron Kimura stated on behalf of Robert's:

> There were calculation errors in the scores. For the pricing score, **proponents' supplemental rates were used, as stated in the initial RFP documents, but it was mentioned in an addendum that the Aides rate would be used in the pricing scores**; and used by RHSB. In the past two RFP series (Oahu and Big Island), the **RFP documents stated the use of the supplemental rates for pricing scores, but the DOE used the aide rates. This is misleading as RHSB strategized its bid rates based on what the Addendum stated**; regarding use of the Aide rates for scoring. (Summarized).

Christian Butt and James Kauhi both eventually agreed that it was an error to use the supplemental, rather than the aide rates, and this was part of the basis for the rescoring of the proposals. On November 17, 2016, Mr. Butt telephoned Aaron Kimura and agreed that there was an error on this point. Mr. Butt stated that the language in Addendum 3 was in conflict with that of the RFP as to the financial scoring and the use of the aides rates versus using the supplemental rates and agreed with Robert's concerns.

During the Second Debriefing, Aaron Kimura raised the issue that the DOE *again* used the supplemental rate, and added the aides rate to the daily rate portion contrary to the RFP description in Addendum 3:

> Christian Butt: So you're saying then that we should have just used the supplemental rate… or just the aide rate?
>
> Aaron Kimura: No, the aide rate.
>
> Christian Butt: **So we should have just used the aide rate, that is your position?**
>
> Aaron Kimura: **That's not *our* position, that's what was in the addendum.**
>
> Christian Butt: Well, **that's your interpretation of reading it**…

The language above of Addendum 3 is unambiguous. Even the re-scoring erred on this issue to Robert's detriment. This error is clear and unmistakable. Based on the First Debriefing and the Second Debriefing, it appears the DOE agrees.

E. **The Rescoring Shows the Procedure was Arbitrary and Shows Bias**

The re-scoring of proposals without any changes to the materials being evaluated effectively created a double-blind study in the flawed and arbitrary nature of the DOE's re-scoring procedure. This is clear looking at the total scores for Robert's, GTI, and Iosepa (all clusters were scored identically):

ROBERT'S		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	51.00	60.00
Robert Joseph	51.75	48.75
James Kauhi	56.25	54.00
Bruce Ellerman	57.00	57.75

GTI		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	55.50	60.00
Robert Joseph	56.25	57.00
James Kauhi	59.25	53.25
Bruce Ellerman	57.25	58.00

IOSEPA		
Scorer	**Initial Scoring**	**Re-score**

Pualani Foster	54.50	57.25
Robert Joseph	49.75	51.50
James Kauhi	51.25	52.25
Bruce Ellerman	50.00	49.25

AKINA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	48.00	53.25
Robert Joseph	49.50	50.75
James Kauhi	50.00	50.00
Bruce Ellerman	50.75	50.75

This data shows significant changes in scores, despite the fact that *nothing* changed in any of the proposals. This is the very definition of arbitrary. The rescoring also shows that Mr. Joseph's role as Maui TO affected his scoring and contributed to collusion with Mr. Kauhi.

Interestingly, James Kauhi, who had unlimited access to the pricing figures following the first scoring and the First Debriefing, *reduced* Robert's score by 4.00%, while the other scorers *increased* their scores on average of 4.88%. In addition, Robert Joseph also reduced his scoring for Robert's by 6.00%.

When the combined scores by Mr. Joseph and Mr. Kauhi are considered against the other scorers, there is a vast discrepancy of 15 total points, meaning Messrs. Joseph and Kauhi *scored Robert's nearly 15% lower than Ms. Foster and Mr. Ellerman.* During the rescoring, Ms. Foster and Mr. Ellerman awarded Robert's a total of 117.75 points, while Messrs. Kauhi and Joseph awarded a total of just 102.75 points. This shows clear collusion and bias. On this issue, it

should be noted that during the rescore, Messrs. Kauhi and Joseph increased or left unchanged scores for other bidders in all but one instance, *yet they both reduced Robert's score significantly*.

Pualani Foster's score for Robert's increased by an astounding 18% to a perfect score of 60 points. This was done despite her making negative comments in the score cards. Somehow, Ms. Foster also increased GTI's score to award the full 60 points, noting in her score cards that questions regarding a child being left behind, and questions regarding facility acquisitions were answered during the interview process.

It is unclear how scoring *identical* proposals could result in such varied scores. Given Mr. Kauhi and Mr. Butt's apparent confidence in the scoring panel, it is difficult to see how the rescoring would result in such drastic revisions when there was no change to the proposals submitted.

During the First Debriefing session, James Kauhi confidently stated that the Evaluation Committee was "hand-selected" and highly qualified. Furthermore, Mr. Butt described the committee members to be "well versed, competent and qualified." However during the Second Debriefing, Mr. Kauhi and Mr. Butt stated that they "didn't have confidence in the veracity of their scoring.." and "I did not have high confidence to decide which of the differing scores were the right ones....not terribly confident in knowing exactly what was my true score." This highlights yet another flaw in the re-scoring procedure employed by the DOE.

F. **The Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

HRS § 103D-101 provides in relevant part:

> (a) **All public employees shall conduct and participate in public procurement in an ethical manner**. In conducting and participating in procurement, **public employees shall**:
>
> (1) Act as a fiduciary and trustee of public moneys;

(2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;

(3) Act only in the public interest;

(4) Abide by the statutes and administrative rules relating to public procurement;

(5) Identify and maximize efficiencies in the public procurement process;

(6) Encourage economic competition by:

(A) **Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment**; and

(B) Researching innovative goods and services to meet the public's needs;

(7) **Avoid the intent and appearance of unethical behavior**;

(8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;

(9) Maintain confidentiality in a manner that ensures a fair procurement process;

(10) **Remain impartial in dealings** with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and

(11) **Identify *and eliminate* any conflicts of interest**.

* * *

(c) **All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith**.

HRS § 103D-101 (emphasis added). Further, HAR § 3-120-1(a) outlines the following purposes of the rules, which are aimed to "promote economy, efficiency, and effectiveness in the procurement of goods and services… for the State and counties":

(1) Simplifying, clarifying, and modernizing the law governing procurement;

> (2) Requiring the continued development of procurement policies and practices;
> (3) Making the procurement laws of the State and counties as consistent as possible;
> (4) **Ensuring the fair and equitable treatment of all persons who deal with the procurement system of the State and counties;**
> (5) Providing increased economy in procurement activities and **maximizing best value to the fullest extent practicable;**
> (6) **Fostering effective broad-based competition within the free enterprise system;**
> (7) **Providing safeguards for the maintenance of a procurement system of quality and integrity**; and
> (8) **Increasing public confidence in the procedures followed in public procurement.**

HAR § 3-120-1 (emphasis added).

Here, it is clear that there were numerous conflicts of interest. One such conflict of interest involved Robert Joseph. Mr. Joseph was selected as an evaluator by James Kauhi, Manager of the DOE Student Transportation Services Branch. Mr. Kauhi is Robert Joseph's manager. In addition, Mr. Joseph is married to Mr. Kauhi's sister. The result is that two out of four evaluators were directly related, raising serious issues of partiality and conflict. As noted above, this conflict resulted in collusion during the Maui rescoring, made clear by the fact that Mr. Joseph and Mr. Kauhi *scored Robert's nearly 15% lower than Ms. Foster and Mr. Ellerman.* In addition, Messrs. Kauhi and Joseph increased or left unchanged scores for other bidders in all but one instance, *yet they both reduced Robert's score significantly.*

Aside from the direct familial relations between Mr. Kauhi and Mr. Joseph, Mr. Joseph's role as an evaluator is a break from the DOE's past practice of not using on-island TO's to evaluate proposals within their own districts.

In addition, Ms. Foster, the DOE's Kauai Transportation Officer ("TO"), is believed to have approximately 2 years of experience as a TO with the student transportation industry, with that experience being limited to duties on the Island of Kauai, handling "older" contracts for

student transportation services. Ms. Foster did not have a thorough knowledge of Robert's infrastructure and capabilities on the Island of Maui. Ms. Foster was not qualified to reasonably evaluate Robert's proposal, and it is highly likely that her evaluation and scores were based on influences from Mr. Joseph and Mr. Kauhi. In addition, Ms. Foster's drastic change in scoring (an 18% discrepancy for Robert's and an average 10.29% change for all bidders), shows her lack of experience as a significant issue, and that she was not fit to serve as an evaluator.

Further, Mr. Kauhi stated to Robert's that the evaluation of its proposal could be affected if the working relationship between Robert's Maui Operations Manager (Kris Kim) and Joseph (acting as Maui TO) did not improve. Apparently Mr. Kauhi also discussed historical difficulties with Ms. Kim during his tenure as the DOE's Maui TO.

The following table shows Mr. Joseph's scores compared to the average of other evaluators for the Maui and Kauai RFPs:

RFP	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Maui	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	2.50	4.00	2.00	48.75
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	2.75	3.00	4.00	2.00	55.50
Kauai	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	54.00
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	3.00	3.00	4.00	2.00	55.25

The various conflicts of interest present during the scoring process resulted in significant bias against Robert's. This bias was allowed to further permeate the scoring process through the "**one-day collaboration** with all four evaluators" that Mr. Kauhi noted took place while he discussed the scoring process during the First Debriefing (cited above in full). This "collaboration" was in violation of the terms of the RFP, which specifically stated that, "The

members of the committee **will evaluate each proposal individually**." See, RFP at p. 9 (emphasis added). It appears Messrs. Kauhi and Joseph used this meeting to influence the other panelists. In Mr. Kauhi's words, this meeting was, "an opportunity to voice their perspectives, their concerns there, interpretations if you will. And whether it had an influence **or whether my interpretation had an influence on another evaluator's interpretation**, same thing **would be entirely up to each individual right…**" Thus, Mr. Kauhi admits the possibility or probability that his interpretation influenced other evaluators, yet he dismisses this improper influence stating the decision on whether to follow his recommendation was "entirely up to each individual". It is for this very reason that the RFP submissions were intended to be evaluated individually, and the scoring clearly shows that Mr. Kauhi's "interpretation" *did* have a strong influence on other evaluators.

Mr. Kauhi also failed to raise important issues during this "collaboration" as to Robert's performance when compared to GTI's in the same market. For example, based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with **21.5 missing assets, compared with GTI's 245***. Mr. Kauhi knew this information, yet was selective in whether to provide it to other scorers or to raise it in the "collaboration" process.

The "collaboration" process also allowed Mr. Joseph to negatively influence the minds of other panel members by raising complaints regarding Robert's Maui Operations Manager. As noted earlier, the scoring panel was "hand-selected" by Mr. Kauhi. It appears Mr. Kauhi selected Mr. Joseph not only because he could exert influence over him, but also because Mr.

Kauhi knew that Mr. Joseph would have negative feelings towards Robert's from his position as Maui TO.

The data in both the initial and re-scoring process shows clearly that Mr. Kauhi and Mr. Joseph worked together to influence the process by raising issues that would be detrimental to Robert's, while failing to discuss *actual data* that was known to all and in Robert's favor.

G. Other Conduct by the DOE Showing Bias Resulting from Conflicts of Interest

On the morning of January 25, 2017, while Robert Joseph was at Robert's Maui base yard, he approached at least two Robert's employees and told them that GTI would be taking over the contracts for Maui. Mr. Joseph stated that Robert's Protests had been denied (which had not yet occurred). Mr. Joseph further stated that GTI has begun their recruiting process and that these employees should visit Oahu to see GTI's operations.

In a separate incident on January 24, 2017, Mr. Joseph approached another Robert's employee and stated that the contracts subject to the Protests have been awarded to GTI, and that the Protests would not change the outcome. Mr. Joseph then proceeded to tell the Robert's employee that he scored Robert's Proposals low because Robert's "got sloppy and cheap" because it used the same proposal for each island. He further stated that this is why Robert's was also not awarded the Kauai contracts under RFP No. RFP D17-002.

It was highly inappropriate for Mr. Joseph (as a State employee) to be acting on GTI's behalf in its recruiting efforts. RHSB considered this to be direct interference with contractual and business relations. It was also inappropriate for Mr. Joseph to discuss the scoring, Protest, or other related matters with Robert's employees. On January 27, 2017, Robert's sent a letter to counsel for the DOE stating that Mr. Joseph should be reprimanded and ordered to cease and desist any such activity, and further that he should be immediately and indefinitely prohibited

from entering Robert's Maui base yard or otherwise interfering with its operations. Mr. Joseph's actions were particularly unacceptable given the DOE's disregard for the active Protest.

In addition, Mr. Joseph's conduct indicated a lack of consistency with respect to how the DOE treats transitions between contracts (if a transition occurs). During prior transitions on Oahu, the DOE has asked that successful bidders not approach employees of competitors to recruit them, as that would interfere with the performance of existing contracts. Here, Mr. Joseph was actively doing just the opposite by spreading misinformation and encouraging Robert's employees to seek employment with GTI. This was particularly egregious when done at the hands of a State DOE employee who was involved in the evaluation panel for the RFPs.

Finally, the fact Mr. Joseph was helping GTI in recruiting employees should be a clear indication that GTI was unqualified and unable to properly perform on any Maui contract awarded, which was also an issue raised numerous times in Robert's Protest.

On January 30, 2017, Mr. James Kauhi discussed Mr. Joseph's inappropriate conduct with Ms. Gail Sagiao (a Robert's employee). Mr. Kauhi made specific reference to the letter sent by Robert's to counsel for the DOE on January 27, 2017 (Exhibit "G"), stating further that "Mr. Carlson called me and asked me to remind everyone on my evaluation team…Robert, Pua, Bruce, myself… that because there is a challenge to the RFP, that we should not be discussing anything that has to do with the RFP with everybody until the legal matter is settled." Despite that instruction, Mr. Kauhi then proceeded to discuss the matter with Ms. Sagiao in detail, including offering defense of Mr. Joseph's (Mr. Kauhi's brother-in-law) actions. Robert's counsel sent a letter to counsel for the DOE on February 6, 2017 alerting the DOE to these inappropriate contacts, telling the DOE that discussions regarding the "transition" of contracts

are premature, and further informing the DOE that Mr. Kauhi's characterization of Robert's position regarding DOE recruiting of Robert's employees was incorrect.

As of the filing of this Appeal, the DOE is conducting an investigation into Mr. Joseph's actions, and numerous Robert's employees will be interviewed as part of that investigation.

H. **Robert's Disputes the Determination of Substantial State Interests**

On January 17, 2017, Robert's received a contract for execution in relation to Maui Cluster 1 (Makawao), which was awarded under RFP No D17-001. Robert's was surprised to receive this contract given it submitted its Protest nearly a month prior with no response from the DOE. Robert's was under the assumption that the DOE was carefully reviewing the merits of the Protest so that it could rectify the numerous problems presented, and solicit new proposals given the clear errors and problems with the prior awards. Instead, the DOE charged forward with its awards. This is the reason why, "Under most circumstances, public projects cannot proceed while a protest is pending." Nihi Lewa, Inc. v. Dep't Of Budget And Fiscal Services, 103 Hawai`i 163, 167, 80 P.3d 984, 988 (2003)

Robert's only became aware of the DOE's Determination of Substantial State Interests ("DSSI") (Exhibit "H") when counsel for the DOE responded on January 20, 2017 to an email sent by Robert's counsel to the DOE two days prior following up on Robert's Protest. That prior email specifically cited HRS § 103D-701(f), which imposes a stay on contracting activities when a timely protest has been received by the agency issuing the solicitation. The DOE should have immediately informed all proposers when the DSSI was issued on January 11, 2017, but did not.

The DSSI should not have been issued. The only stated bases for the DSSI are that, (1) school bus service must begin on August 7, 2017, (2) to meet the aforementioned deadline, "several critical milestones must be accomplished," including acquisition of fleet assets, dry runs for bus routes, DOE start up meetings with vendors, vendor recruitment, and land/base of

operations acquisition, (3) that there will be a significant economic impact if the 178 bus driver positions are not put in place immediately, and (4) that delay will impact the State's ability to "realize the pricing and operational efficiencies provided for in the RFPs."

As to issues (1) and (2) above, this is a problem of the DOE's own making that could have been cured by an extension of Robert's existing contracts while the Protest is reviewed. The DOE had already mentioned to Robert's its past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity, as noted above. Extension of Robert's contracts would have solved this problem. Further, public policy would not support allowing the DOE to press forward on improperly awarded contracts because it creates a perverse incentive for all State procurement agencies to delay the issuance of any RFP to the point where the State will be harmed if not permitted to move forward, regardless of faults in the procurement process. The DOE should not be permitted to delay the issuance of RFPs to the point where there is no time to review valid protests before issuing awards. The Procurement Code is already designed to accommodate expedited review, and that review would have been completed in a timely manner if the DOE had not delayed addressing the Protest by over a month. This dubious practice is inconsistent with the purposes of the procurement code, which are to (i) provide fair and equitable treatment of all persons dealing with the government procurement system; (ii) foster broad-based competition among vendors while ensuring accountability, fiscal responsibility, and efficiency in the procurement process; and (3) increase public confidence in the integrity of the system. See, Sen. Stand. Comm. Rep. No. S8-93, in 1993 Senate Journal at 39; CARL Corp. v. State, Dept. of Educ., 85 Hawai'i 431, 455-56, 946 P.2d 1, 25-26 (1997). These issues, "cannot be ignored when determining whether it is in the best interests of the State to ratify an unlawfully awarded contract." Id.

It should also be noted that the above timing problems are the direct result of the DOE selecting GTI on Maui, a vendor with no current operations on the island. This issue was raised in the Protest, which highlights the fact that Robert's has had a presence on Maui for over 30 years, has an existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 base yards. In particular, Mr. Joseph somehow scored GTI with maximum points, while providing a lower score to Robert's. This issue was covered in detail in Section III.E of the Protest.

Issue 3) in relation to the DSSI is a red herring. It assumes that other bus drivers will not be driving busses during the pendency of the Protests, which is logically and factually incorrect. Bus drivers are currently servicing routes, and would continue to do so until the new contracts are put in place. To argue that the "178 bus driver positions will not be contributing to the local economy" is simply fallacious reasoning.

As to the State's ability to realize "pricing and operational efficiencies" under (4), this is also unsupportable. The State is not entitled to "realize" these benefits (to the extent there are any) if they are obtained through unlawfully awarded contracts. To the extent that a protest is later denied, this risk is already contemplated by the procurement law, which requires a cash or protest bond directly related to the amount of the procurement. See, HRS § 103D-709(e). In addition, Robert's was be prepared to post a bond to cover the risk of the apparent $750,000 "savings" that would occur in the first year if required to do so, although this solution was not accepted by the DOE.

Finally, both HRS § 103D-701(f) and HAR § 3-126-5 state that no further action shall be taken until and unless "**the *chief procurement officer* makes** a written determination" that the award is necessary to protect the interests of the State (emphasis added). The DSSI dated

January 11, 2017 was not a written determination *by* the chief procurement officer, here Kathryn S. Matayoshi. Rather, it is a memo *from* James Kauhi (who is implicated in numerous ways of biased conduct as noted in the Protest), "*through*" Dann Carlson, Assistant Superintendent, *to* Kathryn S. Matayoshi. It is *not* a determination by Kathryn S. Matayoshi herself. This memo states, "*Your approval is requested* for a Determination of Substantial State Interest.." and thus is not the actual Determination. The memo is then signed "for" Superintendent Matayoshi by Dann Carlson, which also appears improper if this document was intended to be the actual DSSI, and not simply a request for one.

Overall, the DSSI is logically and factually incorrect and should not serve to thwart the purposes of the Procurement Code.

I. Evaluations Were Inconsistent with the Stated Scoring Method

Mr. Kauhi had previously explained to Robert's that a respondent would receive the maximum possible points for each category, if minimum requirements were met. The scores from each evaluator, including Mr. Kauhi, show significant inconsistency for the same categories when Robert's proposal is compared to GTI's proposal. The following table shows the RFP scores by all evaluators, and clearly shows that Mr. Kauhi, and Mr. Joseph did not score according to the stated method:

MAUI	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	***3.00***	***3.00***	***9.00***	***6.00***	***9.00***	***15.00***	***3.00***	***3.00***	***3.00***	***4.00***	***2.00***	***60.00***
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	54.00
Joseph	2.25	2.25	6.75	6.00	6.75	11.25	1.50	3.00	3.00	4.00	2.00	48.75
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	3.00	3.00	4.00	2.00	57.75
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	60.00
AVG	**2.75**	**2.50**	**9.00**	**6.00**	**6.75**	**13.75**	**2.25**	**2.75**	**3.00**	**4.00**	**2.00**	**53.63**

GTI AVG	2.81	3.00	8.44	6.00	8.44	14.06	3.00	3.00	2.44	4.00	1.88	57.06

1. Category 1: Transmittal Letter

One example of inconsistent scoring on this issue is for category 1, dealing with the Transmittal Letter. This section had 3 points possible. In this section, Robert's noted that "RHSB shall pursue Proposal Option A" and further that it was bidding on "(Multiple clusters, unlimited award) for all four (4) Clusters." GTI noted that it was proposing "…for all Maui service clusters…"

Despite Robert's satisfying the requirements of this section, Joseph scored just 2.25 points, stating wrongly that, "A list of the 4 clusters that is being proposed for was not provided." Although GTI also stated it was proposing "…for all Maui service clusters" similar to Robert's, Joseph deducted only because GTI "Exceeded page limit" but did not deduct points otherwise. Other scorers fully recognized that Robert's satisfied all of the requirements of this section.

2. Category 2: Executive Summary

In this category, Robert's highlighted numerous reasons why it is well suited to the State's requirements, including its presence on Maui for over 30 years, its existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 baseyards. Robert's also highlighted its optimal workforce and fleet, which exceeded the requirements of the RFP.

In the scoring, Joseph awarded less than the possible 3 points for the category. Joseph both questioned whether Robert's has three (3) baseyards on Maui. Joseph further questioned the stated capacity of Robert's #3 baseyard (Makawao).

In this category, GTI was awarded the full 3 points, despite the fact that it does not have *any* existing baseyards on Maui. By contrast, Robert's proposal makes clear, and the DOE is

well aware, that Robert's has 3 established baseyards on Maui that adequately support its existing fleet, with excess capacity.

Mr. Joseph questioned whether Robert's would have a "turn-key" transition as it claimed because of its existing infrastructure. GTI received maximum points, yet has no existing infrastructure.

3. Category 3: Qualifications & Experience

Despite there being no specific required format, Mr. Joseph scored Robert's with 6.75 out of 9 possible points. Joseph arbitrarily deducted points because "Bullets 3 & 4 were combined into one statement." Joseph's comments indicate that he was not sure whether the cited statistics were for school bus transportation, or for all departments. Mr. Joseph should have clarified this inquiry during the interview session, as the statistics included statewide support personnel for maintenance and dispatching by line item; however, this discounts any cause to deduct points as Robert's workforce far exceeds that of other proposers.

Robert's received the maximum points from other evaluators.

4. Category 4: Reference and Testimonials

This section requires proposers to provide not less than one (1) and no more than three (3) letters of reference. GTI listed 12 quoted testimonials, which clearly violated and exceeded the maximum number of testimonials for the section. GTI received the maximum points for this category despite its violation of a clear term as to the maximum number of references.

5. Category 5: Proponent's Service Approach

Robert's received a score of 6.75 from Kauhi, who commented regarding the level of confident for park-aways. On this issue, Gail Sagiao, for Robert's, responded to an inquiry during the interview process regarding park-aways and leads. It was Robert's belief that this

issue was fully briefed. More importantly, GTI's proposal makes absolutely no mention of park-aways, yet it received the maximum 9 points for the category from all scorers except Kauhi.

Ellerman also scored Robert's with 6.75, stating, "Needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOT, esp. in Sp Ed area." Mr. Ellerman's comment is addressed on page 25: "Prior to rendering daily student..., pre-determined route information is prepared by and received from the DOE STSB. RHSB operations management review the pre-determined routes and informs STSB of any discovery or routing discrepancies....Any discrepancies or valuable information discovered during dry-run will be addressed with the applicable DOE TO..."

6. Category 6: Commitment to Safety

This category had a possible 15 points per evaluator. Joseph awarded 11.25 points, stating, "All responses to related items are generic and does not reflect actual Maui team members performance." In reality, the proposal states, "For at least three days per week, RHSB driver trainers will observe and assist drivers while conducting per/post trip inspections." Drivers are conducting inspections daily. In addition, Gail Sagiao, for Robert's, responded during the interview that driver "leads" conduct daily oversight of inspections by drivers. In addition, it appears Mr. Joseph's comment is not related to the contents of the proposal submitted by Robert's, but rather appears to raise some issue with "actual" performance on unrelated contracts.

By comparison, neither GTI's trainers, nor its management team, conduct daily observation of driver pre/post inspections. GTI's proposal states, "...managers and supervisors conduct random ride along inspections..." It further states, "To make certain that drivers comply with the pre-trip inspection they are randomly monitored by bus supervisors. These random

inspections can take place at any time **and are not scheduled**." Mr. Joseph awarded full points to GTI.

It is difficult to understand why Robert's was penalized, when GTI admits that it does not schedule inspections.

7. Category 7: Vehicles & Fleet Management

Here is a summary of the relevant portions of Robert's proposal as compared to GTI's proposal:

Robert's:

- RHSB school bus fleet exceeds 550 statewide
- Shall include new school buses in its mix of existing fleet and remain within the minimum avg fleet age of 9 yrs
- Maintain a minimum fleet of spare vehicles at 12% of the total daily route operated
- Committed to include new school buses into its mix of 125 existing buses available on Maui
- Approximate fleet acquisition projections based on 3 clusters: Initial year (6), 2-7 years (75), 3 yr extension (3).
- Bus Type C/D: Up to 90pax, GPS, Video, Two-way Comm
- Bus Type A/B: 10+2/4wc and up to 24 pax (with AC if required)
- 3 established/existing baseyards
- Established/existing maintenance facility

GTI:

- "Our fleet of buses will not exceed an average age of 9 yrs, no bus will be over 15 yrs old, each bus will have two-way voice communication....bus cameras, and Zonar GPS tracking device.
- "GTI will maintain at least an additional 10% spare vehicle capacity above the number of buses needed for contracted cluster/routes."
- GTI lists their vehicle roster for their Oahu operations
- "We will purchase new fleet vehicles to meet the requirements of the cluster that we are awarded."
- "A final listing of vehicles/equipment will be provided to DOE as required."

Robert's provided information regarding its *existing* fleet, yet GTI proposes its future fleet specifications. Even assuming GTI does what it promises, Robert's proposal contains a larger spare vehicle percentage, the same average age, existing baseyards, and existing maintenance facilities. Robert's is also specific as to its vehicle specifications. By comparison, GTI provides no details, simply says it will be in fleet compliance (like Robert's), yet receives maximum scores.

Despite Robert's clearly having an *existing* fleet better than that *proposed* by GTI, Joseph awarded only 1.5 points, stating "Define baseyard, what exactly can we expect from each of these locations operationally." As an initial matter, Joseph, as the DOE Maui TO, is well aware of Robert's existing baseyards and its existing facilities and capacities on Maui. By comparison, GTI has no existing baseyards, and only states it will seek to obtain a baseyard if awarded. Joseph awarded full points to GTI.

The result of the RFP awards will require GTI to establish a baseyard on Maui, become familiar with Maui's geographical elements and institutions, and most importantly recruit and secure at least 48 CDL school bus drivers, 23 Non-CDL drivers and 23 Aides for a total of 71 employees; not including administrative and maintenance personnel.

The DOE appears willing to risk the possibility of a major disruption of services instead of maintaining the least disruption of services through Robert's existing infrastructure that has an existing workforce that exceeds the minimum needed to cover the maximum allowable service clusters. The DOE has always expressed the importance of avoiding any disruption of services due to the negative impact it had experienced when its reformed program backlashed on Oahu for school year 2014-15. Subsequently, DOE revised its strategy for its Big Island reform that resulted in a very successful implementation for school year 2015-16.

To that end, and based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with* ***21.5 missing assets, compared with GTI's 245***. This is a clear indication that even when GTI has an established fleet in place, it does not have the capacity to manage its own existing operations or provide reliable service. Yet, when Robert's has a proven track record, and *existing fleets and baseyards*, it is being scored lower than GTI who has asserted mere statements as to their ability to create a Maui operation from the ground up.

Despite these facts, GTI and Robert's received an average score in this category of 2.63, while GTI somehow received full points for merely making representations about its proposed Maui fleet.

8. Category 10: Financial Stability

Robert's is clearly in a stronger financial position than GTI, yet GTI arbitrarily received the same score.

J. **DOE Did Not Abide by the "Fair and Equal Standard"**

HAR § 3-122-53 requires the fair and equal treatment with respect to discussions and revisions of proposals:

* * *

(d) Priority-listed offerors ***shall*** **be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.**

(1) **Any substantial oral clarification of a proposal shall be reduced to writing** by the priority-listed offeror;

(2) If during discussions there is a need for any substantial clarification or change in the request for proposals, **the request for proposals shall be amended by an addendum to incorporate the clarification or change.**

* * *

Id. (emphasis added). This standard was not followed by the DOE in subsequent discussions with priority listed offerors. During the interview, Mr. Kauhi claimed that GTI made representations to him that convinced the DOE that GTI would be able to set up its operations on Maui, despite the fact that GTI has no infrastructure or experience there. There is nothing provided in the RFP documents that supports GTI's nebulous claims. Robert's also answered numerous questions during its interview, yet it had points deducted.

K. Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

> **Prior to the preparation of the request for proposals**, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.
>
> (1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;
>
> (2) **Private consultants** may also serve on the committee and shall:
> (A) Have sufficient knowledge to serve on the committee;
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
> (C) **Sign an affidavit**:
>
> (i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
> (ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
> (iii) **Agreeing that their names will become public information** upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;

> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

On January 25, 2017, Robert's received an email from Kelsey Soma Turek, State of Hawaii DOE transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "I" (email and attached documents).

It is important to highlight the HAR's use of the phrase "*Prior* to the preparation of the request for proposals", and further that a copy of the document identifying any committee members "*shall* be placed in the contract file." This was not done.

None of the documents received by Roberts on January 25, 2017 is dated, with the exception of the Declaration of Bruce Ellerman, which is dated *October 12, 2016*. It is unclear how these Declarations (even assuming all were signed on October 12, 2016) could have been completed "*prior* to the preparation of the request for proposals" and "placed in the contract file" when the RFPs were issued on July 20, 2016, with a proposal deadline of October 5, 2016.

Further, assuming Bruce Ellerman was a paid consultant, it is unclear whether a determination in writing was made by the head of the DOE that the compensation was justified.

In addition, Mr. Ellerman's Declaration makes no statement that he agreed to having his name become public information upon the award of the contract as required by subsection (2)(C)(iii).

Finally, the above statute requires private consultants like Mr. Ellerman to sign "an affidavit", not a Declaration. Mr. Ellerman's statement is not notarized, and therefore did not constitute "an affidavit".

III. RELEVANT LEGAL AUTHORITY

A. The Hawaii Public Procurement Code, HRS Chapter 103D, contains an administrative review process codified as HRS § 103D-709, which was amended to contain bonding requirements which must be satisfied when filing an administrative appeal. **Enclosed with this appeal is the appropriate cash or protest bond.**

B. This Appeal is based upon HRS § 103D-709.

C. Pursuant to section 103D-709 and HAR § 3-126-51 Roberts requests the right to depose the following individuals prior to the hearing on appeal: James Kauhi, Robert Joseph, Pualani Foster, and Bruce Ellerman and such others as are required. The depositions will be set for four to seven hours each. Roberts also requests full discovery of all relevant documents.

D. Robert's requests a recording of the proceedings as it will appeal, if the circumstances require.

IV. CONCLUSION

For the reasons set forth hereinabove, Robert's respectfully requests that the DCCA: (1) reverse the DOE's final decision to deny Robert's Protest; (2) order the DOE to rescind all awards made under the RFP; (3) order the DOE to implement a new RFP process with a new

//

// [REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

panel of unbiased scorers.

DATED: Honolulu, Hawai'i, MAR 03 2017.

JONATHAN S. MOORE
CHARLES D. HUNTER
Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

STATE OF HAWAII

PROCUREMENT PROTEST BOND

CASH OR CASHIER'S CHECK

(10/01/09)

PURCHASING AGENCY (Department/Division/Agency): Department of Education

IFB/RFP Solicitation Title & No.: RFP No. D17-001

KNOW ALL PERSONS BY THESE PRESENTS:

That we, Robert's Hawaii School Bus, Inc.
(full legal name and street address of Protestor)

as Protestor, hereinafter called Protestor, is held and firmly bound unto the STATE OF HAWAII, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, its successors and assigns, as Obligee, hereinafter called Obligee, in the amount of Ten Thousand Dollars and 00/100 DOLLARS ($10,000.00), lawful money of the United States of America, for the payment of which to the said Obligee, well and truly to be made, Protestor binds itself, its heirs, executors, administrators, successors and assigns, firmly by these presents. Said amount is evidenced by:

☐ Legal tender;

☒ Cashier's Check No.2840315, dated , issued March 2, 2017
by Bank of Hawaii (Waikamilo Branch),
drawn on March 2, 2017,
a bank, savings institution or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, payable at sight or unconditionally assigned to State of Hawaii, DCCA;

WHEREAS:

The Protestor has initiated an administrative protest hearing with the State of Hawaii, Department of Commerce and Consumer Affairs (DCCA) regarding the above-named Purchasing Agency's decision pertaining to IFB/RFP No.RFP No. D17-001. Said protest hearing is conditioned upon posting of a bond at the time of filing for an administrative hearing with the DCCA.

NOW, THEREFORE,

The condition of this Bond is such that, if Protestor, after conclusion or termination of the administrative hearing process regarding the protest does not prevail, this Bond shall be forfeited in total to the State of Hawaii, Department of Commerce and Consumer Affairs for deposit into the general fund. In the event the Protestor prevails, then the obligation shall be null and void; otherwise it shall remain in full force and effect.

AND IT IS HEREBY STIPULATED AND AGREED that suit on this Bond may be brought before a state court of competent jurisdiction in Honolulu, Hawaii, without a jury, and that the sum or sums specified in this Bond shall be forfeited to the Obligee, its successors or assigns, in the event of a breach of any, or all, or any part of, the covenants, agreements, conditions, or stipulations contained in this Bond in accordance with the terms thereof.

Signed this 2nd day of March, 2017.

ROBERT'S HAWAII SCHOOL BUS INCORPORATED AUG. 23, 1988 STATE OF HAWAII (Seal)

Robert's Hawaii School Bus, Inc.
Name of Protestor Roy Pfund

Signature

VP

Title

*ALL SIGNATURES MUST BE ACKNOWLEDGED
BY A NOTARY PUBLIC

PROTESTOR ACKNOWLEDGMENT

PROTESTOR ACKNOWLEDGMENT:

STATE OF Hawaii)
: SS.
City and COUNTY OF Honolulu)

On this 2nd day of March, 20 17, before me appeared Roy Pfund and _____ to me known to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are Vice President and _____ of Robert's Hawaii School Bus, Inc. the Protestor named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument in behalf of the Protestor, and acknowledges that he/she/they executed said instrument as the free act and deed of the Protestor.

(Notary Seal)

Notary Public (Signature) Bernadette Coen

State of Hawaii

My commission expires: 08/12/2020

Doc. Date: 03/02/17 # Pages: 3
Notary Name: Bernadette Coen First Circuit
Doc. Description: State of Hawaii Procurement Bond - cash or cashier's check.
RFP No. D17-001

03/02/17
Notary Signature Date

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	) Docket No. _____) DECLARATION OF CHARLES D. HUNTER

DECLARATION OF CHARLES D. HUNTER

I, CHARLES D. HUNTER, make the following statements based upon my personal knowledge:

1. I am an attorney at the law firm of Kobayashi, Sugita & Goda, counsel to the Petitioner in the above entitled matter;

2. Attached hereto as Exhibit "A" is a true and correct copy of the First Request for Debriefing submitted to the Department of Education ("DOE') by Roberts Hawaii School Bus, Inc. ("RHSB") dated November 2, 2016;

3. Attached hereto as Exhibit "B" is a true and correct copy of a letter to the DOE sent by RHSB on November 21, 2016;

4. Attached hereto as Exhibit "C" is a true and correct copy of the Protest in writing as required by HRS § 103D-701 submitted on December 23, 2016;

5. Attached hereto as Exhibit "D" is a true and correct copy of a letter sent by the DOE to RHSB on January 20, 2017, attaching the DOE's January 11, 2017 Determination of Substantial State Interest ("DSSI") relating to the RFP;

6. Attached hereto as Exhibit "E" is a true and correct copy of a letter dated February 6, 2017 sent by RHSB to the DOE disputing the DSSI;

7. Attached hereto as Exhibit "F" is a true and correct copy of a letter sent to RHSB's counsel by the DOE on February 24, 2017 denying the Protest;

8. Attached hereto as Exhibit "G" is a true and correct copy of the letter sent by RHSB to counsel for the DOE on January 27, 2017;

9. Attached hereto as Exhibit "H" is a true and correct copy of the DOE's Determination of Substantial State Interests ("DSSI");

10. Attached hereto as Exhibit "I" is a true and correct copy of an email RHSB received on January 25, 2017 from Kelsey Soma Turek, State of Hawaii DOE transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals.

I, CHARLES D. HUNTER, declare under penalty of law that the foregoing is true and correct.

DATED: Honolulu, Hawai'i, MAR 03 2017.

CHARLES D. HUNTER

Roberts Hawaii

phone 808 523 7750
fax 808 522 7866

Roberts Hawaii, Inc.
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817

robertshawaii.com

November 2, 2016

Mr. Christian H. Butt (Christian Butt/AUX/HIDOE@notes.k12.hi.us)
Section Administrator
Auxiliary Services Branch - Project Control Section
State of Hawaii - Department of Education
3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

RE: RFP D17-001 (Maui) – Request for debriefing and information.

Dear Mr. Butt:

We have received the Notice of Award for RFP D17-001, Clusters #1 (Makawao).

Pursuant to your notice and the provisions within Hawaii Revised Statutes (HRS) 103D, we request the following:

- Debriefing for RFP D17-001.
- Immediate receipt of all documents, including the final tabulation worksheet; evaluation, notes and scoring sheets of all evaluators; and copies of written (technical requirements) proposals and pricing forms (Attachment B) for all respondents.

In addition, it should be noted that the Notice of Award states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:

> (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.

Exhibit "A"

Roberts Hawaii

Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

If you have any questions, please do not hesitate to contact me at (808) 539-9477 or via email at aaron.kimura@robertshawaii.com.

Sincerely,

Aaron Kimura
Vice President – Contract Management

Cc: Mr. Bert T. Kobayashi, Jr.
Mr. Jonathan S. Moore
Kobayashi, Sugita & Goda LLP
999 Bishop St., Suite 2600
Honolulu, HI 96813

Roberts Hawaii

phone 808 523 7750
fax 808 522 7866

Roberts Hawaii, Inc.
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817

robertshawaii.com

November 18, 2016

Mr. Christian H. Butt (Christian Butt/AUX/HIDOE@notes.k12.hi.us)
Section Administrator
Auxiliary Services Branch - Project Control Section
State of Hawaii - Department of Education
3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

RE: RFP D17-001 (Maui) – Request for re-solicitation of proposals.

Dear Mr. Butt:

This letter is being sent to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, rescission of the award and cancellation of the awarded contracts is required. RHSB will file its protest no later than November 24, 2016 (you've indicated to Aaron Kimura on the phone yesterday, November 17, 2016, that because there were outstanding questions from the debriefing, the five-day deadline to file a protest would begin as of November 17, 2016). Nonetheless, RHSB plans on filing its protest on Tuesday, November 22, 2016, so that resolution will not be further delayed.

It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.

As you know, HRS 103D-701(b) allows the DOE to, "settle and resolve a protest concerning the solicitation or award of a contract." This section precludes any further actions taken in furtherance of establishing or completing the contract, but not actions to terminate or cancel the contract. International Display Systems, Inc.

Exhibit "B"

Roberts Hawaii

v. Okimoto, 2013, 300 P.3d 601, 129 Hawai'i 335. Further, under HAR 3-126-7(d), "...If the protest is sustained, the available remedies include, but are not limited to, those set forth in this section and subchapter 4..." Under HAR 3-126-38 (part of subchapter 4), when there is no bad faith by the contractor, and "[i]f the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated..." HAR § 3-126-38(a)(3) (emphasis added). Please note the use of the term "shall".

Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders. However, we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring.

Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or re-scores the existing proposals, the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring.

If you have any questions, please do not hesitate to contact me at (808) 523-7750 or via email at roy.pfund@robertshawaii.com.

Sincerely,

Roy Pfund
Executive Vice President

Last Edited: 11/17/2016 8:41:09 AM
Document ID: 1492172_1

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Of Counsel:
John F. Lezak
Larry L.Myers

December 23, 2016

Via US Mail, Certified, return receipt requested, Facsimile, and Electronic Mail

The Hon. Kathryn Matayoshi
Mr. Christian Butt

U.S. Mail: The Hon. Kathryn Matayoshi
Superintendent / Chief Procurement Officer
1390 Miller Street, Room 309
Honolulu, HI 96813

Mr. Christian Butt / Section Administrator
Project Control Section
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Christian_Butt@notes.k12.hi.us

Facsimile: 808-586-3314/808-586-0969

Re: Robert's Hawaii School Bus, Inc.'s HRS § 103D-701 Protest of Request For Proposals No. RFP D17-001 Student Transportation Services on the Island of Maui for the State of Hawaii Department of Education (DOE)

Exhibit "C"

Dear Superintendent Matayoshi and Mr. Butt:

Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this protest ("Protest") of the award of RFP No. D17-001 ("RFP"), which RFP was published by the State of Hawaii, Department of Education ("DOE") on July 20, 2016. This timely protest is made pursuant to Hawaii Revised Statutes ("HRS") § 103D-701 and HRS § 103D-303, and Hawaii Administrative Rules ("HAR") §§ 3-126-4, and addresses Robert's concerns regarding the award of three clusters (Baldwin, Lahaina, and Maui) to Ground Transport Incorporated ("GTI").

I. PROTESTOR INFORMATION

Robert's Hawaii School Bus, Inc. ("Roberts")
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817
Phone: (808) 523-7750
Fax: (808) 522-7866

LEGAL COUNSEL

Jonathan S. Moore
Charles D. Hunter
Kobayashi, Sugita & Goda
999 Bishop Street, Ste. 2600
Honolulu, Hawaii 96813
Phone: (808) 535-5700
Fax: (808) 535-5799
Email: jsm@ksglaw.com

II. IDENTIFICATION OF THE PROCUREMENT:

RFP No. D17-001 ("RFP") for Student Transportation Services on the Island of Maui for the State Department of Education (DOE). The following table shows the significance of this procurement to both the DOE, and to Robert's. It is calculated using 2% annual increases in revenue and results in **$94,150,300 total revenue** over the 7yr + 3yr extension term based on the maximum number of clusters that can be awarded:

MAUI	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	TOTAL
Makawao	3,551,040	3,622,061	3,694,502	3,768,392	3,843,760	3,920,635	3,999,048	4,079,029	4,160,609	4,243,822	
Aide	436,590	445,322	454,228	463,313	472,579	482,031	491,671	501,505	511,535	521,765	
	3,987,630	*4,067,383*	*4,148,730*	*4,231,705*	*4,316,339*	*4,402,666*	*4,490,719*	*4,580,533*	*4,672,144*	*4,765,587*	*43,663,436*
Baldwin	1,539,900	1,570,698	1,602,112	1,634,154	1,666,837	1,700,174	1,734,178	1,768,861	1,804,238	1,840,323	
Aide	187,110	190,852	194,669	198,563	202,534	206,585	210,716	214,931	219,229	223,614	
	1,727,010	*1,761,550*	*1,796,781*	*1,832,717*	*1,869,371*	*1,906,759*	*1,944,894*	*1,983,792*	*2,023,467*	*2,063,937*	*18,910,278*
Maui	2,592,720	2,644,574	2,697,466	2,751,415	2,806,444	2,862,572	2,919,824	2,978,220	3,037,785	3,098,540	
Aide	291,060	296,881	302,819	308,875	315,053	321,354	327,781	334,336	341,023	347,844	
	2,883,780	*2,941,456*	*3,000,285*	*3,060,290*	*3,121,496*	*3,183,926*	*3,247,605*	*3,312,557*	*3,378,808*	*3,446,384*	*31,576,586*
	8,598,420	**8,770,388**	**8,945,796**	**9,124,712**	**9,307,206**	**9,493,350**	**9,683,217**	**9,876,882**	**10,074,419**	**10,275,908**	**94,150,300**

III. SUMMARY OF PROTEST

A. The Protest is Timely

On November 1, 2016, the DOE sent a letter to Robert's announcing that GTI was selected as the winning bidder for three clusters under the RFP, including Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). On November 2, 2016, Robert's submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section - requesting debriefing and information ("First Request for Debriefing"). The First Request for Debriefing notes,

> * * *
>
> In addition, it should be noted that the Notice of Award states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:
>
> > (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.
> >
> > Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

See, First Request for Debriefing at pps. 1-2 (underline in original). The First Debriefing took place on November 16, 2016 ("First Debriefing"). The First Debriefing was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. The timing of the First Debriefing would generally require a protest be submitted on or before November 23, 2016; however, in a telephone conversation held on November 17, 2016 with Mr. Butt, he indicated that because there were outstanding questions from the debriefing, the five day deadline to file a protest would begin as of November 17th, meaning the deadline to file a protest would be November 24, 2016.

On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals

could be submitted. The letter made clear that Robert's believed the awards were issued in violation of law.

On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for REP Dl 7-001 and REP D17-O02 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring.** Upon review, the DOE concurs and **has decided to re score both RFPs. *****

(emphasis added). Rather than allowing proposers to resubmit proposals, the DOE simply re-scored the original submissions using the same panel of scorers.

The Second Debriefing took place on December 16, 2016, which requires this Protest be submitted on or before December 23, 2016.

B. **The DOE Did Not Abide By Its Own Stated Scoring Procedure**

The DOE solicited proposals through the RFP, which specifically outlines the scoring method that the DOE represented to Robert's it would employ. Robert's drafted and submitted its proposal relying on the terms of that RFP and the DOE's obligation to score by its stated method. Instead of following its own process, the DOE adapted it mid-stream in an attempt to remedy both mathematical errors and other procedural flaws.

1. **The DOE Represented that Cost Evaluation Would Only Take Place AFTER the Completion of the Technical Evaluation**

The RFP is clear that the cost portion of the evaluation would take place only "AFTER the technical evaluation is completed..." (CAPS IN ORIGINAL). Presumably the DOE believed it important to segregate the technical evaluation from the cost evaluation, yet completely abandoned the agreed upon scoring method by allowing the same evaluators to score proposals AFTER each knew the pricing figures supplied by each proposer. Rather than amending the RFP to make clear to all proposers that the technical and cost evaluations would no longer be separate (and allowing them to resubmit proposals taking that into consideration), or selecting a new panel of scorers following the initial scoring, the DOE charged forward with its process nonetheless.

The following statements within the RFP make it clear that the bifurcation of the technical evaluation and cost evaluation was important to the fairness of the process. Robert's proposal strategy relied on the following from Section C.2 of the RFP:

This is a value-based procurement... Cost will be a significant factor in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* - * * *

B. *Technical Evaluation* - **An evaluation committee will evaluate the proponent's Technical Proposal**. The members of the committee **will evaluate each proposal individually**. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – **AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The **lowest cost** proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- **This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.**

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE issued a Notice of Award noting that Robert's was awarded Cluster 1 (Makawao), with Ground Transport Incorporated ("GTI") being awarded Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation.** *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will.** And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are.** So that's generally the process of how it worked…

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking…**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever***. **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

Following the First Debriefing, on November 17, 2016, Mr. Butt called Aaron Kimura and offered to re-score the proposals submitted by all proponents. On November 18, 2016, Robert's sent a letter to the DOE entitled "Request for re-solicitation of proposals", which notes in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals**

> **can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * *
>
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders.** However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring**.
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring**.

Id. (emphasis added).

On November 21, 2016, Robert's received the "Notice of Re-score" from the DOE. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it simply stated that the evaluation panel would re-score the existing proposals.

Despite the representations in the RFP (including the requirement that pricing be submitted in a separate and sealed envelope), and also the importance of keeping the pricing evaluation isolated from the technical evaluation as stated above by both Mr. Butt and Mr. Kauhi, the DOE conducted its re-scoring process with the same panel of evaluators, *each of whom knew pricing information from the initial scoring process*. The RFP was never amended. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure. The result is that each evaluator knew the pricing information of each proposer *during the scoring of the technical proposals*.

During the Second Debriefing which took place on December 16th, 2016, the following discussion took place:

> Aaron Kimura: … **the panel now had access to the outcome of the prices… the rates**. **Now that is different from the initial process, right, where it was kept away from them**, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to… **you were the only one who had access to the pricing**…
>
> James Kauhi: **Right**…
>
> Aaron Kimura: **So that's a difference**…
>
> James Kauhi: **Yeah**…
>
> Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing… On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**…
> * * *
> Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind… we just did that as an extra step**. But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores**. ***I don't know if they have a photographic memory or not***, but again, I don't think…
>
> Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing…
>
> James Kauhi: So… let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well… but they were not involved in that process.
>
> Christian Butt: So again… **yeah Chad… they did see it… but no, they didn't have it in front of them when they re-evaluated, so**…

> * * *
> Charles Hunter (counsel for Robert's): This is Charles Hunter here. Excuse my ignorance here, but **can you tell me why the pricing was done as a separate process?**
>
> James Kauhi: ***That's unfortunate*** **because this discussion was already had... I was hoping that this debrief would center around those what was not discussed... I apologize...**
>
> Christian Butt: Well... I don't mind answering the question... I mean... **there is nothing under the procurement code or anything that requires that... It was just the way that we chose to do the process. That's all... agency preference.**
>
> Charles Hunter: **Why?**
>
> James Kauhi: **Why not?**
>
> Charles Hunter: **I'm just asking for the logic on why that decision was made.** I just, I don't know.
>
> James Kauhi: I'm sorry... **I think Aaron and Roy and Chad should be able to explain that to you no problem.**
>
> Charles Hunter: They can explain *your* logic as to why...?
>
> James Kauhi: They can explain why the pricing presentations were reevaluated...
>
> Charles Hunter: I don't know that that is true...

As it turns out, Robert's *could* have explained the DOE's logic to Mr. Hunter based upon the First Debriefing, where Mr. Butt stated,

> ...we didn't expose the price to the evaluators **so they are not influenced by that**. So again **they were blind to that**. So again, we didn't want to say oh well, **I'm going to score this guy up because his price was kind of low or whatever**. So again **we try to remove that barrier**. So again you know, that **these guys scored it they don't know how it's going to turn out**...

Yet somehow, during the Second Debriefing the DOE took the positions that, (i) the procurement code does not require the technical and price scoring to be bifurcated, despite the

clear language of the RFP, (ii) that the scorers somehow forgot the price rankings because they do not have photographic memories, (iii) that they did not wish to discuss the logic as to why the initial decision was made to keep the technical and price evaluations separate, and (iv) that Robert's should somehow be able to explain the DOE's reasoning behind structuring the RFP in the way it did.

If the DOE preferred to eliminate the pricing-blind process that was stated in the RFP, and which was determined to be an important procedure during the First Debriefing, it should have issued an addendum to the RFP making clear the change in procedure. Further, the DOE should have allowed proposers to resubmit proposals with the new procedure taken into consideration, as specifically requested in Robert's November 18, 2016 letter. Instead, the DOE ignored the importance of that procedure, claimed its evaluation panel somehow forgot the pricing results, and rushed forward with its process.

2. **DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates**

The initial RFP stated that for the pricing score, the proponent's supplemental rates would be used; however, Addendum 3 to the RFP noted that the aides rate would be used in the pricing scores. In fact, the DOE used the supplemental rates, which was misleading as Robert's strategized its bid rates based on what the Addendum stated.

Addendum 3 to the RFP states in part:

> ... This addendum **provides clarification for submission requirements** of the RFP related to the need to provide bus aides for special needs services. **This response is hereby incorporated and made a part of the RFP**.
>
> ... for purposes of developing their response **vendors should plan to provide a bus aide** for all identified special needs buses shown on Attachment B.
>
> ... The **cost of the bus aide should be identified** on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum. [This statement is contained four (4) times in Addendum 3.]
>
> ... **The cost of the bus aide will be used in the evaluation of cost provided by each vendor**.

Id. (emphasis added).

During the First Debriefing, Aaron Kimura stated on behalf of Robert's:

> There were calculation errors in the scores. For the pricing score, **proponents' supplemental rates were used, as stated in the initial RFP documents, but it was mentioned in an addendum that the Aides rate would be used in the pricing scores**; and used by RHSB. In the past two RFP series (Oahu and Big Island), the **RFP documents stated the use of the supplemental rates for pricing scores, but the DOE used the aide rates. This is misleading as RHSB strategized its bid rates based on what the Addendum stated**; regarding use of the Aide rates for scoring. (Summarized).

Christian Butt and James Kauhi both eventually agreed that it was an error to use the supplemental, rather than the aide rates, and this was part of the basis for the rescoring of the proposals. On November 17, 2016, Mr. Butt telephoned Aaron Kimura and agreed that there was an error on this point. Mr. Butt stated that the language in Addendum 3 was in conflict with that of the RFP as to the financial scoring and the use of the aides rates versus using the supplemental rates and agreed with Robert's concerns.

During the Second Debriefing, Aaron Kimura raised the issue that the DOE *again* used the supplemental rate, and added the aides rate to the daily rate portion contrary to the RFP description in Addendum 3:

> Christian Butt: So you're saying then that we should have just used the supplemental rate… or just the aide rate?
>
> Aaron Kimura: No, the aide rate.
>
> Christian Butt: **So we should have just used the aide rate, that is your position?**
>
> Aaron Kimura: **That's not *our* position, that's what was in the addendum.**
>
> Christian Butt: Well, **that's your interpretation of reading it**…

The language above of Addendum 3 is unambiguous. Even the re-scoring erred on this issue to Robert's detriment. This error is clear and unmistakable. Based on the First Debriefing and the Second Debriefing, it appears the DOE agrees.

C. **The Rescoring Shows the Procedure was Arbitrary and Shows Bias**

The re-scoring of proposals without any changes to the materials being evaluated effectively created a double-blind study in the flawed and arbitrary nature of the DOE's re-

scoring procedure. This is clear looking at the total scores for Robert's, GTI, and Iosepa (all clusters were scored identically):

ROBERT'S		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	51.00	60.00
Robert Joseph	51.75	48.75
James Kauhi	56.25	54.00
Bruce Ellerman	57.00	57.75

GTI		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	55.50	60.00
Robert Joseph	56.25	57.00
James Kauhi	59.25	53.25
Bruce Ellerman	57.25	58.00

IOSEPA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	54.50	57.25
Robert Joseph	49.75	51.50
James Kauhi	51.25	52.25
Bruce Ellerman	50.00	49.25

AKINA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	48.00	53.25
Robert Joseph	49.50	50.75
James Kauhi	50.00	50.00
Bruce Ellerman	50.75	50.75

This data shows significant changes in scores, despite the fact that *nothing* changed in any of the proposals. This is the very definition of arbitrary. The rescoring also shows that Mr. Joseph's role as Maui TO affected his scoring and contributed to collusion with Mr. Kauhi.

Interestingly, James Kauhi, who had unlimited access to the pricing figures following the first scoring and the First Debriefing, *reduced* Robert's score by 4.00%, while the other scorers *increased* their scores on average of 4.88%. In addition, Robert Joseph also reduced his scoring for Robert's by 6.00%.

When the combined scores by Mr. Joseph and Mr. Kauhi are considered against the other scorers, there is a vast discrepancy of 15 total points, meaning Messrs. Joseph and Kauhi *scored Robert's nearly 15% lower than Ms. Foster and Mr. Ellerman.* During the rescoring, Ms. Foster and Mr. Ellerman awarded Robert's a total of 117.75 points, while Messrs. Kauhi and Joseph awarded a total of just 102.75 points. This shows clear collusion and bias. On this issue, it should be noted that during the rescore, Messrs. Kauhi and Joseph increased or left unchanged scores for other bidders in all but one instance, *yet they both reduced Robert's score significantly.*

Pualani Foster's score for Robert's increased by an astounding 18% to a perfect score of 60 points. This was done despite her making negative comments in the score cards. Somehow, Ms. Foster also increased GTI's score to award the full 60 points, noting in her score cards that questions regarding a child being left behind, and questions regarding facility acquisitions were answered during the interview process.

It is unclear how scoring *identical* proposals could result in such varied scores. Given Mr. Kauhi and Mr. Butt's apparent confidence in the scoring panel, it is difficult to see how the rescoring would result in such drastic revisions when there was no change to the proposals submitted.

During the First Debriefing session, James Kauhi confidently stated that the Evaluation Committee was "hand-selected" and highly qualified. Furthermore, Mr. Butt described the committee members to be "well versed, competent and qualified." However during the Second Debriefing, Mr. Kauhi and Mr. Butt stated that they "didn't have confidence in the veracity of their scoring.." and "I did not have high confidence to decide which of the differing scores were the right ones....not terribly confident in knowing exactly what was my true score." This highlights yet another flaw in the re-scoring procedure employed by the DOE.

D. **The Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

HRS § 103D-101 provides in relevant part:

> (a) **All public employees shall conduct and participate in public procurement in an ethical manner**. In conducting and participating in procurement, **public employees shall**:
>
> (1) Act as a fiduciary and trustee of public moneys;
>
> (2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;
>
> (3) Act only in the public interest;
>
> (4) Abide by the statutes and administrative rules relating to public procurement;
>
> (5) Identify and maximize efficiencies in the public procurement process;
>
> (6) Encourage economic competition by:
>
> (A) **Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment**; and
>
> (B) Researching innovative goods and services to meet the public's needs;
>
> (7) **Avoid the intent and appearance of unethical behavior**;
>
> (8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;
>
> (9) Maintain confidentiality in a manner that ensures a fair procurement process;
>
> (10) **Remain impartial in dealings** with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and
>
> (11) **Identify *and eliminate* any conflicts of interest**.
>
> * * *
>
> (c) **All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith**.

HRS § 103D-101 (emphasis added). Further, HAR § 3-120-1(a) outlines the following purposes of the rules, which are aimed to "promote economy, efficiency, and effectiveness in the procurement of goods and services… for the State and counties":

> (1) Simplifying, clarifying, and modernizing the law governing procurement;
> (2) Requiring the continued development of procurement policies and practices;
> (3) Making the procurement laws of the State and counties as consistent as possible;
> (4) **Ensuring the fair and equitable treatment of all persons who deal with the procurement system of the State and counties**;
> (5) Providing increased economy in procurement activities and **maximizing best value to the fullest extent practicable**;
> (6) **Fostering effective broad-based competition within the free enterprise system**;
> (7) **Providing safeguards for the maintenance of a procurement system of quality and integrity**; and
> (8) **Increasing public confidence in the procedures followed in public procurement**.

HAR § 3-120-1 (emphasis added).

Here, it is clear that there were numerous conflicts of interest. One such conflict of interest involved Robert Joseph. Mr. Joseph was selected as an evaluator by James Kauhi, Manager of the DOE Student Transportation Services Branch. Mr. Kauhi is Robert Joseph's manager. In addition, Mr. Joseph is married to Mr. Kauhi's sister. The result is that two out of four evaluators were directly related, raising serious issues of partiality and conflict. As noted above, this conflict resulted in collusion during the Maui rescoring, made clear by the fact that Mr. Joseph and Mr. Kauhi *scored Robert's nearly 15% lower than Ms. Foster and Mr. Ellerman.* In addition, Messrs. Kauhi and Joseph increased or left unchanged scores for other bidders in all but one instance, *yet they both reduced Robert's score significantly.*

Aside from the direct familial relations between Mr. Kauhi and Mr. Joseph, Mr. Joseph's role as an evaluator is a break from the DOE's past practice of not using on-island TO's to evaluate proposals within their own districts.

In addition, Ms. Foster, the DOE's Kauai Transportation Officer ("TO"), is believed to have approximately 2 years of experience as a TO with the student transportation industry, with that experience being limited to duties on the Island of Kauai, handling "older" contracts for student transportation services. Ms. Foster did not have a thorough knowledge of Robert's infrastructure and capabilities on the Island of Maui. Ms. Foster was not qualified to reasonably evaluate Robert's proposal, and it is highly likely that her evaluation and scores were based on

influences from Mr. Joseph and Mr. Kauhi. In addition, Ms. Foster's drastic change in scoring (an 18% discrepancy for Robert's and an average 10.29% change for all bidders), shows her lack of experience as a significant issue, and that she was not fit to serve as an evaluator.

Further, Mr. Kauhi stated to Robert's that the evaluation of its proposal could be affected if the working relationship between Robert's Maui Operations Manager (Kris Kim) and Joseph (acting as Maui TO) did not improve. Apparently Mr. Kauhi also discussed historical difficulties with Ms. Kim during his tenure as the DOE's Maui TO.

The following table shows Mr. Joseph's scores compared to the average of other evaluators for the Maui and Kauai RFPs:

RFP	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Maui	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	2.50	4.00	2.00	48.75
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	2.75	3.00	4.00	2.00	55.50
Kauai	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	54.00
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	3.00	3.00	4.00	2.00	55.25

The various conflicts of interest present during the scoring process resulted in significant bias against Robert's. This bias was allowed to further permeate the scoring process through the "**one-day collaboration** with all four evaluators" that Mr. Kauhi noted took place while he discussed the scoring process during the First Debriefing (cited above in full). This "collaboration" was in violation of the terms of the RFP, which specifically stated that, "The members of the committee **will evaluate each proposal individually**." See, RFP at p. 9 (emphasis added). It appears Messrs. Kauhi and Joseph used this meeting to influence the other panelists. In Mr. Kauhi's words, this meeting was, "an opportunity to voice their perspectives, their concerns there, interpretations if you will. And whether it had an influence **or whether my interpretation had an influence on another evaluator's interpretation**, same thing **would be entirely up to each individual right…**" Thus, Mr. Kauhi admits the possibility or probability that his interpretation influenced other evaluators, yet he dismisses this improper influence stating the decision on whether to follow his recommendation was "entirely up to each individual". It is for this very reason that the RFP submissions were intended to be evaluated individually, and the scoring clearly shows that Mr. Kauhi's "interpretation" *did* have a strong influence on other evaluators.

Mr. Kauhi also failed to raise important issues during this "collaboration" as to Robert's performance when compared to GTI's in the same market. For example, based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with **21.5 missing assets, compared with GTI's 245***. Mr. Kauhi knew this information, yet was selective in whether to provide it to other scorers or to raise it in the "collaboration" process.

The "collaboration" process also allowed Mr. Joseph to negatively influence the minds of other panel members by raising complaints regarding Robert's Maui Operations Manager. As noted earlier, the scoring panel was "hand-selected" by Mr. Kauhi. It appears Mr. Kauhi selected Mr. Joseph not only because he could exert influence over him, but also because Mr. Kauhi knew that Mr. Joseph would have negative feelings towards Robert's from his position as Maui TO.

The data in both the initial and re-scoring process shows clearly that Mr. Kauhi and Mr. Joseph worked together to influence the process by raising issues that would be detrimental to Robert's, while failing to discuss *actual data* that was known to all and in Robert's favor.

E. Evaluations Were Inconsistent with the Stated Scoring Method

Mr. Kauhi had previously explained to Robert's that a respondent would receive the maximum possible points for each category, if minimum requirements were met. The scores from each evaluator, including Mr. Kauhi, show significant inconsistency for the same categories when Robert's proposal is compared to GTI's proposal. The following table shows the RFP scores by all evaluators, and clearly shows that Mr. Kauhi, and Mr. Joseph did not score according to the stated method:

MAUI	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	54.00
Joseph	2.25	2.25	6.75	6.00	6.75	11.25	1.50	3.00	3.00	4.00	2.00	48.75
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	3.00	3.00	4.00	2.00	57.75
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	60.00
AVG	**2.75**	**2.50**	**9.00**	**6.00**	**6.75**	**13.75**	**2.25**	**2.75**	**3.00**	**4.00**	**2.00**	**53.63**
GTI AVG	**2.81**	**3.00**	**8.44**	**6.00**	**8.44**	**14.06**	**3.00**	**3.00**	**2.44**	**4.00**	**1.88**	**57.06**

1. Category 1: Transmittal Letter

One example of inconsistent scoring on this issue is for category 1, dealing with the Transmittal Letter. This section had 3 points possible. In this section, Robert's noted that "RHSB shall pursue Proposal Option A" and further that it was bidding on "(Multiple clusters, unlimited award) for all four (4) Clusters." GTI noted that it was proposing "...for all Maui service clusters..."

Despite Robert's satisfying the requirements of this section, Joseph scored just 2.25 points, stating wrongly that, "A list of the 4 clusters that is being proposed for was not provided." Although GTI also stated it was proposing "...for all Maui service clusters" similar to Robert's, Joseph deducted only because GTI "Exceeded page limit" but did not deduct points otherwise. Other scorers fully recognized that Robert's satisfied all of the requirements of this section.

2. Category 2: Executive Summary

In this category, Robert's highlighted numerous reasons why it is well suited to the State's requirements, including its presence on Maui for over 30 years, its existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 baseyards. Robert's also highlighted its optimal workforce and fleet, which exceeded the requirements of the RFP.

In the scoring, Joseph awarded less than the possible 3 points for the category. Joseph both questioned whether Robert's has three (3) baseyards on Maui. Joseph further questioned the stated capacity of Robert's #3 baseyard (Makawao).

In this category, GTI was awarded the full 3 points, despite the fact that it does not have *any* existing baseyards on Maui. By contrast, Robert's proposal makes clear, and the DOE is well aware, that Robert's has 3 established baseyards on Maui that adequately support its existing fleet, with excess capacity.

Mr. Joseph questioned whether Robert's would have a "turn-key" transition as it claimed because of its existing infrastructure. GTI received maximum points, yet has no existing infrastructure.

3. Category 3: Qualifications & Experience

Despite there being no specific required format, Mr. Joseph scored Robert's with 6.75 out of 9 possible points. Joseph arbitrarily deducted points because "Bullets 3 & 4 were combined into one statement." Joseph's comments indicate that he was not sure whether the cited statistics were for school bus transportation, or for all departments. Mr. Joseph should have clarified this inquiry during the interview session, as the statistics included statewide support personnel for maintenance and dispatching by line item; however, this discounts any cause to deduct points as Robert's workforce far exceeds that of other proposers.

Robert's received the maximum points from other evaluators.

4. Category 4: Reference and Testimonials

This section requires proposers to provide not less than one (1) and no more than three (3) letters of reference. GTI listed 12 quoted testimonials, which clearly violated and exceeded the maximum number of testimonials for the section. GTI received the maximum points for this category despite its violation of a clear term as to the maximum number of references.

5. Category 5: Proponent's Service Approach

Robert's received a score of 6.75 from Kauhi, who commented regarding the level of confident for park-aways. On this issue, Gail Sagiao, for Robert's, responded to an inquiry

during the interview process regarding park-aways and leads. It was Robert's belief that this issue was fully briefed. More importantly, GTI's proposal makes absolutely no mention of park-aways, yet it received the maximum 9 points for the category from all scorers except Kauhi.

Ellerman also scored Robert's with 6.75, stating, "Needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOT, esp. in Sp Ed area." Mr. Ellerman's comment is addressed on page 25: "Prior to rendering daily student..., pre-determined route information is prepared by and received from the DOE STSB. RHSB operations management review the pre-determined routes and informs STSB of any discovery or routing discrepancies....Any discrepancies or valuable information discovered during dry-run will be addressed with the applicable DOE TO..."

6. Category 6: Commitment to Safety

This category had a possible 15 points per evaluator. Joseph awarded 11.25 points, stating, "All responses to related items are generic and does not reflect actual Maui team members performance." In reality, the proposal states, "For at least three days per week, RHSB driver trainers will observe and assist drivers while conducting per/post trip inspections." Drivers are conducting inspections daily. In addition, Gail Sagiao, for Robert's, responded during the interview that driver "leads" conduct daily oversight of inspections by drivers. In addition, it appears Mr. Joseph's comment is not related to the contents of the proposal submitted by Robert's, but rather appears to raise some issue with "actual" performance on unrelated contracts.

By comparison, neither GTI's trainers, nor its management team, conduct daily observation of driver pre/post inspections. GTI's proposal states, "...managers and supervisors conduct random ride along inspections..." It further states, "To make certain that drivers comply with the pre-trip inspection they are randomly monitored by bus supervisors. These random inspections can take place at any time **and are not scheduled**." Mr. Joseph awarded full points to GTI.

It is difficult to understand why Robert's was penalized, when GTI literally admits that it does not schedule inspections.

7. Category 7: Vehicles & Fleet Management

Here is a summary of the relevant portions of Robert's proposal as compared to GTI's proposal:

Robert's:

- RHSB school bus fleet exceeds 550 statewide
- Shall include new school buses in its mix of existing fleet and remain within the minimum avg fleet age of 9 yrs

- Maintain a minimum fleet of spare vehicles at 12% of the total daily route operated
- Committed to include new school buses into its mix of 125 existing buses available on Maui
- Approximate fleet acquisition projections based on 3 clusters: Initial year (6), 2-7 years (75), 3 yr extension (3).
- Bus Type C/D: Up to 90pax, GPS, Video, Two-way Comm
- Bus Type A/B: 10+2/4wc and up to 24 pax (with AC if required)
- 3 established/existing baseyards
- Established/existing maintenance facility

GTI:

- "Our fleet of buses will not exceed an average age of 9 yrs, no bus will be over 15 yrs old, each bus will have two-way voice communication....bus cameras, and Zonar GPS tracking device.
- "GTI will maintain at least an additional 10% spare vehicle capacity above the number of buses needed for contracted cluster/routes."
- GTI lists their vehicle roster for their Oahu operations
- "We will purchase new fleet vehicles to meet the requirements of the cluster that we are awarded."
- "A final listing of vehicles/equipment will be provided to DOE as required."

Robert's provided information regarding its *existing* fleet, yet GTI proposes its future fleet specifications. Even assuming GTI does what it promises, Robert's proposal contains a larger spare vehicle percentage, the same average age, existing baseyards, and existing maintenance facilities. Robert's is also specific as to its vehicle specifications. By comparison, GTI provides no details, simply says it will be in fleet compliance (like Robert's), yet receives maximum scores.

Despite Robert's clearly having an *existing* fleet better than that *proposed* by GTI, Joseph awarded only 1.5 points, stating "Define baseyard, what exactly can we expect from each of these locations operationally." As an initial matter, Joseph, as the DOE Maui TO, is well aware of Robert's existing baseyards and its existing facilities and capacities on Maui. By comparison, GTI has no existing baseyards, and only states it will seek to obtain a baseyard if awarded. Joseph awarded full points to GTI.

The result of the RFP awards will require GTI to establish a baseyard on Maui, become familiar with Maui's geographical elements and institutions, and most importantly recruit and secure at least 48 CDL school bus drivers, 23 Non-CDL drivers and 23 Aides for a total of 71 employees; not including administrative and maintenance personnel.

The DOE appears willing to risk the possibility of a major disruption of services instead of maintaining the least disruption of services through Robert's existing infrastructure that has an existing workforce that exceeds the minimum needed to cover the maximum allowable service clusters. The DOE has always expressed the importance of avoiding any disruption of services due to the negative impact it had experienced when its reformed program backlashed on Oahu for school year 2014-15. Subsequently, DOE revised its strategy for its Big Island reform that resulted in a very successful implementation for school year 2015-16.

To that end, and based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with* ***21.5 missing assets, compared with GTI's 245***. This is a clear indication that even when GTI has an established fleet in place, it does not have the capacity to manage its own existing operations or provide reliable service. Yet, when Robert's has a proven track record, and *existing fleets and baseyards*, it is being scored lower than GTI who has asserted mere statements as to their ability to create a Maui operation from the ground up.

Despite these facts, GTI and Robert's received an average score in this category of 2.63, while GTI somehow received full points for merely making representations about its proposed Maui fleet.

8. Category 10: Financial Stability

Robert's is clearly in a stronger financial position than GTI, yet GTI arbitrarily received the same score.

F. **DOE Did Not Abide by the "Fair and Equal Standard"**

HAR § 3-122-53 requires the fair and equal treatment with respect to discussions and revisions of proposals:

* * *

(d) Priority-listed offerors ***shall*** **be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.**

(1) **Any substantial oral clarification of a proposal shall be reduced to writing** by the priority-listed offeror;

(2) If during discussions there is a need for any substantial clarification or change in the request for proposals, **the request for proposals shall be amended by an addendum to incorporate the clarification or change.**

* * *

Id. (emphasis added). This standard was not followed by the DOE in subsequent discussions with priority listed offerors. During the interview, Mr. Kauhi claimed that GTI made representations to him that convinced the DOE that GTI would be able to set up its operations on Maui, despite the fact that GTI has no infrastructure or experience there. There is nothing provided in the RFP documents that supports GTI's nebulous claims. Robert's also answered numerous questions during its interview, yet it had points deducted.

G. **Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

> **Prior to the preparation of the request for proposals**, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.
>
> (1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;
>
> (2) **Private consultants** may also serve on the committee and shall:
> (A) Have sufficient knowledge to serve on the committee;
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
> (C) **Sign an affidavit**:
>
> (i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
> (ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
> (iii) **Agreeing that their names will become public information** upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;

> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

IV. CONCLUSION

HRS 103D-701(b) allows the DOE to, "settle and resolve a protest concerning the solicitation or award of a contract." This section precludes any further actions taken in furtherance of establishing or completing the contract, but not actions to terminate or cancel the contract. International Display Systems, Inc. v. Okimoto, 2013, 300 P.3d 601, 129 Hawai'i 335. Further, under HAR 3-126-7(d), "...If the protest is sustained, the available remedies include, but are not limited to, those set forth in this section and subchapter 4..." Under HAR 3-126-38 (part of subchapter 4), when there is no bad faith by the contractor, and "[i]f the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated..." HAR § 3-126-38(a)(3) (emphasis added). Please note the use of the term "shall".

It is Robert's sincere desire that the DOE does what is required to correct the errors thus far in the process. Robert's further requests that the DOE take all necessary action ensure that all scoring documents, notes, other electronic materials, and any and all other relevant records be preserved by all panel members and others involved in the procurement process.

Clearly there was and is still time to resolicit bids. Robert's requests that this action be taken to avoid any further prejudice to the proposers.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
ATTORNEY GENERAL

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January 20, 2017

Mr. Jonathan S. Moore, Esq. *(via hand delivery)*
Mr. Charles D. Hunter, Esq.
Kobayashi Sugita & Goda LLP
999 Bishop Street, Suite 2600
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s Protest of Award of RFP No. D17-001 and RFP D17-002 -- Award of Contract After Receipt of Protest

Dear Mr. Moore and Mr. Hunter:

We are in receipt of your January 18, 2017 e-mail to Superintendent Matayoshi and Mr. Christian Butt. In your e-mail, you cite HRS § 103D-701(f) which imposes a stay on contracting activity when a timely protest has been received by the agency issuing the solicitation unless the chief procurement officer of the agency makes a written determination that award is necessary without delay to protect substantial interests of the State. The DOE has made such a determination and I have attached a copy for your reference. On the basis of the substantial interest determination, the DOE is proceeding to award contracts under the two subject solicitations and is also preparing a response to your protest of those solicitations.

Very truly yours,

James E. Raymond
Deputy Attorney General
Education Division

attachment

c: Client

Received By:_____ Date:_____

676965_1.DOC

Exhibit "D"

JAN 20 2017

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

January 11, 2017

TO: Kathryn S. Matayoshi, Superintendent

THROUGH: Dann Carlson, Assistant Superintendent
Office of School Facilities And Support Services

FROM: James Kauhi, Branch Manager
Student Transportation Services Branch

SUBJECT: **Determination of Substantial State Interest in Contracting Activity Relating to Request for Proposals RFP D17-001 and RFP D17-002 for School Bus Services on the Islands of Maui and Kauai**

Your approval is requested for a Determination of Substantial State Interest in continuing solicitation and contracting activity relating to the Subject Projects.

Background

In an effort to address concerns of spiraling cost escalation and in response to recommendations from an August 2012 report by the State Office of the Auditor, and a November 2012 report by Management Partnership Services, Inc. ("MPS"), an independent consultant of the Department of Education ("DOE"), the DOE has undertaken an overhaul of the contracting process for bus service. Requests for Proposals were issued for Bus services on Oahu and the Big Island in previous years, and were recently issued for Maui and Kauai.

In July 2016, the Student Transportation Services Branch (STSB) released the final round of Requests for Proposals to support the transportation reform effort that started in July 2013. The final two islands to be incorporated into the reform process were the islands of Maui and Kauai. RFP D17-001 for Maui and RFP D17-002 for Kauai were issued on July 20, 2016. On November 1, 2016 Notices of Award were first provided to vendors with Cluster 1 awarded to Robert's Hawaii School Bus, Inc. (RHSB) and Clusters 2 through 4 awarded to Ground Transport, Inc. (GTI) for Maui, and Cluster 1 to Yamaguchi Bus Service, Inc. (YBS) and Clusters 2 and 3 to Akita

Enterprises, Ltd. (AEL) for Kauai. Following a debriefing meeting with RHSB on November 16, 2016, notices were distributed to all participating vendors rescinding the initial award in order to allow for a rescoring of the responses. On November 30, 2016 the evaluation committee met to rescore the responses and on December 5, 2016 updated Notices of Award were distributed to the vendors. While there were small adjustments to the individual scores, the awards as previously discussed remained unchanged.

In a letter dated December 23, 2016, RHSB mailed the DOE two formal protests objecting to the award of the solicitations for Maui and Kauai. These protests were received by the DOE on December 27, 2016. RHSB alleges in both its protests that the DOE failed to follow the criteria set forth in the RFP for scoring and that the evaluators were both unqualified and several were biased.

All contracting and procurement activity was suspended pending the resolution of the protest as required by Hawaii Revised Statutes ("HRS") §103D-701(f) which states:

> (f) In the event of a timely protest under subsection (a), no further action shall be taken on the solicitation or the award of the contract ***until the chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the State.*** (emphasis added)

Additionally, Hawaii Administrative Rules ("HAR") §3-126-5, in relevant part states:

> .....no further action shall be taken until the protest has been settled, ***unless the chief procurement officer makes a written determination, after consulting with the head of the purchasing agency, that the award of the contract is necessary to protect the interests of the State.*** (emphasis added)

Substantial Interests of the State

For the following reasons, the Student Transportation Services Branch requests that the Chief Procurement Officer approve this determination that further contracting activity must be undertaken as soon as possible, but no later than January 11, 2017 to protect the substantial interests of the State.

1. The DOE has a mandate to provide compulsory education for students in grades Kindergarten through 12th grade. See Article X of the Hawaii State Constitution. Within this mandate is the authority to transport students safely to and from school. See HRS §302A-406. The resulting contracts from this current solicitation will provide bus service to approximately 10,000 students commencing on the first day of school, which is August 7, 2017. See DOE Official Calendar. If the services to be provided through this solicitation cannot be delivered on August 7, 2017, these students will be without subsidized transportation. Without subsidized transportation, some students will have no other method

to get to school and thus, are less likely to attend school. For those students who are fortunate enough to be able to arrange alternate transportation, attending school will come at other costs that will likely include disruption in their caretakers' arrangements resulting in missed work and other various social and economic impacts such as an increase in the number of cars on the road during rush hour traffic. In addition, some students may resort to walking or taking public transportation which may expose them to a number of other safety concerns. The forgoing adverse impacts will only be compounded for each day transportation services are not provided.

2. In order to have transportation available beginning August 7, 2017, several critical milestones must be accomplished in sequence in order for the vehicles and the supporting infrastructure to be in place for the start of school. The critical events are set forth in reverse chronological order:

   a) Acquisition of fleet assets: GTI indicated they must order buses no later than January 13, 2017 to have them available for the start of the contract as indicated by their letter dated December 14, 2016. AEL indicated they must order buses by January 15, 2017 as stated in their letter dated December 13, 2016. YBS indicated they must order buses no later than January 12, 2017 as indicated in their letter dated December 12, 2016. This contemplates 90 to 120 days for the manufacturer to fill the order, and then allow for the logistical challenge of shipping them to Hawaii. Shippers typically have to book space on transport vessels months prior to the actual shipping event. See State Auditor's Report Aug. 2012, pg. 27. RHSB is the existing vendor on Maui and currently possesses an excess of equipment required to perform the contract on that island for Cluster 1 and does not face the challenge of ordering new equipment. As awarded, RHSB is not scheduled to perform work on Kauai.

   b) Dry runs for all bus routes: This must occur within 10 calendar days of the start of the contract (start of school) which places the latest date for this to occur as July 24, 2017. See RFP Contract Service Specifications 2(f)(i). The purpose of the dry runs is to ensure the planned routes are feasible and allow sufficient time to adjust routes to ensure they run smoothly on the first day of school.

   c) DOE start up meetings with vendors: This must occur prior to the dry runs and must occur no later than the week following the July 4th, 2017 holiday break as we have done over the last two startups for the contracts using the new RFP methodology. The purpose of the meeting is to make all vendors aware of the statutory, regulatory, and procedural requirements for the provision of transportation to Hawaii's students. Vendors must be made aware of these requirements prior to the dry runs to ensure actual simulated conditions during the dry runs in order for the DOE to evaluate and monitor compliance, and make any necessary corrections or adjustments prior to actual transportation of students.

d) Vendor recruitment of drivers, bus aides, and other personnel: Based on previous experience on other islands and the experiences of DOE's transportation management firm, this process will take approximately 3 months and must begin no later than May 1, 2017. The time for this process is further impacted by the requirement to obtain fingerprinting and background checks which often adds delays to this process. This is particularly important for services on the island of Maui where the winning vendor will be required to stand up a new operation supporting 63 percent of all operations without existing facilities on the island.

e) Land/base of operations acquisition: It is estimated that this process will require six months resulting in the date the acquisition activity must begin is on or about January 13, 2017, at the latest. As mentioned, GTI who will be serving the largest portion of operations on Maui will be required to standup a completely new operation. Additionally, the structure of this RFP again disrupts the traditional geography served by current vendors. Consequently, the need for new facilities will impact both current and new vendors. As it is across nearly all islands, commercial land is at a premium on the island of Maui, which will necessitate an extensive search and negotiation process in order to ensure that vendors are able to find and secure the facilities required to provide the transportation services. The DOE's transportation management vendor estimates that this six months is an aggressive but feasible timeline. This estimate was confirmed when the three winning vendors (except for RHSB) were polled to determine what is the latest date of award that would allow them to timely perform the contracts – they all indicated that notice of award would be required by approximately January 13, 2016. RHSB has indicated in its two protests that it believes that, as of Dec. 23, 2016, there was still time to re-solicit the bids, so it was not polled and deemed able to perform if notified along with other winning bidders.

f) Given the chain of events that must occur prior to providing service on the first day of school, the final notice of award must be provided no later than January 13, 2017.

3. There will be a significant economic impact if the 113 affected buses on Maui and the 65 buses on Kauai (RFP D17-001 and D17-002 Attachment B) are not operating for the start of school. The 178 bus driver positions will not be contributing to the local economy, as well as the trickle-down effect of the business generated by this service.
4. Further delay will impact the ability of the State to realize the pricing and operational efficiencies provided for in the RFPs. Total costs are expected to be reduced by approximately $750,000 annually for these two islands or approximately $5.3 million over the seven year term of the contracts. However, these savings will not be realized and service quality would likely be jeopardized if the necessary timelines are not provided for.

Should you have any questions, please contact James Kauhi, Student Transportation Services Branch Administrator, at 586-0170.

☑ APPROVED ☐ DISAPPROVED

FOR KATHRYN S. MATAYOSHI
SUPERINTENDENT

JAN 1 1 2017
DATE

Exhibit "E"

The DOE and your office have made clear that all communications should be conducted through legal counsel. Specifically, your letter dated January 18, 2017 made clear that, " [The] Rules of Professional Conduct, specifically Rule 4.2, be carefully observed in this matter and that any further communications related to this matter be made through this office and not with the DOE, unless a communication is expressly required to be made directly to the DOE by statute or rule."

Although we recognize that DOE employees are not specifically subject to HRPC, Rule 4.2, we ask that your office make clear to the DOE that it should not be discussing the merits of the Protests with Robert's employees. Again, Robert's has existing contractual obligations to perform, and the DOE should not be taking the time of Robert's employees, and distracting them from their duties, in order to assert their personal views on this matter.

II. Discussions Regarding "Transition" Are Premature

Mr. Kauhi's discussion with Ms. Sagiao centered largely around the "transition" of the contracts from Robert's to the incoming vendor. This included discussion about the DOE's past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity. In that discussion, Mr. Kauhi stated, "I am concerned with transition discussions that we have to have moving forward…" He also raised concern that any such "transition" discussions could be used against the DOE.

At this point in time, Robert's has submitted its Protests and has had no response from the DOE for over a month. Under Hawaii Revised Statutes ("HRS") § 103D-701(c), the chief procurement officer or designee, "***shall promptly*** issue a decision in writing to uphold or deny the protest." (emphasis added). Rather than promptly issuing a decision in writing, the DOE has done nothing. Instead, it has pushed forward with awarding contracts resulting from the flawed RFP process.

Further, both HRS § 103D-701(f) and Hawaii Administrative Rules § 3-126-5 require that no further action be taken on the solicitation or the award of the contract until the "chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect the substantial interests of the State." We note that such a determination was apparently made by the State on January 11, 2017, although we disagree with that determination, particularly as existing contracts could have been extended with no interruption to service. That being said, it appears the DOE is set on charging ahead with these contracts, despite the fact that nothing has been done to address the Protests or the underlying flaws with the RFP and procurement process.

In addition, Robert's raised significant concerns with the RFP process both before and after the DOE awarded contracts to other vendors. To the extent that HRS §§ 103D-706 and 707 both contemplate situations where the contracts may be declared null and void, it appears inappropriate for the DOE to be solely focused on pushing forward on a "transition" when it should be working to determine if Robert's Protests raise valid concerns.

Robert's is not prepared to accept that "transition" is the only possible outcome, and believes it is inappropriate for the DOE to be having discussions on that topic with Robert's employees.

III. Mr. Kauhi's Characterization of Robert's Position is Incorrect

Despite Mr. Kauhi not being present when Mr. Joseph was discussing recruiting matters related to Ground Transportation Incorporated's ("GTI's") performance with Robert's employees (as outlined in our prior letter dated January 27, 2017), he attempted to convince Ms. Sagiao that the alleged "inappropriate behavior by Mr. Joseph" merely consisted of statements related to bringing about a smooth transition between contracts. That is not factually correct.

First, it appears that Mr. Kauhi believes the only conversation that Mr. Joseph had took place with Kris Kim, which is not the case. Mr. Joseph also had multiple other conversations that were the primary source of contention, and the reason for our prior letter. As previously noted, those conversations were specifically aimed at "alerting" Robert's employees to the transition Mr. Joseph believes is taking place, further encouraging them to seek employment with GTI by visiting GTI's Oahu facilities. We need not rehash the impropriety of those statements, but would like to reiterate that Mr. Joseph has already caused irreversible damage to the stability of Robert's operations as employees now believe their jobs may be at risk based on his statements. As such, Mr. Joseph should be prohibited from having any further communications with Robert's employees.

Second, Mr. Kauhi characterized the current situation between Robert's and the DOE as being similar to a "pending divorce" and further that in such a situation, "your opponent is going to throw everything at you to discredit you and the people you work for." In making this statement, Mr. Kauhi implied that Mr. Joseph's prior statements were "misinterpreted" and used against him and the DOE because "corporate Robert's has a serious issue with Kathy Matayoshi". These dismissive statements are untrue, and Mr. Kauhi should not be making any such allegations to Robert's employees.

Finally, it should be noted that on December 19, 2013 by way of email sent at 10:00 a.m. to Aaron Kimura of Robert's with copy to Bruce Ellerman, Mr. Kauhi pointed out the importance of avoiding "employee attrition" during transition periods. Clearly Robert's was not given the same deference here. The relevant portion of Mr. Kauhi's prior email states:

> **Our *most prominent concern* is avoiding employee attrition**, where bus drivers and aides **prematurely transition from one employer to the next because of uncertainty**. It is our desire to mitigate any instance of service disruption. We trust that all of our vendor partners will agree. While we know it is important for incoming vendors to secure a qualified team of experienced drivers and aides as quickly as possible, **it is equally important to ensure that those efforts do not disturb existing levels of service**. For this reason, we are **asking incoming partners to delay all**

> **attempts to approach current bus drivers and aides until current vendors agree to making their employees available for such discussions**. Your cooperation on this front is paramount to protecting student health and safety.

Id. (emphasis added). This is precisely the reason that Robert's finds Mr. Joseph's actions so objectionable. Please let us know if you would like us to furnish you with a copy of this email.

IV. Robert's Disputes the Determination of Substantial State Interests

On January 17, 2017, Robert's received a contract for execution in relation to Maui Cluster 1 (Makawao), which was awarded under RFP No D17-001. Robert's and this law firm were surprised to receive this contract given it submitted its two Protests nearly a month prior with no response from the DOE. Robert's was under the assumption that the DOE was carefully reviewing the merits of the Protests so that it could rectify the numerous problems presented, and solicit new proposals given the clear errors and problems with the prior awards. Instead, it appears the DOE charged forward with its awards, simply turning a blind eye to Robert's concerns. It appears the DOE believes that the further it can progress towards implementing the wrongfully awarded contracts, the less likely its actions will be overturned. This is the reason why, "Under most circumstances, public projects cannot proceed while a protest is pending." Nihi Lewa, Inc. v. Dep't Of Budget And Fiscal Services, 103 Hawai`i 163, 167, 80 P.3d 984, 988 (2003)

Further, Robert's only became aware of the DOE's Determination of Substantial State Interests ("DSSI") when your office responded on January 20, 2017 to an email this law firm sent to the DOE two days prior following up on Robert's Protests. That prior email specifically cited HRS § 103D-701(f), which imposes a stay on contracting activities when a timely protest has been received by the agency issuing the solicitation. It is unclear why the DOE did not immediately inform all proposers when the DSSI was issued on January 11, 2017. Robert's finds the secretive issuance of the DSSI to be highly suspicious.

As to the merits of the DSSI, there are none. The only stated bases for the DSSI are that, (1) school bus service must begin on August 7, 2017, (2) to meet the aforementioned deadline, "several critical milestones must be accomplished," including acquisition of fleet assets, dry runs for bus routes, DOE start up meetings with vendors, vendor recruitment, and land/base of operations acquisition, (3) that there will be a significant economic impact if the 178 bus driver positions are not put in place immediately, and (4) that delay will impact the State's ability to "realize the pricing and operational efficiencies provided for in the RFPs."

As to issues (1) and (2) above, this is a problem of the DOE's own making that could be easily cured by an extension of Robert's existing contracts while the Protests are reviewed. The DOE has already mentioned to Robert's its past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity, as noted above. Extension of Robert's contracts would easily solve this problem. Further, allowing the DOE to

press forward on the improperly awarded contracts on this basis will serve as a perverse incentive for all State procurement agencies to delay the issuance of any RFP to the point where the State will be harmed if not permitted to move forward, regardless of faults in the procurement process. Surely the DOE and other agencies should not be permitted to delay the issuance of RFPs to the point where there is no time to review valid protests before issuing awards. The Procurement Code is already designed to accommodate expedited review, and that review would have been completed already if the DOE had not delayed addressing the Protests by over a month. This dubious practice is inconsistent with the purposes of the procurement code, which are to (i) provide fair and equitable treatment of all persons dealing with the government procurement system; (ii) foster broad-based competition among vendors while ensuring accountability, fiscal responsibility, and efficiency in the procurement process; and (3) increase public confidence in the integrity of the system. See, Sen. Stand. Comm. Rep. No. S8-93, in 1993 Senate Journal at 39; CARL Corp. v. State, Dept. of Educ., 85 Hawai'i 431, 455-56, 946 P.2d 1, 25-26 (1997). These issues, "cannot be ignored when determining whether it is in the best interests of the State to ratify an unlawfully awarded contract." Id.

It should also be noted that the above timing problems are the direct result of the DOE selecting GTI on Maui, a vendor with no current operations on the island. This was an issue raised in Robert's Maui Protest, which highlighted the fact that Robert's has had a presence on Maui for over 30 years, has an existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 base yards. In particular, Mr. Joseph somehow scored GTI with maximum points, while providing a lower score to Robert's. This issue was covered in detail in Section III.E of Robert's Maui Protest.

Issue 3) above is a red herring. It assumes that other bus drivers will not be driving busses during the pendency of the Protests, which is logically and factually incorrect. Bus drivers are currently servicing routes, and will continue to do so until the new contracts are put in place. To argue that the "178 bus driver positions will not be contributing to the local economy" is simply fallacious reasoning.

As to the State's ability to realize "pricing and operational efficiencies" under (4), this is also unsupportable. The State is not entitled to "realize" these benefits (to the extent there are any) if they are obtained through unlawfully awarded contracts. To the extent the Protests are later denied, this risk is already contemplated by the procurement law, which requires a cash or protest bond directly related to the amount of the procurement. See, HRS § 103D-709(e). In addition, as discussed below Robert's would be prepared to post a bond to cover the risk of the apparent $750,000 "savings" that would occur in the first year if required to do so, although this solution has never been proposed by the DOE.

Finally, both HRS § 103D-701(f) and HAR § 3-126-5 state that no further action shall be taken until and unless "**the *chief procurement officer* makes** a written determination" that the award is necessary to protect the interests of the State (emphasis added). The DSSI dated January 11, 2017 is not a written determination *by* the chief procurement officer, here Kathryn S. Matayoshi. Rather, it is a memo *from* James Kauhi (who is implicated in numerous ways of

biased conduct as noted in the Protests), "*through*" Dann Carlson, Assistant Superintendent, ***to*** Kathryn S. Matayoshi. It is ***not*** a determination by Kathryn S. Matayoshi herself. This memo states, "*Your approval is requested* for a Determination of Substantial State Interest.." and thus cannot be the actual Determination. The memo is then signed "for" Superintendent Matayoshi by Dann Carlson, which also appears improper if this document is intended to be the actual DSSI, and not simply a request for one.

Overall, the DSSI is logically and factually incorrect and should not serve to thwart the purposes of the Procurement Code.

V. Robert's Will Initiate Further Legal Action Due to the State's Lack of Response

"The overall framework of the Hawai'i Public Procurement Code indicates that the Legislature ***intended to create an expeditious process for resolving disputes*** over the awarding of contracts. See CARL Corp. v. State, 85 Hawai'i 431, 453, 946 P.2d 1, 24 (1997) (emphasis added) ("the [Procurement] Code both shortens deadlines for filing protests and applications for review and expedites the administrative hearings process"). By delaying any response to Robert's Protests while moving simultaneously forward with the unlawfully awarded contracts, DOE is working in direct contravention to the legislative intent of the Procurement Code. It does not seem consistent with this intent that Robert's should be forced to submit its Protests within five working days of its debriefings, so that the DOE can delay any response for nearly two months.

Robert's is entitled to an expeditious remedy and will take immediate action to pursue its rights. If a response to the Protests is not received by **Thursday, February 9th, 2017 at 4:00 p.m.**, Robert's intends on filing an action either with the DCCA or in the Courts so that it can limit the damage caused thus far by the DOE's inexcusable actions.

Finally, Robert's will be seeking documents from the DOE, either during administrative or court proceedings, or through a Uniform Information Practices Act (Chapter 92F) request. Robert's will be requesting all communications between the DOE and any vendors, documents and communications regarding internal discussions regarding Robert's, and specifically communications between the members of the scoring panel. Please instruct your client as to the importance of the preservation of evidence, including all emails, text messages, memos, and other relevant documents so that we can be sure these records remain intact.

VI. Robert's Is Prepared to Discuss Resolution Prior to Taking Further Action

As you know, HRS § 103D-701 allows the chief procurement officer or a designee to settle and resolve a protest concerning the solicitation or award of a contract, prior to the commencement of an administrative proceeding. There has been no effort on the DOE's part to settle and resolve the Protests; however, Robert's is still willing to engage in those negotiations.

To that end, Robert's is prepared to post a bond for the full $750,000.00 claimed by the DOE as its "savings" from operational efficiencies during the first year, if the DOE will halt any further action towards pursuing the protested contracts until the Protests have been resolved. Robert's is also willing to stipulate to an extension of its existing contracts so that there will be no interruption to services if a new vendor is not in place by August 7, 2017. These two concessions on Robert's part should allow the DOE to step back and follow the proper procedure contemplated by the Procurement Code. Robert's believes the option of resolving the Protests will not be available once it commences other legal proceedings. Thus, time is of the essence as Robert's will take immediate action following the above stated February 9th deadline.

We appreciate your consideration of these matters.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

From:	Susan M. Koide
To:	James.E.Raymond@hawaii.gov
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	RHSB"s Protest of Award of RFP #D17-001 and RFP #D17-002
Date:	Monday, February 06, 2017 3:16:05 PM
Attachments:	img-206150813-0001.pdf

Mr. James Raymond,

Please see the attached letter dated February 6, 2017 from Jonathan S. Moore, Esq. and Charles D. Hunter, Esq.

Thank you.

Susan M.P. Koide | Legal Assistant
KOBAYASHI, SUGITA & GODA LLP
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DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

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DEPARTMENT OF EDUCATION
P.O. BOX 2360
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OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES
(Sent via email: jsm@ksglaw.com, cdh@ksglaw.com)

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Return Receipt Requested

February 24, 2017

Jonathan S. Moore, Esq.
Charles D. Hunter, Esq.
Kobayashi, Sugita & Goda
999 Bishop Street, 26th Floor
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s
Protest of Awards for Request for Proposals No. RFP D17-001

Dear Messrs. Moore & Hunter:

The Department of Education (DOE) is in receipt of your protest on behalf of Robert's Hawaii School Bus, Inc. (RHSB) in the above referenced matter. The DOE finds numerous alleged quotes of DOE personnel cited in the protest. This can only be accounted for by the use of a recording device which the DOE was neither informed of prior to its use, nor given a copy of the resulting recording/transcript. In the future, we request that the use of any recording device be announced prior to the beginning of any oral exchange with DOE staff and that the DOE be offered a copy of the recording/transcript.

RHSB raises six issues in their protest – we respond as follows:

1. **RHSB Claims the DOE Did Not Abide By Its Own Stated Scoring Procedure**

   A. Robert's Claims the DOE Represented that Cost Evaluations Would Only Take Place AFTER the Completion of the Technical Evaluation

RHSB takes exception to the fact that the DOE rescored proposals after the evaluators were exposed to the pricing data during the initial evaluation. RHSB cites section C.2 of the Request for Proposals (RFP) in support of their assertion that the isolation of the pricing information was integral to the scoring methodology. RHSB argues that failure to keep the evaluation committee isolated from the pricing data in the subsequent re-scoring of proposals violated the terms of the RFP and thus nullifying the process. The relevant portion of section C.2 states:

> .....Cost will be a significant factor in the evaluation process. However, cost will be a factor only after the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources.
>
> .....C. Cost Evaluation – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the cost analyzed... [See Exhibit A]

Exhibit "F"

FEB 27 2017

RHSB goes on to acknowledge in its protest on page six that the separation of the pricing data as part of the scoring process was presumptive on their part. RHSB states:

> **Presumably,** the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information in a *separate and sealed envelope.* [See Exhibit B]

The DOE acknowledges the pricing information was requested separately from the response; however it takes exception to RHSB's argument that the DOE was not permitted to accommodate the re-scoring process as it did. The DOE's position is supported on the basis of the following:

The Hawaii Public Procurement Code (Procurement Code) does not require that the evaluation committee make a final evaluation of the technical proposals prior to viewing the price proposals (what we will refer to as "blind" evaluation of the technical proposals). The two primary rules relating to how RFPs are to be structured and how proposals are to be evaluated are Hawaii Administrative Rules (HAR) § 3-122-46, Preparing a Request for Proposals and HAR § 3-122-52, Evaluations of Proposals. They contain no provisions requiring that evaluators be isolated from price proposals when evaluating technical proposals. The only requirement is that the award be based on price and the evaluation factors set forth in the RFP (see HRS § 103D-303(g); HAR § 3-122-57).

As RHSB points out in the protest, the DOE feels it is a good practice, but also explains that the RFP provisions relating to evaluating price proposals were included as an extra, but not required step (see statements attributed to Chris Butt on p. 7 and 9 of the protest). In fact, the DOE followed this process until the discovery of minor errors in the evaluation process necessitated a re-evaluation after the prices had become known to the members of the evaluation committee. This was not anticipated and no express provision of the RFP covered this circumstance, but it was not prohibited by the Procurement Code or by the RFP.

In a decision reversing an agency's inflexible adherence to procedural minutia, leading to the rejection of a low bid, a Hearings Officer concluded that the Procurement Code allowed for reasonable flexibility and quoted a Senate Committee Report on the bill creating the Procurement Code:

> This bill lays the foundation and sets the standards for the way government purchases will be made, but allows for flexibility and the use of common sense by purchasing officials to implement the law in a manner that will be economical and efficient and will benefit the people of the State.
>
> S. Comm. Rep. SS-93, Spec. Sess., Senate Journal at page 39 (1993) as quoted in: *The Systemcenter, Inc. v. State Dept. of Transportation,* p. 8, PCH 98-9 (December 10, 1998).

Another Office of Administrative Hearings decision, *Fletcher Pacific Construction Co., Ltd., v. State Dept. of Transportation*, PCH 98-2 (May 19, 1998) addresses an issue that arose during a flawed evaluation process for a construction solicitation. The central issue was whether or not the pre-award or post-award remedies should apply. After considering the options, the Hearings Officer

adopted the remedy to order the re-evaluation of the solicitation rather than cancelling the solicitation and starting over again. By doing so, the Hearings Officer avoided the more serious problem of requiring bidders to submit bids for a new solicitation **after** the original bid prices had been disclosed:

> In view of the findings and conclusions resulting from this hearing, it would appear that a fair, equitable, and expeditious resolution would be to remand the matter to the Respondent with instructions to: 1) withdraw its January 12, 1998 notification letter to Murphy stating that it was awarded the contract; 2) make a specific determination as to whether Murphy met the DBE good faith efforts goal [Disadvantaged Business Enterprise, a procurement preference], and if so; 3) make a specific determination as to whether allowing Murphy to add a licensed subcontractor to meet the soil treatment requirements after bid opening would be in the best interests of the State. **In other words, to fully and correctly perform (and document) the bid evaluation process as it should have been done, but without rebidding the project.** The Respondent could then proceed with an award - to either Murphy or such other responsive low bidder as might properly be selected from the remaining four bids.
>
> *****
>
> **Furthermore, the advantages such a remedy would include: minimizing the impact of the Respondent's errors on Murphy, on Fletcher, and on the other bidders; eliminating the substantial costs inevitably associated with the issuance of a new invitation for bids; protecting current bidders from the potential misuse of their now disclosed bid costs by other competitors; reducing further loss of time on initiating the underlying project; and, enhancing public confidence in the procurement code by its application in a manner consistent with the elements of common sense and legislative intent.** *Fletcher Pacific*, at p. 22 (emphasis added).

In *Fletcher Pacific*, the Hearings Officer, when confronted with a flawed evaluation process, determined that the best way forward was to have the state agency re-perform the evaluation process and adjust the award accordingly. This was much preferred over the alternative of re-bidding the whole project which would result in greater harm to the field of bidders – especially the potential misuse of the now disclosed bid costs. Obviously, there are many differences in the facts and context that generated the *Fletcher Pacific* decision, but it clearly shows that re-evaluation is not only allowed, but preferable in circumstances where the alternative is to re-bid once pricing has been disclosed. This is precisely the situation that the DOE was confronted with after the first debriefing and the resulting determination that the original evaluation of the technical proposals had some minor errors. And, like the Hearings Officer in *Fletcher Pacific*, the DOE made a carefully weighed judgment call and opted to re-evaluate. The minor impact of having to forgo "blind" evaluation of the technical proposals was outweighed by the benefits of avoiding the much more harmful impact of potential misuse of disclosed pricing information that would result from a re-bidding.

RHSB stated that their "proposal strategy" relied on "blind" evaluation of the technical proposals as described in the RFP (see p. 4 of protest). However, the only reason for the DOE to take the "extra step" of structuring the RFP for "blind" evaluation was to add the extra measure of isolation from any possible influence that a proposer's pricing might have when evaluating the technical

proposals – a belt and suspenders approach. RHSB did not state how their "proposal strategy" would be influenced or in any way be different if the RFP did not provide for "blind" evaluations. The DOE can find no basis that would cause a proposer to alter their "proposal strategy" by the inclusion or non-inclusion of a structural element to isolate evaluators from any potential bias – or how an additional safeguard against bias changed the way a technical proposal or pricing proposal was written.

Another factor that bears on the issue of "blind" evaluation of the technical proposals is that the evaluators were in fact exposed to the pricing information before scores were finalized. The RFP states in Section C.2(d and e):

> *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score.** The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. **The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed**. [See Exhibit A]

So by the express process detailed in the solicitation, the evaluators were privy to the pricing information while still evaluating responses and before scores on the technical proposals were finalized. Therefore, RHSB's argument that the evaluators were barred from seeing the pricing data, as set forth under the terms of the solicitation, holds no validity. RHSB was a participant in the interview for the Maui award, and did not object to the evaluators revising their scores after having been exposed to the pricing information to determine the preferred vendors. The pricing scores were revised as part of the re-scoring based on a concern raised by RHSB, and so the evaluation committee awarded their points before they knew the revised pricing scores.

RHSB raised a concern in their first debriefing that the DOE did not follow the information in Addendum 3 by considering the bus aide rate in the price evaluation. The DOE, as part of its efforts to ensure fairness to all vendors, subsequently re-calculated the points to be awarded to each vendor through the cost proposals. This recalculation did not change any overall results regarding contract awards. Consequently, the previous price score the committee was exposed to were no longer valid. The re-scoring process for the cost portion of the proposals was performed without providing these results to the committee while they were re-scoring the technical portion of the proposals. Ergo, despite there being no prohibition to the committee knowing the results of the cost portion scoring, re-scoring was performed without committee knowledge of the changes to the cost scores.

B. Robert's Claims that the DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates

RHSB claims that the DOE erred by not using just the bus aide rate to calculate the four points available for supplemental services. After the first debriefing, the DOE issued Addendum 3 to clarify how cost proposals would be evaluated and revised Attachment B, the Pricing Form by adding a place for contractors to include a separate "Hourly Rate for Bus Aide" (see Addendum 3, p. 4, 6, 8, and 10).

Section D.3 of the RFP explained how the supplemental services were to be scored by stating:

> A total of 36 points will be applied to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in **Attachment B.**

Furthermore, Addendum 3, explained the requirement for bus aides and how the added element of "Hourly Rate for Bus Aide" was to be scored:

1. Are we required to provide aides for each special education vehicle?

   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

****

6. What will the cost per hour for bus aide be used for?

   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor. (emphasis added --See Exhibit C)

As Section D.3 of the RFP was not deleted or replaced, its provisions still governed the scoring of the four available points for supplemental services. Addendum 3 is clear that the bus aide rate was to be used in conjunction with the supplemental services rate to derive a price for evaluation of the four point component – nowhere in the Addendum does it state that the bus aid rate is to replace the supplemental services rate. RHSB's position that the bus aide rate alone was to be used is not consistent with the express language of the RFP. Furthermore, whether the bus aide rate was used alone or in conjunction with the supplemental service rate, the overall results of the award would not change. RHSB claims that "Robert's strategized its bid rates based on what the Addendum stated." (see Protest at p.11). With this claim, RHSB indicates that its bid was based on using only the bus aide rate and leaving out the supplemental services rate. However, this is inconsistent with the fact that when calculated using RHSB's method, RHSB's score goes down. As the scoring shows, the DOE did not harm RHSB by using the bus aid rate in conjunction with the supplemental services rate as called for in Addendum 3.

2. **RHSB Claims the Re-scoring Shows the Procedure was Arbitrary and Shows Bias**

RHSB argues that since the scores changed from the first evaluation to the second, without any input or changes from RHSB, the process was either flawed or arbitrary. However, this position fails to consider the DOE's determination to re-score the proposals in the first place: RHSB took exception to the discrepancy between the evaluator's notes and the final scores. Upon review, the DOE discovered the evaluators did not go back and adjust their notes resulting from adjustments arising from the interviews and simply reflected their changes in the scoring tally sheet. Rather than proceeding with a discrepancy between the evaluators' notes and the total sheet, the DOE, in an abundance of caution and giving RHSB the benefit of the doubt, chose to have the evaluator's re-score the responses. This was after the benefit of the interviews, and so RHSB's assertion that no changes or new information was available to the evaluators is not accurate. Given the benefit of the interview, it is foreseeable that scores could change.

Additionally, evaluation of technical proposals by committee members is by definition, to some extent subjective and the only thing that would be truly "astounding," to use the characterization in the protest, would be that all evaluators gave precisely the same score as each other, or that the scores were identical from the first to second evaluation. If this were not the case, the Procurement Code would not require a minimum of three members so that averaging will minimize the subjective element inherent in the process (see HAR § 3-122-45.01). Despite the characterization of "astounding" attributed to the difference of one committee member's first and second score, when the scoring is viewed as a whole, the variations are remarkably consistent and certainly within the bounds of normal variation – it is also relevant that the second re-scoring did not change the overall results with respect to contract awards.

3. **RHSB Claims the Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

RHSB takes exception to the fact that two of the evaluators are related by marriage. Specifically, Robert Joseph is married to the Student Transportation Services Branch (STSB) manager James Kauhi's sister. This relationship coupled with a perceived correlation in scoring is the proof offered by RHSB as evidence of a conflict of interest and collusion. However, HRS § 84-14 as it pertains to governmental employees states:

> Conflicts of interests. (a) No employee shall take any official action directly affecting:
>
> (1) A business or other undertaking in which the employee has a substantial financial interest;

In making its allegation, RHSB does not claim that the Procurement Code or other state law precludes either Mr. Kauhi or Mr. Joseph from serving on the evaluation committee. RHSB claims that the very existence of the relationship raises "serious issues of partiality and conflict." (see Protest at p. 16).

RHSB fails to offer anything linking Mr. Kauhi or Mr. Joseph to any financial interest with any of the bus contractors submitting proposals to this solicitation – the familial relationship is only to each other. All members of the evaluation committee signed declarations that they have no conflicts of interest. [See Exhibit D]. RHSB's argument does not distinguish the fact that both Mr. Kauhi and

Mr. Joseph are employed by the DOE, and work for STSB. Determining the winning vendor pursuant to the terms of legally solicited procurement, subject to a fair degree of cooperation and interaction, is both natural, routine, and in and of itself does not provide any basis for the unsupported allegation of collusion RHSB seeks to level. As such, the relationship between Mr. Kauhi and Mr. Joseph is irrelevant.

RHSB also cites the changes by Mr. Kauhi and Mr. Joseph in their re-score as evidence of improper conduct. As noted above, the two gentlemen are colleagues. There is no prohibition from evaluators discussing a proposal during evaluation. The Hearings Officer in *Kiewit Infrastructure West Co. v. Department of Transportation, State of Hawaii, PCX-2011-001 (June 6, 2011)* found that consensus scoring of proposals was acceptable and in light of that ruling, it is illogical to assert that evaluators are barred from discussing an ongoing evaluation. It is the DOE's position that the change in scores from Mr. Kauhi and Mr. Joseph is not dispositive of any improper conduct in the absence of any other evidence. Of further note is the fact that Mr. Joseph's and Mr. Kauhi's scores for Ground Transport, Inc. (GTI) diverged in the re-scoring process and Mr. Kauhi's nominal and percentage score change was notably greater than the change to RHSB. It should be noted Mr. Joseph served on the evaluation committee for RFP D14-012 for similar services on the Island of Hawaii. In that solicitation, RHSB was the top scoring response, and RHSB had no issue with Mr. Joseph or Mr. Kauhi at that time. It appears RHSB objects to the outcome as opposed to the composition of the committee.

RHSB also objects to DOE's break from past practice of not utilizing on-island Transportation Officers (TO) to evaluate proposals. The operative term is "past practice". The DOE never employed any such criteria in determining qualifications. Any such consideration, if at all, was completely informal and subject to the Purchasing Agency's discretion.

RHSB objects to the qualification of Ms. Pualani Foster as she has no experience with the island of Maui and only 2 years of experience as a TO. The duties of a TO involve monitoring and overseeing the delivery of transportation services in the various districts the DOE services; exactly the services this solicitation seeks to purchase. The DOE finds that the fact that Ms. Foster qualified for her position as a TO under the civil service laws is sufficient to determine she is qualified to serve on the committee. Her inclusion was subject to review and approval by the delegated Chief Procurement Officer [See Exhibit E]. RHSB's argument contradicts its earlier assertion that the DOE is enjoined by past practice from using an "on-island TO" to evaluate this solicitation. That is exactly what Ms. Foster is, an off-island TO, and the DOE finds the contradiction of RHSB's own arguments unpersuasive.

4. **RHSB Claims the Evaluations Were Inconsistent with the Stated Method in the RFP**

RHSB asserts that the inconsistency among individual evaluators and the divergence between scores demonstrates that the evaluators did not follow the scoring criteria. However, there is a distinction between disagreeing with the evaluator's interpretation of the **content** of the response, as opposed to claiming the evaluator did not follow the criteria set forth in the RFP. RHSB claims that differences between RHSB's scoring and the scoring of other proposers (most notably Ground Transportation, Inc.) are proof that the evaluators failed to follow the evaluation criteria. In supporting this allegation, RHSB brings up numerous instances where points were deducted from RHSB's response. However, the DOE maintains that those deductions were based on the **content** of RHSB's response and that RHSB fails to show anything to support the claim that the evaluation

criteria were not followed. RHSB also claims the deductions were made in error because RHSB felt they addressed the issue in the interview and that on that basis, the deductions should have been removed. RHSB contends that another proposer failed to address the same issue and yet received no deductions. The Hawaii Public Procurement Code addresses the issue of how evaluations are to be conducted:

HAR § 3-122-52(a) States:

> Evaluation factors shall be set out in the request for proposals and the evaluation shall be based only on the evaluation factors. Evaluation factors not specified in the request for proposals may not be considered.

In this case, RHSB's objections do not relate to whether the criteria were in fact followed, rather the objections focus on the **content** of the finding and a disagreement with the interpretation of their proposal by the evaluators. The DOE does not find sufficient evidence presented that the scores awarded did not correspond to the criteria set forth in the solicitation. All evaluators documented supporting reasoning for any point deducted, and all deductions were according to Section D of the RFP. The DOE does not find the level of divergence among committee members' scores to be dispositive of a failure to follow the scoring criteria; rather it is a natural consequence of having multiple points of view among the committee members. This is the rationale behind having multiple members on the evaluation committee in the first place.

5. **RHSB Claims the DOE Did Not Abide by the "Fair and Equal Standard"**

RHSB claims the DOE did not adhere to HAR § 3-122-53(d) which states:

> (d) Priority-listed offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.
>
> (1) Any substantial oral clarification of a proposal shall be reduced to writing by the priority-listed offeror;
>
> (2) If, during discussions there is a need for any substantial clarification or change in the request for proposals, the request for proposals shall be amended by an addendum to incorporate the clarification or change.

RHSB asserts that representations made by Ground Transportation, Inc. during their interview (conducted as set forth in the RFP Section C.2(E.)) were both substantial and subject to submission in writing as provided for in the rule. The DOE disagrees with this interpretation. As stated in the RFP, the interview allows for clarifications and it is the DOE's position that the clarifications raised during the interview were not substantial. Both RHSB and GTI were afforded equal opportunity to clarify their responses. RHSB did not submit any of their clarifications from their interview in writing. The DOE maintains that it adhered to the provisions of the subject rule and that all parties were treated fairly and equally.

6. **RHSB Claims that Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

RHSB asserts that documentation selecting the evaluation committee members and their declarations were not in the procurement file. This is not correct. [See Exhibits D and E] The documentation was not initially provided to RHSB as part of their document request due to an oversight, but were subsequently supplied via e-mail to Mr. Aaron Kimura on January 25, 2017.

RHSB claims that Bruce Ellerman was a paid consultant and that the rules governing his participation were not followed by the DOE. HAR § 3-122-45.01 states:

> Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. A copy of the document identifying any committee members and any subsequent changes thereto shall be placed in the contract file.
>
> (1) The evaluation committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services, or construction to be procured;
>
> (2) Private consultants may also serve on the committee and shall:
>
> (A) Have sufficient knowledge to serve on the committee;
>
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
>
> (C) Sign an affidavit:
>
> (i) Attesting to having no personal, business, or any other relationship that will influence their decision in the evaluation process;
>
> (ii) Agreeing not to disclose any information on the evaluation process to other than an employee of a governmental body; and
>
> (iii) Agreeing that their names will become public information upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
>
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

RHSB "believes that there were numerous violations of HAR § 3-122-45.01." (See Protest at p. 24). The documents show that the DOE observed all the requirements of the rule (see Exhibits D and E) and that if there are any deviations (such as the use of a declaration rather than an affidavit), they are only technical requirements and not the basis for requesting a re-solicitation. The Hearings Officer in *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7, January 2, 1998, provides helpful guidance in assigning the proper role of technical requirements:

A savings of $21,000 of public funds would do more to foster public confidence in the integrity of the procurement system than would a strict adherence to a largely technical requirement. The requirement of HAR § 3-122-108(a) was not meant to cost public bodies thousands of dollars by requiring acceptance of higher bids for mere technical violations. *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7 at p. 9, January 2, 1998).

Based on the facts and events that transpired, it is clear that the DOE fulfilled the essential requirements of the rule.

Conclusion

Based on the foregoing, and subject to H.R.S. § 103D-701(c), your protest on this matter is hereby denied. This decision is final. Pursuant to Hawaii Administrative Rule, Chapter 126, Subchapter 5, you have the right to an administrative proceeding. Should you file such a request, your request must be made directly to the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs within seven (7) calendar days of the issuance of this determination. You must also notify this office of such a decision within the same time period.

Very truly yours,

FOR Kathryn S. Matayoshi
Superintendent

KSM:cak
Enclosures

c: Student Transportation Services Branch
James E. Raymond, Deputy Attorney General
Project Control Section

Mandatory interviews – The DOE will require an onsite presentation of the top two proponents' proposals for each cluster and interview of key staff as part of the selection process. These interviews will be conducted on Oahu and will be scheduled on the dates indicated in the Calendar of Events.

Notice of award(s) – The DOE will publicly announce the award of contract(s) to the successful proponents on the date indicated in the Calendar of Events.

Contract start date, services commence – This will be the effective date of the contracts. The successful proponents shall be fully prepared with all required resources and services as per the contract. Earlier readiness may be sufficient to support Extended School Year services prior to the start of regular 2017/18 school year services. The State will evaluate readiness for inclusion of any new contractor to provide services and such services will be provided at the contracted rates and at the option of the proponent.

2. Proposal Evaluation & Vendor Selection Process

This is a value-based procurement. The successful proponents must have the demonstrable experience and qualifications, staffing, and financial resources to deliver the required services for the entire term of the contract. Cost will be a significant factor in the evaluation process. However, cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* – The proposal must be received in good order, with all required forms, tabs, and information as required.

B. *Technical Evaluation* – An evaluation committee will evaluate the proponent's Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated service volume in each identified category on **Attachment B** to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The lowest cost proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the maximum available points.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

F. *Notice of Award* – the final results will be shared with the preferred vendors and with the next highest scoring vendor in each service cluster.

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.

D. PROPOSAL SUBMISSION REQUIREMENTS

1. Instructions to Proponents

A. GENERAL

Proponents shall be incorporated or organized under the laws of the State or be registered to do business in the State as a separate branch or division that is capable of fully performing under the contract. The following definitions are used in the solicitation documents:

Hawaii Business §3-122-112 HAR: A Proponent who is registered and incorporated or organized under the laws of the State is a "Hawaii Business" and eligible for an award.

Compliant non-Hawaii Business §3-122-112 HAR: A Proponent not incorporated or organized under the laws of the State, but is registered to do business in the State and complies with or is exempt from the requirements of §3-122-112 HAR, is a "Compliant Non-Hawaii Business" and eligible for an award.

Non-compliant Proponent: If a Proponent is a non-Hawaii business and is not registered with the DCCA Business Registration Division (BREG) or cannot comply with §3-122-112 HAR, than the Proponent is non-compliant and is ineligible for an award.

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope.*

On November 1, 2016, the DOE issued a Notice of Award noting that Robert's was awarded Cluster 1 (Makawao), with Ground Transport Incorporated ("GTI") being awarded Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference.**

EXHIBIT C

DEPARTMENT OF EDUCATION

PROJECT CONTROL SECTION

September 22, 2016

RFP D17-001

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF MAUI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 3

Below is the third addendum to RFP D17-001 for student transportation services on the island of Maui. This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

2. Is the cost of aide to be included in the Daily Rate for 3.5 hour minimum for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

3. Is the cost of aide to be included in the additional cost over 3.5 hours for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

4. Is the cost of aide to be included in the driving rate for supplemental services, (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

5. Is the cost of aide to be included in the layover & wait time rate for supplemental services (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

6. What will the cost per hour for bus aide be used for?

   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

Attachment B – Pricing Form

Cluster 1 – Makawao

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	21		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	9		180				
Count of Special Needs Buses (Type II) with no special equipment	6		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	4		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Baldwin

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	10		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	3		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Lahaina

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	13		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 4 – Maui

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	18		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	7		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

BE
10/12/16

EXHIBIT D

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

EXHIBIT E

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

KOBAYASHI SUGITA & GODA, LLP
Attorneys at Law

Bert T. Kobayashi, Jr.*
Kenneth Y. Sugita*
Alan M. Goda*

John R. Aube*
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Charles W. Gall*
Clifford K. Higa*
Robert K. Ichikawa*
Christopher T. Kobayashi*
Jan M. L. Y. Kutsunai*

Burt T. Lau*
Jonathan S. Moore*
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January 27, 2017

Via Electronic Mail
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Re: Robert's Hawaii School Bus, Inc.'s ("RHSB") Protest of Award of RFP No. D17-001 and RFP D17-002 (the "Protests") – Committee appointments and declaration forms; Cease and desist interference with Robert's Maui operations

Dear Mr. Raymond:

As you know, Robert's Hawaii School Bus, Inc. ("RHSB") has two pending protests in relation to the above procurements. This letter is being sent to highlight flaws in documents recently received by RHSB from the DOE, and also to alert your office to highly inappropriate behavior by Mr. Robert Joseph that took place yesterday at RHSB's Maui base yard.

I. Memoranda of Record and Declarations for Panel Members

On January 25, 2017, RHSB received an email from Kelsey Soma Turek, State of Hawaii Department of Education ("DOE") transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "A" (email and attached documents).

RHSB's protests both contained sections protesting on the basis that documentation regarding the evaluation committee was not in the file, and that no affidavit was signed. The Protests each contain the following:

Exhibit "G"

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.

(1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services,** or construction **to be procured;**

(2) **Private consultants** may also serve on the committee and shall:
(A) Have sufficient knowledge to serve on the committee;
(B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
(C) **Sign an affidavit**:

(i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
(ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
(iii) **Agreeing that their names will become public information** upon award of the contract;

(3) The contract administrator shall serve as a member of the committee;
(4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

> This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

See, Protests at § III.G (emphasis in original). It is important to highlight the use of the phrase "*Prior* to the preparation of the request for proposals", and further that a copy of the document identifying any committee members "*shall* be placed in the contract file." Simply put, this was not done.

None of these documents are dated, with the exception of the Declaration of Bruce Ellerman, which is dated *October 12, 2016.* It is unclear how these Declarations (even assuming all were signed on October 12, 2016) could have been completed "*prior* to the preparation of the request for proposals" and "placed in the contract file" when the RFPs were issued on July 20, 2016, with a proposal deadline of October 5, 2016.

Further, assuming Bruce Ellerman was a paid consultant, it is unclear whether a determination in writing was made by the head of the DOE that the compensation was justified. In addition, Mr. Ellerman's Declaration makes no statement that he agreed to having his name become public information upon the award of the contract as required by subsection (2)(C)(iii).

Finally, the above statute requires private consultants like Mr. Ellerman to sign "an affidavit", not a Declaration. As you likely know, an affidavit must be witnessed by an official such as a notary public. Mr. Ellerman's statement is not notarized, and therefore does not constitute "an affidavit".

II. Highly Inappropriate Conduct by the DOE

On the morning of January 25, 2017, while Robert Joseph was at RHSB's Maui base yard, he approached two RHSB's employees and told them that Ground Transportation Incorporated ("GTI") would be taking over the contract for Maui. Mr. Joseph stated that RHSB's Protests had been denied. Mr. Joseph further stated that GTI has begun their recruiting process and that these employees should visit Oahu to see GTI's operations.

In a separate incident on January 24, 2017, Mr. Joseph approached another RHSB employee and stated that the contracts subject to the Protests have been awarded to GTI, and that the Protests would not change the outcome. Mr. Joseph then proceeded to tell the RHSB employee that he scored RHSB's Proposals low because RHSB "got sloppy and cheap" because it used the same proposal for each island. He further stated that this is why RHSB was also not awarded the Kauai contracts.

Obviously it is highly inappropriate for Mr. Joseph (as a State employee) to be acting on GTI's behalf in its recruiting efforts. RHSB considers this to be direct interference with contractual and business relations, which are separate grounds for legal action. It is also

inappropriate for Mr. Joseph to be discussing the scoring, Protests, or other related matters with RHSB employees. As such, Mr. Joseph should be reprimanded and ordered to cease and desist any such activity. Mr. Joseph should be immediately and indefinitely prohibited from entering RHSB's Maui base yard or otherwise interfering with its operations. Mr. Joseph's actions are particularly unacceptable given the DOE's disregard for the active Protests, which also highlight numerous conflicts of interest and bias.

In addition, Mr. Joseph's conduct indicates a lack of consistency with respect to how the DOE treats transitions between contracts (if a transition occurs). During prior transitions on Oahu, the DOE has asked that successful bidders not approach employees of competitors to recruit them, as that would interfere with the performance of existing contracts. Here, Mr. Joseph is actively doing just the opposite by spreading misinformation and encouraging RHSB employees to seek employment with GTI. This would be unacceptable if it were done by GTI, but is particularly egregious when done at the hands of a State DOE employee who was involved in the evaluation panel for the RFPs.

Regardless of the outcome of the Protests, RHSB is obligated to perform as to one of the Maui clusters going forward, and wishes to retain all of its drivers to that end. Mr. Joseph's actions are a direct interference with the existing and future contractual relations between RHSB and the DOE.

Finally, the fact Mr. Joseph is helping GTI in recruiting employees should be a clear indication that GTI is unqualified and unable to properly perform on any Maui contract awarded, which was also an issue raised numerous times in RHSB's Protests.

Swift and strict action must be taken to prevent any further interference by Mr. Joseph. The DOE and your office should ensure that he takes no further action on behalf of GTI, a State contractor and competitor to RHSB.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

Enclosures: Exhibit "A"

From: Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us [mailto:Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us]
Sent: Wednesday, January 25, 2017 1:55 PM
To: Aaron Kimura
Cc: Christian Butt/AUX/HIDOE@notes.k12.hi.us; James Kauhi/FACILITIES/HIDOE@notes.k12.hi.us
Subject: Committee appointments and declaration forms for RFP D17-001 and -002

Hi Aaron,

In the rush to produce the documents requested for RFP D17-001 and RFP D17-002, these documents were overlooked. We apologize for the inconvenience. Please find attached the committee appointments and declaration forms for RFP D17-001 and RFP D17-002.

(See attached file: Committee Appointments RFP D17-001 and -002.pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Bruce Ellerman).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (James Kauhi).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Pualani Foster).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Robert Joseph).pdf)

Thank you,

Kelsey Soma Turek
State of Hawaii Department of Education
Office of School Facilities and Support Services
Auxiliary Services Branch; Project Control Section
3633 Waialae Ave Bldg E
Honolulu HI 96816
Phone (direct): (808) 784-5022
Fax: (808) 733-2102

NOTE: EFFECTIVE MARCH 2, 2015, DOE PROJECT CONTROL SECTION IS NOW LOCATED AT THE QUEEN LILIUOKALANI ELEMENTARY SCHOOL (QLES) IN KAIMUKI. [DRIVEWAY ENTRANCE IS ON KOKO HEAD AVE]

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MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

BPE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

SR
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce E Ellerman
Signature

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

From:	Lana DeCambra
To:	"James.E.Raymond@hawaii.gov"
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	Letter from Jonathan Moore and Charles Hunter
Date:	Friday, January 27, 2017 2:26:24 PM
Attachments:	Roberts HI School Bus Letter to Raymond dated Jan 27 2017.PDF FW Committee appointments and declaration forms for RFP D17-001 and -002.msg

Dear Mr. Raymond,

Please see attached letter from Mr. Jonathan S. Moore, Esq. and Mr. Charles D. Hunter Esq. dated January 27, 2017.

Also enclosed is Exhibit "A" (email and attached documents).

Thank you.

Lana DeCambra | Legal Assistant
KOBAYASHI, SUGITA & GODA LLP
999 Bishop Street, Suite 2600, Honolulu, HI 96813 | Tel: 808-535-5700 | Fax: 808-535-5799 |
www.ksglaw.com | LND@ksglaw.com

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DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

From:	Lana DeCambra
To:	"James.E.Raymond@hawaii.gov"
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	Letter from Jonathan Moore and Charles Hunter
Date:	Friday, January 27, 2017 2:26:24 PM
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Also enclosed is Exhibit "A" (email and attached documents).

Thank you.

Lana DeCambra | Legal Assistant
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DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI'I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI'I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

January 11, 2017

TO: Kathryn S. Matayoshi, Superintendent

THROUGH: Dann Carlson, Assistant Superintendent
Office of School Facilities And Support Services

FROM: James Kauhi, Branch Manager
Student Transportation Services Branch

SUBJECT: **Determination of Substantial State Interest in Contracting Activity Relating to Request for Proposals RFP D17-001 and RFP D17-002 for School Bus Services on the Islands of Maui and Kauai**

Your approval is requested for a Determination of Substantial State Interest in continuing solicitation and contracting activity relating to the Subject Projects.

Background

In an effort to address concerns of spiraling cost escalation and in response to recommendations from an August 2012 report by the State Office of the Auditor, and a November 2012 report by Management Partnership Services, Inc. ("MPS"), an independent consultant of the Department of Education ("DOE"), the DOE has undertaken an overhaul of the contracting process for bus service. Requests for Proposals were issued for Bus services on Oahu and the Big Island in previous years, and were recently issued for Maui and Kauai.

In July 2016, the Student Transportation Services Branch (STSB) released the final round of Requests for Proposals to support the transportation reform effort that started in July 2013. The final two islands to be incorporated into the reform process were the islands of Maui and Kauai. RFP D17-001 for Maui and RFP D17-002 for Kauai were issued on July 20, 2016. On November 1, 2016 Notices of Award were first provided to vendors with Cluster 1 awarded to Robert's Hawaii School Bus, Inc. (RHSB) and Clusters 2 through 4 awarded to Ground Transport, Inc. (GTI) for Maui, and Cluster 1 to Yamaguchi Bus Service, Inc. (YBS) and Clusters 2 and 3 to Akita

Exhibit "H"

Enterprises, Ltd. (AEL) for Kauai. Following a debriefing meeting with RHSB on November 16, 2016, notices were distributed to all participating vendors rescinding the initial award in order to allow for a rescoring of the responses. On November 30, 2016 the evaluation committee met to rescore the responses and on December 5, 2016 updated Notices of Award were distributed to the vendors. While there were small adjustments to the individual scores, the awards as previously discussed remained unchanged.

In a letter dated December 23, 2016, RHSB mailed the DOE two formal protests objecting to the award of the solicitations for Maui and Kauai. These protests were received by the DOE on December 27, 2016. RHSB alleges in both its protests that the DOE failed to follow the criteria set forth in the RFP for scoring and that the evaluators were both unqualified and several were biased.

All contracting and procurement activity was suspended pending the resolution of the protest as required by Hawaii Revised Statutes ("HRS") §103D-701(f) which states:

> (f) In the event of a timely protest under subsection (a), no further action shall be taken on the solicitation or the award of the contract ***until the chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the State.*** (emphasis added)

Additionally, Hawaii Administrative Rules ("HAR") §3-126-5, in relevant part states:

> .....no further action shall be taken until the protest has been settled, ***unless the chief procurement officer makes a written determination, after consulting with the head of the purchasing agency, that the award of the contract is necessary to protect the interests of the State.*** (emphasis added)

Substantial Interests of the State

For the following reasons, the Student Transportation Services Branch requests that the Chief Procurement Officer approve this determination that further contracting activity must be undertaken as soon as possible, but no later than January 11, 2017 to protect the substantial interests of the State.

1. The DOE has a mandate to provide compulsory education for students in grades Kindergarten through 12th grade. See Article X of the Hawaii State Constitution. Within this mandate is the authority to transport students safely to and from school. See HRS §302A-406. The resulting contracts from this current solicitation will provide bus service to approximately 10,000 students commencing on the first day of school, which is August 7, 2017. See DOE Official Calendar. If the services to be provided through this solicitation cannot be delivered on August 7, 2017, these students will be without subsidized transportation. Without subsidized transportation, some students will have no other method

to get to school and thus, are less likely to attend school. For those students who are fortunate enough to be able to arrange alternate transportation, attending school will come at other costs that will likely include disruption in their caretakers' arrangements resulting in missed work and other various social and economic impacts such as an increase in the number of cars on the road during rush hour traffic. In addition, some students may resort to walking or taking public transportation which may expose them to a number of other safety concerns. The forgoing adverse impacts will only be compounded for each day transportation services are not provided.

2. In order to have transportation available beginning August 7, 2017, several critical milestones must be accomplished in sequence in order for the vehicles and the supporting infrastructure to be in place for the start of school. The critical events are set forth in reverse chronological order:

   a) Acquisition of fleet assets: GTI indicated they must order buses no later than January 13, 2017 to have them available for the start of the contract as indicated by their letter dated December 14, 2016. AEL indicated they must order buses by January 15, 2017 as stated in their letter dated December 13, 2016. YBS indicated they must order buses no later than January 12, 2017 as indicated in their letter dated December 12, 2016. This contemplates 90 to 120 days for the manufacturer to fill the order, and then allow for the logistical challenge of shipping them to Hawaii. Shippers typically have to book space on transport vessels months prior to the actual shipping event. See State Auditor's Report Aug. 2012, pg. 27. RHSB is the existing vendor on Maui and currently possesses an excess of equipment required to perform the contract on that island for Cluster 1 and does not face the challenge of ordering new equipment. As awarded, RHSB is not scheduled to perform work on Kauai.

   b) Dry runs for all bus routes: This must occur within 10 calendar days of the start of the contract (start of school) which places the latest date for this to occur as July 24, 2017. See RFP Contract Service Specifications 2(f)(i). The purpose of the dry runs is to ensure the planned routes are feasible and allow sufficient time to adjust routes to ensure they run smoothly on the first day of school.

   c) DOE start up meetings with vendors: This must occur prior to the dry runs and must occur no later than the week following the July 4th, 2017 holiday break as we have done over the last two startups for the contracts using the new RFP methodology. The purpose of the meeting is to make all vendors aware of the statutory, regulatory, and procedural requirements for the provision of transportation to Hawaii's students. Vendors must be made aware of these requirements prior to the dry runs to ensure actual simulated conditions during the dry runs in order for the DOE to evaluate and monitor compliance, and make any necessary corrections or adjustments prior to actual transportation of students.

d) Vendor recruitment of drivers, bus aides, and other personnel: Based on previous experience on other islands and the experiences of DOE's transportation management firm, this process will take approximately 3 months and must begin no later than May 1, 2017. The time for this process is further impacted by the requirement to obtain fingerprinting and background checks which often adds delays to this process. This is particularly important for services on the island of Maui where the winning vendor will be required to stand up a new operation supporting 63 percent of all operations without existing facilities on the island.

e) Land/base of operations acquisition: It is estimated that this process will require six months resulting in the date the acquisition activity must begin is on or about January 13, 2017, at the latest. As mentioned, GTI who will be serving the largest portion of operations on Maui will be required to standup a completely new operation. Additionally, the structure of this RFP again disrupts the traditional geography served by current vendors. Consequently, the need for new facilities will impact both current and new vendors. As it is across nearly all islands, commercial land is at a premium on the island of Maui, which will necessitate an extensive search and negotiation process in order to ensure that vendors are able to find and secure the facilities required to provide the transportation services. The DOE's transportation management vendor estimates that this six months is an aggressive but feasible timeline. This estimate was confirmed when the three winning vendors (except for RHSB) were polled to determine what is the latest date of award that would allow them to timely perform the contracts – they all indicated that notice of award would be required by approximately January 13, 2016. RHSB has indicated in its two protests that it believes that, as of Dec. 23, 2016, there was still time to re-solicit the bids, so it was not polled and deemed able to perform if notified along with other winning bidders.

f) Given the chain of events that must occur prior to providing service on the first day of school, the final notice of award must be provided no later than January 13, 2017.

3. There will be a significant economic impact if the 113 affected buses on Maui and the 65 buses on Kauai (RFP D17-001 and D17-002 Attachment B) are not operating for the start of school. The 178 bus driver positions will not be contributing to the local economy, as well as the trickle-down effect of the business generated by this service.
4. Further delay will impact the ability of the State to realize the pricing and operational efficiencies provided for in the RFPs. Total costs are expected to be reduced by approximately $750,000 annually for these two islands or approximately $5.3 million over the seven year term of the contracts. However, these savings will not be realized and service quality would likely be jeopardized if the necessary timelines are not provided for.

Should you have any questions, please contact James Kauhi, Student Transportation Services Branch Administrator, at 586-0170.

☑ APPROVED ☐ DISAPPROVED

JAN 1 1 2017

FOR KATHRYN S. MATAYOSHI
SUPERINTENDENT

DATE

From: Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us
[mailto:Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us]
Sent: Wednesday, January 25, 2017 1:55 PM
To: Aaron Kimura
Cc: Christian Butt/AUX/HIDOE@notes.k12.hi.us; James Kauhi/FACILITIES/HIDOE@notes.k12.hi.us
Subject: Committee appointments and declaration forms for RFP D17-001 and -002

Hi Aaron,

In the rush to produce the documents requested for RFP D17-001 and RFP D17-002, these documents were overlooked. We apologize for the inconvenience. Please find attached the committee appointments and declaration forms for RFP D17-001 and RFP D17-002.

(See attached file: Committee Appointments RFP D17-001 and -002.pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Bruce Ellerman).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (James Kauhi).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Pualani Foster).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Robert Joseph).pdf)

Thank you,

Kelsey Soma Turek
State of Hawaii Department of Education
Office of School Facilities and Support Services
Auxiliary Services Branch; Project Control Section
3633 Waialae Ave Bldg E
Honolulu HI 96816
Phone (direct): (808) 784-5022
Fax: (808) 733-2102

NOTE: EFFECTIVE MARCH 2, 2015, DOE PROJECT CONTROL SECTION IS NOW LOCATED AT THE QUEEN LILIUOKALANI ELEMENTARY SCHOOL (QLES) IN KAIMUKI. [DRIVEWAY ENTRANCE IS ON KOKO HEAD AVE]

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Exhibit "I"

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

BE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

BR
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce E Ellerman
Signature

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee; and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	Docket No. _____ CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Appeal was served on the above-identified party at their respective address by ***hand delivery*** on MAR 03 2017.

JAMES E. RAYMOND, ESQ.
Deputy Attorney General
State of Hawaii, Department of Attorney General
Education Division
Leiopapa A Kamehameha Bldg.
235 South Beretania Street, Room 304
Honolulu, Hawai'i 96813

Attorney for Respondent
KATHRYN S. MATAYOSHI in her capacity as
SUPERINTENDENT / CHIEF PROCUREMENT OFFICER,
STATE OF HAWAII
DEPARTMENT OF EDUCATION

DATED: Honolulu, Hawai'i, MAR 03 2017.

JONATHAN S. MOORE
CHARLES D. HUNTER
Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

KOBAYASHI, SUGITA & GODA

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DEPT. OF COMMERCE AND CONSUMER AFFAIRS
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HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	Docket No. _____ PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S APPEAL OF DENIAL OF PROTEST OF AWARDS FOR REQUEST FOR PROPOSAL NO. RFP D17-002; BOND; DECLARATION OF CHARLES D. HUNTER; EXHIBITS "A" – "I"; CERTIFICATE OF SERVICE Hearing: Date: _____ Time: _____ Hearings Officer: _____

PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S APPEAL OF DENIAL OF PROTEST OF AWARDS FOR REQUEST FOR PROPOSAL NO. RFP D17-002

Petitioner Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this Appeal of Denial of Protest of Awards for Request For Proposal No. RFP D17-002 for Student Transportation Services on the Island of Kauai (hereinafter "Appeal"). This Appeal is filed by Robert's as a result of the letter by Respondent Kathryn S. Matayoshi, in her capacity as Superintendent and Chief Procurement Officer, State of

Hawaii, Department of Education, which denied Robert's protest of the awards of Request For Proposal No. RFP D17-002 ("Protest") on February 24, 2017. Under HRS § 103D-712(a), this Appeal must be submitted within seven (7) calendar days, meaning March 3, 2017. Therefore this Appeal is timely.

I. IDENTIFICATION OF THE PROCUREMENT

RFP No. D17-002 ("RFP") for Student Transportation Services on the Island of Kauai for the State Department of Education (DOE) was published by the State of Hawaii, Department of Education ("DOE") on July 20, 2016. The following table shows the significance of this procurement to both the DOE, and to Robert's. It is calculated using 2% annual increases in revenue and results in **$41,589,011 total revenue** over the 7yr + 3yr extension term based on the maximum number of clusters that can be awarded:

KAUAI	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	TOTAL
Kapaa	1,928,700	1,967,274	2,006,619	2,046,752	2,087,687	2,129,441	2,172,029	2,215,470	2,259,779	2,304,975	
Aide	124,740	127,235	129,779	132,375	135,023	137,723	140,478	143,287	146,153	149,076	
	2,053,440	***2,094,509***	***2,136,399***	***2,179,127***	***2,222,709***	***2,267,164***	***2,312,507***	***2,358,757***	***2,405,932***	***2,454,051***	***22,484,595***
Kauai	1,620,000	1,652,400	1,685,448	1,719,157	1,753,540	1,788,611	1,824,383	1,860,871	1,898,088	1,936,050	
Aide	124,740	127,235	129,779	132,375	135,023	137,723	140,478	143,287	146,153	149,076	
	1,744,740	***1,779,635***	***1,815,227***	***1,851,532***	***1,888,563***	***1,926,334***	***1,964,861***	***2,004,158***	***2,044,241***	***2,085,126***	***19,104,416***
	3,798,180	**3,874,144**	**3,951,626**	**4,030,659**	**4,111,272**	**4,193,498**	**4,277,368**	**4,362,915**	**4,450,173**	**4,539,177**	**41,589,011**

II. THE PROTEST

A. Procedural History

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai

respectively). On November 2, 2016, Robert's submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section - requesting debriefing and information ("First Request for Debriefing"). The First Request for Debriefing notes,

* * *

> In addition, it should be noted that the Non-Award Notice states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:
>
> > (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.
> >
> > Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

See, Exhibit "A", First Request for Debriefing at pps. 1-2 (underline in original). The First Debriefing took place on November 16, 2016 ("First Debriefing"). The First Debriefing was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. The timing of the First Debriefing would generally require a protest be submitted on or before November 23, 2016; however, in a telephone conversation held on November 17, 2016 with Mr. Butt, he indicated that because there were outstanding questions from the debriefing, the five day deadline to file a protest would begin as of November 17th, meaning the deadline to file a protest would be November 24, 2016.

On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals could be submitted. See, Exhibit "B". The letter made clear that Robert's believed the awards were issued in violation of law.

On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for RFP D17-001 and RFP D17-002 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring.** Upon review, the DOE concurs and **has decided to re score both RFPs. *****

(emphasis added). Rather than allowing proposers to resubmit proposals, the DOE simply re-scored the original submissions using the same panel of scorers.

The Second Debriefing took place on December 16, 2016, which required the Protest be submitted on or before December 23, 2016. The DOE received the Protest in writing as required by HRS § 103D-701 on December 23, 2016. See, Exhibit "C" (Kauai Protest).

The DOE sent a letter to Robert's on January 20, 2017, attaching the DOE's January 11, 2017 Determination of Substantial State Interest ("DSSI") relating to the RFP. See, Exhibit "D". As discussed in detail below, Robert's disputed the DSSI in a letter dated February 6, 2017. See, Exhibit "E".

On February 24, 2017, the DOE sent a letter to Robert's counsel denying the Protest under Hawaii Revised Statutes ("HRS") § 103D-701(c), further stating that the decision is final. See, Exhibit "F" (Protest denial for Kauai). Under HRS § 103D-712(a), this Appeal must be submitted within seven (7) calendar days, meaning March 3, 2017, therefore this Appeal is timely.

B. **Robert's Has Secured and Attached a Bond as Required by HRS § 103D-709(e)**

HRS § 103D-709(e) provides:

> (e) The party initiating a proceeding falling within subsection (d) **shall pay to the department of commerce and consumer affairs a cash or protest bond in the amount of**:
>
> (1) $1,000 for a contract with an estimated value of less than $500,000;
> (2) $2,000 for a contract with an estimated value of $500,000 or more, but less than $1,000,000; or
> (3) One-half per cent of the estimated value of the contract if the estimated value of the contract is $1,000,000 or more; **provided that in no event shall the required amount of the cash or protest bond be more than $10,000**.
>
> If the initiating party prevails in the administrative proceeding, the cash or protest bond shall be returned to that party. If the initiating party does not prevail in the administrative proceeding, the cash or protest bond shall be deposited into the general fund.

Id. (emphasis added). As such, Robert's includes with this Appeal a cash or protest bond in the amount of $10,000.

C. **The DOE Did Not Abide By Its Own Stated Scoring Procedure**

The DOE solicited proposals through the RFP, which specifically outlines the scoring method that the DOE represented to Robert's it would employ. Robert's drafted and submitted its proposal relying on the terms of that RFP and the DOE's obligation to score by its stated method. Instead of following its own process, the DOE adapted it mid-stream in an attempt to remedy both mathematical errors and other procedural flaws.

1. **The DOE Represented that Cost Evaluation Would Only Take Place AFTER the Completion of the Technical Evaluation**

The RFP is clear that the cost portion of the evaluation would take place only "AFTER the technical evaluation is completed..." (CAPS IN *ORIGINAL*). The DOE represented that it would segregate the technical evaluation from the cost evaluation, yet completely abandoned the

agreed upon scoring method by allowing the same evaluators to score proposals AFTER each knew the pricing figures supplied by each proposer. Rather than amending the RFP to make clear to all proposers that the technical and cost evaluations would no longer be separate (and allowing them to resubmit proposals taking that into consideration), or selecting a new panel of scorers following the initial scoring, the DOE charged forward with its process nonetheless.

The following statements within the RFP make it clear that the bifurcation of the technical evaluation and cost evaluation was important to the fairness of the process. Robert's proposal strategy relied on the following from Section C.2 of the RFP:

> **This is a value-based procurement**... Cost will be a significant factor in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:
>
> A. *Determination of Proposal Qualification* - * * *
>
> B. *Technical Evaluation* - **An evaluation committee will evaluate the proponent's Technical Proposal**. The members of the committee **will evaluate each proposal individually**. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.
>
> C. *Cost Evaluation* – **AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:
>
> • The **lowest cost** proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
>
> • Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points

> available for price, divided by the estimated total aggregated annual cost.
> • **This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.**
>
> D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai

respectively). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation.** *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will.** And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are.** So that's generally the process of how it worked…

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking…**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so**

> **we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever***. **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

Following the First Debriefing, on November 17, 2016, Mr. Butt called Aaron Kimura and offered to re-score the proposals submitted by all proponents. On November 18, 2016, Robert's sent a letter to the DOE entitled "Request for re-solicitation of proposals", which notes in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * *
>
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders**. However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring**.
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring**.

Id. (emphasis added).

On November 21, 2016, Robert's received the "Notice of Re-score" from the DOE. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it simply stated that the evaluation panel would re-score the existing proposals.

Despite the representations in the RFP (including the requirement that pricing be submitted in a separate and sealed envelope), and also the importance of keeping the pricing evaluation isolated from the technical evaluation as stated above by both Mr. Butt and Mr. Kauhi, the DOE conducted its re-scoring process with the same panel of evaluators, *each of whom knew pricing information from the initial scoring process*. The RFP was never amended. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure. The result is that each evaluator knew the pricing information of each proposer *during the scoring of the technical proposals*.

During the Second Debriefing which took place on December 16th, 2016, the following discussion took place:

> Aaron Kimura: ... **the panel now had access to the outcome of the prices... the rates.** **Now that is different from the initial process, right, where it was kept away from them**, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to... **you were the only one who had access to the pricing**...
>
> James Kauhi: **Right**...
>
> Aaron Kimura: **So that's a difference**...
>
> James Kauhi: **Yeah**...
>
> Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing... On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**...

* * *

Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind... we just did that as an extra step.** But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores. *I don't know if they have a photographic memory or not***, but again, I don't think...

Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing...

James Kauhi: So... let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well... but they were not involved in that process.

Christian Butt: So again... **yeah Chad... they did see it... but no, they didn't have it in front of them when they re-evaluated, so**...

* * *

Charles Hunter (counsel for Robert's): This is Charles Hunter here. Excuse my ignorance here, but **can you tell me why the pricing was done as a separate process?**

James Kauhi: ***That's unfortunate* because this discussion was already had... I was hoping that this debrief would center around those what was not discussed... I apologize**...

Christian Butt: Well... I don't mind answering the question... I mean... **there is nothing under the procurement code or anything that requires that... It was just the way that we chose to do the process. That's all... agency preference**.

Charles Hunter: **Why?**

James Kauhi: **Why not?**

Charles Hunter: **I'm just asking for the logic on why that decision was made**. I just, I don't know.

James Kauhi: I'm sorry... **I think Aaron and Roy and Chad should be able to explain that to you no problem**.

> Charles Hunter: They can explain *your* logic as to why…?
>
> James Kauhi: They can explain why the pricing presentations were reevaluated…
>
> Charles Hunter: I don't know that that is true…

As it turns out, Robert's *could* have explained the DOE's logic to Mr. Hunter based upon the First Debriefing, where Mr. Butt stated,

> …we didn't expose the price to the evaluators **so they are not influenced by that**. So again **they were blind to that**. So again, we didn't want to say oh well, **I'm going to score this guy up because his price was kind of low or whatever**. So again **we try to remove that barrier**. So again you know, that **these guys scored it they don't know how it's going to turn out**...

Yet somehow, during the Second Debriefing the DOE took the positions that, (i) the procurement code does not require the technical and price scoring to be bifurcated, despite the clear language of the RFP, (ii) that the scorers somehow forgot the price rankings because they do not have photographic memories, (iii) that they did not wish to discuss the logic as to why the initial decision was made to keep the technical and price evaluations separate, and (iv) that Robert's should somehow be able to explain the DOE's reasoning behind structuring the RFP in the way it did.

If the DOE preferred to eliminate the pricing-blind process that was stated in the RFP, and which was determined to be an important procedure during the First Debriefing, it should have issued an addendum to the RFP making clear the change in procedure. Further, the DOE should have allowed proposers to resubmit proposals with the new procedure taken into consideration, as specifically requested in Robert's November 18, 2016 letter. Instead, the DOE ignored the importance of that procedure, claimed its evaluation panel somehow forgot the pricing results, and rushed forward with its process.

2. **DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates**

The initial RFP stated that for the pricing score, the proponent's supplemental rates would be used; however, Addendum 3 to the RFP noted that the aides rate would be used in the pricing scores. In fact, the DOE used the supplemental rates, which was misleading as Robert's strategized its bid rates based on what the Addendum stated.

Addendum 3 to the RFP states in part:

> ... This addendum **provides clarification for submission requirements** of the RFP related to the need to provide bus aides for special needs services. **This response is hereby incorporated and made a part of the RFP**.
>
> ... for purposes of developing their response **vendors should plan to provide a bus aide** for all identified special needs buses shown on Attachment B.
>
> ... The **cost of the bus aide should be identified** on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum. [This statement is contained four (4) times in Addendum 3.]
>
> ... **The cost of the bus aide will be used in the evaluation of cost provided by each vendor**.

Id. (emphasis added).

During the First Debriefing, Aaron Kimura stated on behalf of Robert's:

> There were calculation errors in the scores. For the pricing score, **proponents' supplemental rates were used, as stated in the initial RFP documents, but it was mentioned in an addendum that the Aides rate would be used in the pricing scores**; and used by RHSB. In the past two RFP series (Oahu and Big Island), the **RFP documents stated the use of the supplemental rates for pricing scores, but the DOE used the aide rates. This is misleading as RHSB strategized its bid rates based on what the Addendum stated**; regarding use of the Aide rates for scoring. (Summarized).

Christian Butt and James Kauhi both eventually agreed that it was an error to use the supplemental, rather than the aide rates, and this was part of the basis for the re-scoring of the

proposals. On November 17, 2016, Mr. Butt telephoned Aaron Kimura and agreed that there was an error on this point. Mr. Butt stated that the language in Addendum 3 was in conflict with that of the RFP as to the financial scoring and the use of the aides rates versus using the supplemental rates and agreed with Robert's concerns.

During the Second Debriefing, Aaron Kimura raised the issue that the DOE *again* used the supplemental rate, and added the aides rate to the daily rate portion contrary to the RFP description in Addendum 3:

> Christian Butt: So you're saying then that we should have just used the supplemental rate… or just the aide rate?
>
> Aaron Kimura: No, the aide rate.
>
> Christian Butt: **So we should have just used the aide rate, that is your position?**
>
> Aaron Kimura: **That's not *our* position, that's what was in the addendum.**
>
> Christian Butt: Well, **that's your interpretation of reading it**…

The language above of Addendum 3 is unambiguous. Even the re-scoring erred on this issue to Robert's detriment. This error is clear and unmistakable. Based on the First Debriefing and the Second Debriefing, it appears the DOE agrees.

D. **The Rescoring Shows the Procedure was Arbitrary and Shows Bias**

The re-scoring of proposals without any changes to the materials being evaluated effectively created a double-blind study in the flawed and arbitrary nature of the DOE's re-scoring procedure. This is clear looking at the total scores for Robert's, Yamaguchi, and Akita (all clusters were scored identically):

ROBERT'S		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	50.25	59.25
Robert Joseph	45.00	50.25
James Kauhi	56.25	54.00
Bruce Ellerman	55.50	56.25

YAMAGUCHI		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	53.75	55.50
Robert Joseph	51.00	54.75
James Kauhi	59.25	54.00
Bruce Ellerman	53.00	53.00

AKITA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	49.75	59.50
Robert Joseph	54.25	54.25
James Kauhi	53.50	53.50
Bruce Ellerman	55.00	55.75

This data shows significant changes in scores, despite the fact that *nothing* changed in any of the proposals. This is the very definition of arbitrary.

Interestingly, James Kauhi, who had unlimited access to the pricing figures following the first scoring and the First Debriefing, reduced Robert's score by 4.00%, while all other scorers increased their scores, with an average increase of 9.95%. Mr. Kauhi was the only scorer to give a lower score (to any proponent) during the re-scoring process, and that single lower score was to Robert's.

Pualani Foster's score for Robert's increased by an astounding 17.91% to a score of 59.25 points. Ms. Foster also increased Akita's score by 19.60%, awarding 59.50 points.

It is unclear how scoring identical proposals could result in such varied scores. Given Mr. Kauhi and Mr. Butt's apparent confidence in the scoring panel, it is difficult to see how the rescoring would result in such drastic revisions when there was no change to the proposals submitted.

During the First Debriefing session, James Kauhi confidently stated that the Evaluation Committee was "hand-selected" and highly qualified. Furthermore, Mr. Butt described the committee members to be "well versed, competent and qualified." However during the Second Debriefing, Mr. Kauhi and Mr. Butt stated that they "didn't have confidence in the veracity of their scoring.." and "I did not have high confidence to decide which of the differing scores were the right ones....not terribly confident in knowing exactly what was my true score." This highlights yet another flaw in the re-scoring procedure employed by the DOE.

E. **The Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

HRS § 103D-101 provides in relevant part:

> (a) **All public employees shall conduct and participate in public procurement in an ethical manner**. In conducting and participating in procurement, **public employees shall**:
>
> (1) Act as a fiduciary and trustee of public moneys;

> (2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;
>
> (3) Act only in the public interest;
>
> (4) Abide by the statutes and administrative rules relating to public procurement;
>
> (5) Identify and maximize efficiencies in the public procurement process;
>
> (6) Encourage economic competition by:
>
> > (A) **Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment**; and
> >
> > (B) Researching innovative goods and services to meet the public's needs;
>
> (7) **Avoid the intent and appearance of unethical behavior**;
>
> (8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;
>
> (9) Maintain confidentiality in a manner that ensures a fair procurement process;
>
> (10) **Remain impartial in dealings** with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and
>
> (11) **Identify *and eliminate* any conflicts of interest**.
>
> * * *
>
> (c) **All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith**.

HRS § 103D-101 (emphasis added). Further, HAR § 3-120-1(a) outlines the following purposes of the rules, which are aimed to "promote economy, efficiency, and effectiveness in the procurement of goods and services… for the State and counties":

> (1) Simplifying, clarifying, and modernizing the law governing procurement;

> (2) Requiring the continued development of procurement policies and practices;
> (3) Making the procurement laws of the State and counties as consistent as possible;
> (4) **Ensuring the fair and equitable treatment of all persons who deal with the procurement system of the State and counties**;
> (5) Providing increased economy in procurement activities and **maximizing best value to the fullest extent practicable**;
> (6) **Fostering effective broad-based competition within the free enterprise system**;
> (7) **Providing safeguards for the maintenance of a procurement system of quality and integrity**; and
> (8) **Increasing public confidence in the procedures followed in public procurement.**

HAR § 3-120-1 (emphasis added).

Here, it is clear that there were numerous conflicts of interest. One such conflict of interest involved Robert Joseph. Mr. Joseph was selected as an evaluator by James Kauhi, Manager of the DOE Student Transportation Services Branch. Mr. Kauhi is Robert Joseph's manager. In addition, Mr. Joseph is married to Mr. Kauhi's sister. The result is that two out of four evaluators were directly related, raising serious issues of partiality and conflict.

In addition, Ms. Foster, the DOE's Kauai Transportation Officer ("TO"), is believed to have approximately 2 years of experience as a TO with the student transportation industry, with that experience being limited to duties on the Island of Kauai, handling "older" contracts for student transportation services. Ms. Foster was not qualified to reasonably evaluate Robert's proposal, and it is highly likely that her evaluation and scores were based on influences from Mr. Joseph and Mr. Kauhi. Furthermore, Ms. Foster's role as an evaluator is a break from the DOE's past practice of not using on-island TO's to evaluate proposals within their own districts. In addition, Ms. Foster's drastic change in scoring (an 18% discrepancy for Robert's and an average 13.33% change for all bidders), shows her lack of experience as a significant issue, and that she was not fit to serve as an evaluator.

Finally, Mr. Kauhi stated to Robert's that the evaluation of its proposal could be affected if the working relationship between Robert's Maui Operations Manager (Kris Kim) and Joseph (acting as Maui TO) did not improve. Apparently Mr. Kauhi also discussed historical difficulties with Ms. Kim during his tenure as the DOE's Maui TO.

The following table shows Mr. Joseph's scores compared to the average of other evaluators for the Maui and Kauai RFPs:

RFP	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Maui	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	2.50	4.00	2.00	**48.75**
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	2.75	3.00	4.00	2.00	55.50
Kauai	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	54.00
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	3.00	3.00	4.00	2.00	55.25

The various conflicts of interest present during the scoring process resulted in significant bias against Robert's. This bias was allowed to further permeate the scoring process through the "**one-day collaboration** with all four evaluators" that Mr. Kauhi noted took place while he discussed the scoring process during the First Debriefing (cited above in full). This "collaboration" was in violation of the terms of the RFP, which specifically stated that, "The members of the committee **will evaluate each proposal individually**." See, RFP at p. 9 (emphasis added). It appears Messrs. Kauhi and Joseph used this meeting to influence the other panelists. In Mr. Kauhi's words, this meeting was, "an opportunity to voice their perspectives, their concerns there, interpretations if you will. And whether it had an influence **or whether my interpretation had an influence on another evaluator's interpretation**, same thing **would be entirely up to each individual right...**" Thus, Mr. Kauhi admits the possibility or probability

that his interpretation influenced other evaluators, yet he dismisses this improper influence stating the decision on whether to follow his recommendation was "entirely up to each individual". It is for this very reason that the RFP submissions were intended to be evaluated individually, and the scoring clearly shows that Mr. Kauhi's "interpretation" *did* have a strong influence on other evaluators.

Mr. Kauhi also failed to raise important issues during this "collaboration" as to Robert's performance when compared to others operating in the same market. For example, based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with* ***21.5 missing assets, compared with GTI's 245***. Mr. Kauhi knew this information, yet was selective in whether to provide it to other scorers or to raise it in the "collaboration" process.

The "collaboration" process also allowed Mr. Joseph to negatively influence the minds of other panel members by raising complaints regarding Robert's Maui Operations Manager. As noted earlier, the scoring panel was "hand-selected" by Mr. Kauhi. It appears Mr. Kauhi selected Mr. Joseph not only because he could exert influence over him, but also because Mr. Kauhi knew that Mr. Joseph would have negative feelings towards Robert's from his position as Maui TO.

The data in both the initial and re-scoring process shows clearly that Mr. Kauhi and Mr. Joseph worked together to influence the process by raising issues that would be detrimental to Robert's, while failing to discuss *actual data* that was known to all and in Robert's favor.

F. Other Conduct by the DOE Showing Bias Resulting from Conflicts of Interest

On the morning of January 25, 2017, while Robert Joseph was at Robert's Maui base yard, he approached at least two Robert's employees and told them that GTI would be taking over the contracts for Maui. Mr. Joseph stated that Robert's Protests had been denied (which had not yet occurred). Mr. Joseph further stated that GTI has begun their recruiting process and that these employees should visit Oahu to see GTI's operations.

In a separate incident on January 24, 2017, Mr. Joseph approached another Robert's employee and stated that the contracts subject to the Protests have been awarded to GTI, and that the Protests would not change the outcome. Mr. Joseph then proceeded to tell the Robert's employee that he scored Robert's Proposals low because Robert's "got sloppy and cheap" because it used the same proposal for each island. He further stated that this is why Robert's was also not awarded the Kauai contracts under RFP No. RFP D17-002.

It was highly inappropriate for Mr. Joseph (as a State employee) to be acting on GTI's behalf in its recruiting efforts. RHSB considered this to be direct interference with contractual and business relations. It was also inappropriate for Mr. Joseph to discuss the scoring, Protest, or other related matters with Robert's employees. On January 27, 2017, Robert's sent a letter to counsel for the DOE stating that Mr. Joseph should be reprimanded and ordered to cease and desist any such activity, and further that he should be immediately and indefinitely prohibited from entering Robert's Maui base yard or otherwise interfering with its operations. Mr. Joseph's actions were particularly unacceptable given the DOE's disregard for the active Protest.

In addition, Mr. Joseph's conduct indicated a lack of consistency with respect to how the DOE treats transitions between contracts (if a transition occurs). During prior transitions on Oahu, the DOE has asked that successful bidders not approach employees of competitors to recruit them, as that would interfere with the performance of existing contracts. Here, Mr.

Joseph was actively doing just the opposite by spreading misinformation and encouraging Robert's employees to seek employment with GTI. This was particularly egregious when done at the hands of a State DOE employee who was involved in the evaluation panel for the RFPs.

Finally, the fact Mr. Joseph was helping GTI in recruiting employees should be a clear indication that GTI was unqualified and unable to properly perform on any Maui contract awarded, which was also an issue raised numerous times in Robert's Protest.

On January 30, 2017, Mr. James Kauhi discussed Mr. Joseph's inappropriate conduct with Ms. Gail Sagiao (a Robert's employee). Mr. Kauhi made specific reference to the letter sent by Robert's to counsel for the DOE on January 27, 2017 (Exhibit "G"), stating further that "Mr. Carlson called me and asked me to remind everyone on my evaluation team…Robert, Pua, Bruce, myself… that because there is a challenge to the RFP, that we should not be discussing anything that has to do with the RFP with everybody until the legal matter is settled." Despite that instruction, Mr. Kauhi then proceeded to discuss the matter with Ms. Sagiao in detail, including offering defense of Mr. Joseph's (Mr. Kauhi's brother-in-law) actions. Robert's counsel sent a letter to counsel for the DOE on February 6, 2017 alerting the DOE to these inappropriate contacts, telling the DOE that discussions regarding the "transition" of contracts are premature, and further informing the DOE that Mr. Kauhi's characterization of Robert's position regarding DOE recruiting of Robert's employees was incorrect.

As of the filing of this Appeal, the DOE is conducting an investigation into Mr. Joseph's actions, and numerous Robert's employees will be interviewed as part of that investigation.

G. **Robert's Disputes the Determination of Substantial State Interests**

On January 17, 2017, Robert's received a contract for execution in relation to Maui Cluster 1 (Makawao), which was awarded under RFP No D17-001. Robert's was surprised to receive this contract given it submitted its Protest nearly a month prior with no response from the

DOE. Robert's was under the assumption that the DOE was carefully reviewing the merits of the Protest so that it could rectify the numerous problems presented, and solicit new proposals given the clear errors and problems with the prior awards. Instead, the DOE charged forward with its awards. This is the reason why, "Under most circumstances, public projects cannot proceed while a protest is pending." Nihi Lewa, Inc. v. Dep't Of Budget And Fiscal Services, 103 Hawai`i 163, 167, 80 P.3d 984, 988 (2003)

Robert's only became aware of the DOE's Determination of Substantial State Interests ("DSSI") (Exhibit "H") when counsel for the DOE responded on January 20, 2017 to an email sent by Robert's counsel to the DOE two days prior following up on Robert's Protest. That prior email specifically cited HRS § 103D-701(f), which imposes a stay on contracting activities when a timely protest has been received by the agency issuing the solicitation. The DOE should have immediately informed all proposers when the DSSI was issued on January 11, 2017, but did not.

The DSSI should not have been issued. The only stated bases for the DSSI are that, (1) school bus service must begin on August 7, 2017, (2) to meet the aforementioned deadline, "several critical milestones must be accomplished," including acquisition of fleet assets, dry runs for bus routes, DOE start up meetings with vendors, vendor recruitment, and land/base of operations acquisition, (3) that there will be a significant economic impact if the 178 bus driver positions are not put in place immediately, and (4) that delay will impact the State's ability to "realize the pricing and operational efficiencies provided for in the RFPs."

As to issues (1) and (2) above, this is a problem of the DOE's own making that could have been cured by an extension of Robert's existing contracts while the Protest is reviewed. The DOE had already mentioned to Robert's its past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity, as noted above.

Extension of Robert's contracts would have solved this problem. Further, public policy would not support allowing the DOE to press forward on improperly awarded contracts because it creates a perverse incentive for all State procurement agencies to delay the issuance of any RFP to the point where the State will be harmed if not permitted to move forward, regardless of faults in the procurement process. The DOE should not be permitted to delay the issuance of RFPs to the point where there is no time to review valid protests before issuing awards. The Procurement Code is already designed to accommodate expedited review, and that review would have been completed in a timely manner if the DOE had not delayed addressing the Protest by over a month. This dubious practice is inconsistent with the purposes of the procurement code, which are to (i) provide fair and equitable treatment of all persons dealing with the government procurement system; (ii) foster broad-based competition among vendors while ensuring accountability, fiscal responsibility, and efficiency in the procurement process; and (3) increase public confidence in the integrity of the system. See, Sen. Stand. Comm. Rep. No. S8-93, in 1993 Senate Journal at 39; CARL Corp. v. State, Dept. of Educ., 85 Hawai'i 431, 455-56, 946 P.2d 1, 25-26 (1997). These issues, "cannot be ignored when determining whether it is in the best interests of the State to ratify an unlawfully awarded contract." Id.

It should also be noted that the above timing problems are the direct result of the DOE selecting GTI on Maui, a vendor with no current operations on the island. This issue was raised in the Protest, which highlights the fact that Robert's has had a presence on Maui for over 30 years, has an existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 base yards. In particular, Mr. Joseph somehow scored GTI with maximum points, while providing a lower score to Robert's. This issue was covered in detail in Section III.E of the Protest.

Issue 3) in relation to the DSSI is a red herring. It assumes that other bus drivers will not be driving busses during the pendency of the Protests, which is logically and factually incorrect. Bus drivers are currently servicing routes, and would continue to do so until the new contracts are put in place. To argue that the "178 bus driver positions will not be contributing to the local economy" is simply fallacious reasoning.

As to the State's ability to realize "pricing and operational efficiencies" under (4), this is also unsupportable. The State is not entitled to "realize" these benefits (to the extent there are any) if they are obtained through unlawfully awarded contracts. To the extent that a protest is later denied, this risk is already contemplated by the procurement law, which requires a cash or protest bond directly related to the amount of the procurement. See, HRS § 103D-709(e). In addition, Robert's was be prepared to post a bond to cover the risk of the apparent $750,000 "savings" that would occur in the first year if required to do so, although this solution was not accepted by the DOE.

Finally, both HRS § 103D-701(f) and HAR § 3-126-5 state that no further action shall be taken until and unless "**the *chief procurement officer* makes** a written determination" that the award is necessary to protect the interests of the State (emphasis added). The DSSI dated January 11, 2017 was not a written determination *by* the chief procurement officer, here Kathryn S. Matayoshi. Rather, it is a memo *from* James Kauhi (who is implicated in numerous ways of biased conduct as noted in the Protest), "*through*" Dann Carlson, Assistant Superintendent, ***to*** Kathryn S. Matayoshi. It is *not* a determination by Kathryn S. Matayoshi herself. This memo states, "*Your approval is requested* for a Determination of Substantial State Interest.." and thus is not the actual Determination. The memo is then signed "for" Superintendent Matayoshi by Dann

Carlson, which also appears improper if this document was intended to be the actual DSSI, and not simply a request for one.

Overall, the DSSI is logically and factually incorrect and should not serve to thwart the purposes of the Procurement Code.

H. **Evaluations Were Inconsistent with the Stated Scoring Method**

Mr. Kauhi had previously explained to Robert's that a respondent would receive the maximum possible points for each category, if minimum requirements were met. The scores from each evaluator, including Mr. Kauhi, show significant inconsistency for the same categories when Robert's proposal is compared to other proposals. The following table shows the RFP scores by all evaluators, and clearly shows that Mr. Kauhi, and Mr. Joseph did not score according to the stated method:

KAUAI	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	**60.00**
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	**54.00**
Joseph	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	**50.25**
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	2.25	2.25	4.00	2.00	**56.25**
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	2.25	4.00	2.00	**59.25**
Avg.	**2.81**	**2.81**	**9.00**	**6.00**	**7.31**	**13.13**	**2.81**	**2.81**	**2.25**	**4.00**	**2.00**	**54.94**
Yam. Avg	3.00	2.63	8.44	6.00	7.88	12.19	3.00	2.44	3.00	3.75	2.00	**54.33**
Akit. Avg	3.00	2.81	9.00	6.00	7.88	13.13	2.81	2.81	2.81	4.00	1.50	**55.75**

1. Category 1: Transmittal Letter

One example of inconsistent scoring on this issue is for category 1, dealing with the Transmittal Letter. This section had 3 points possible. In this section, Robert's noted that "RHSB shall pursue Proposal Option A" and further that it was bidding on "(Multiple clusters, unlimited award) for all three (3) Clusters."

Despite Robert's satisfying the requirements of this section, Joseph scored just 2.25 points, stating wrongly that, "Proponent failed to provide a list of the three clusters they are bidding for." Other scorers fully recognized that Robert's satisfied all of the requirements of this section.

2. Category 2: Executive Summary

In this category, Robert's highlighted numerous reasons why it is well suited to the State's requirements, including its presence on Kauai for over 30 years, its existing fleet of 22 school buses, , 23 certified school bus drivers, 6 maintenance personnel, 7 administrative support personnel, 10 additional bus drivers, and an existing baseyard that is geographically situated to accommodate each services cluster.

In the scoring, Mr. Joseph scored 2.25 points out of the possible 3 points for the category. Similar to the Maui RFP, Mr. Joseph questioned Robert's existing baseyard and asked for reasoning behind Robert's having a north shore baseyard. He further asked the hypothetical question as to whether Robert's would "consider a westside baseyard" if awarded the Waimea cluster. Mr. Joseph made no such comments as to Yamaguchi's proposal, despite the fact that it merely states, "We have base yard [sic] located near schools and near students' homes that makes us familiar with both." A deduction was made to Yamaguchi's score only because the statement that it "has more than 10% spare busses & CDL Drivers" was unclear. Similarly, Mr. Joseph's evaluation of Akita raises serious concerns regarding two recent incidents and "inability to end route cancellation" as stated in the comments, yet Akita is awarded the same score as Robert's.

3. Category 3: Qualifications & Experience

Robert's and Akita both received full points for this category despite the fact that Robert's has significantly more capacity and experience.

4. Category 4: Reference and Testimonials

Mr. Joseph awarded the full 6 points to Akita, despite raising serious concerns in his comments. The comments include disputing a statement that Haiku and Hana contracts were not renewed by the DOE, and that Akita "turned it down due to driver shortage caused by employee dispute." Mr. Joseph also notes that the reference letters provided by Akita did not relate to home-school-home school bus service. It is unclear why Akita received full points on this section.

5. Category 5: Proponent's Service Approach

Robert's received a score of 6.75 from Mr. Joseph, who commented regarding Robert's "preparedness to acquire a baseyard location on north shore" stating "...so what if Waimea cluster was awarded to RHSB." Yamaguchi received the full 9 points for this category despite the fact that its nearest baseyard to the Waimea cluster is located in Kalaheo. Akita also received full points for this category, with Mr. Joseph stating only that "rank changed to CR" because baseyard concerns were addressed during Akita's interview.

Mr. Kauhi also awarded just 6.75 points to Robert's in this category. Somehow Yamaguchi received an identical score from Mr. Kauhi, despite that he raised serious concerns as to its ability to integrate with the DOE's data systems and also as to Yamaguchi's failure to respond satisfactorily as to protocols for emergency situations.

6. Category 6: Commitment to Safety

This category had a possible 15 points per evaluator. Mr. Joseph awarded just 11.25 points, stating, "Much of this section referred to RHSE's overall practices statewide and one could assume that those values & practices will be taught and practiced there on Kauai, however, very little if any factual data directly related to RHSB's Kauai operations itself was provided..."

Yamaguchi received an identical score despite failing to show proper protocol as to accidents and follow up in safety meetings.

Mr. Kauhi also awarded just 11.25 points on this category. He states, "Presentation does not sufficiently [show] how metrics...changed over the years." Robert's proposal outlines the metrics used, by Robert's, and further states that Robert's is "consistently reviewing and improving existing procedures and processes."

7. Category 10: Financial Stability

Robert's is clearly in a stronger financial position than both Yamaguchi and Akita, yet all arbitrarily received the same score.

I. **DOE Did Not Abide by the "Fair and Equal Standard"**

HAR § 3-122-53 requires the fair and equal treatment with respect to discussions and revisions of proposals:

* * *

(d) Priority-listed offerors ***shall*** **be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.**

(1) **Any substantial oral clarification of a proposal shall be reduced to writing** by the priority-listed offeror;

(2) If during discussions there is a need for any substantial clarification or change in the request for proposals, **the request for proposals shall be amended by an addendum to incorporate the clarification or change.**

* * *

Id. (emphasis added). This standard was not followed by the DOE in subsequent discussions with priority listed offerors.

J. **Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

> **Prior to the preparation of the request for proposals**, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.
>
> (1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;
>
> (2) **Private consultants** may also serve on the committee and shall:
> (A) Have sufficient knowledge to serve on the committee;
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
> (C) **Sign an affidavit**:
>
> (i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
> (ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
> (iii) **Agreeing that their names will become public information** upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

On January 25, 2017, Robert's received an email from Kelsey Soma Turek, State of Hawaii DOE transmitting (i) Memoranda for Record related to the approval of appointments of

James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "I" (email and attached documents).

It is important to highlight the HAR's use of the phrase "*Prior* to the preparation of the request for proposals", and further that a copy of the document identifying any committee members "*shall* be placed in the contract file." This was not done.

None of the documents received by Roberts on January 25, 2017 is dated, with the exception of the Declaration of Bruce Ellerman, which is dated *October 12, 2016*. It is unclear how these Declarations (even assuming all were signed on October 12, 2016) could have been completed "*prior* to the preparation of the request for proposals" and "placed in the contract file" when the RFPs were issued on July 20, 2016, with a proposal deadline of October 5, 2016.

Further, assuming Bruce Ellerman was a paid consultant, it is unclear whether a determination in writing was made by the head of the DOE that the compensation was justified. In addition, Mr. Ellerman's Declaration makes no statement that he agreed to having his name become public information upon the award of the contract as required by subsection (2)(C)(iii).

Finally, the above statute requires private consultants like Mr. Ellerman to sign "an affidavit", not a Declaration. Mr. Ellerman's statement is not notarized, and therefore did not constitute "an affidavit".

III. RELEVANT LEGAL AUTHORITY

A. The Hawaii Public Procurement Code, HRS Chapter 103D, contains an administrative review process codified as HRS § 103D-709, which was amended to contain bonding requirements which must be satisfied when filing an administrative appeal. **Enclosed with this appeal is the appropriate cash or protest bond.**

B. This Appeal is based upon HRS § 103D-709.

C. Pursuant to section 103D-709 and HAR § 3-126-51 Roberts requests the right to depose the following individuals prior to the hearing on appeal: James Kauhi, Robert Joseph, Pualani Foster, and Bruce Ellerman and such others as are required. The depositions will be set for four to seven hours each. Roberts also requests full discovery of all relevant documents.

D. Robert's requests a recording of the proceedings as it will appeal, if the circumstances require.

IV. CONCLUSION

For the reasons set forth hereinabove, Robert's respectfully requests that the DCCA: (1) reverse the DOE's final decision to deny Robert's Protest; (2) order the DOE to rescind all awards made under the RFP; (3) order the DOE to implement a new RFP process with a new panel of unbiased scorers.

DATED: Honolulu, Hawai'i, MAR 03 2017.

JONATHAN S. MOORE
CHARLES D. HUNTER
Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

STATE OF HAWAII

PROCUREMENT PROTEST BOND

CASH OR CASHIER'S CHECK

(10/01/09)

PURCHASING AGENCY (Department/Division/Agency): Department of Education

IFB/RFP Solicitation Title & No.: RFP No. D17-002

KNOW ALL PERSONS BY THESE PRESENTS:

That we, Robert's Hawaii School Bus, Inc.
(full legal name and street address of Protestor)

as Protestor, hereinafter called Protestor, is held and firmly bound unto the STATE OF HAWAII, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, its successors and assigns, as Obligee, hereinafter called Obligee, in the amount of Ten Thousand Dollars and 00/100 DOLLARS ($10,000.00), lawful money of the United States of America, for the payment of which to the said Obligee, well and truly to be made, Protestor binds itself, its heirs, executors, administrators, successors and assigns, firmly by these presents. Said amount is evidenced by:

☐ Legal tender;

☒ Cashier's Check No.2840316, dated , issued March 2, 2017
by Bank of Hawaii (Waikamilo Branch),
drawn on March 2, 2017,
a bank, savings institution or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, payable at sight or unconditionally assigned to State of Hawaii, DCCA;

WHEREAS:

The Protestor has initiated an administrative protest hearing with the State of Hawaii, Department of Commerce and Consumer Affairs (DCCA) regarding the above-named Purchasing Agency's decision pertaining to IFB/RFP No.RFP No. D17-002. Said protest hearing is conditioned upon posting of a bond at the time of filing for an administrative hearing with the DCCA.

NOW, THEREFORE,

The condition of this Bond is such that, if Protestor, after conclusion or termination of the administrative hearing process regarding the protest does not prevail, this Bond shall be forfeited in total to the State of Hawaii, Department of Commerce and Consumer Affairs for deposit into the general fund. In the event the Protestor prevails, then the obligation shall be null and void; otherwise it shall remain in full force and effect.

AND IT IS HEREBY STIPULATED AND AGREED that suit on this Bond may be brought before a state court of competent jurisdiction in Honolulu, Hawaii, without a jury, and that the sum or sums specified in this Bond shall be forfeited to the Obligee, its successors or assigns, in the event of a breach of any, or all, or any part of, the covenants, agreements, conditions, or stipulations contained in this Bond in accordance with the terms thereof.

Signed this 2nd day of March, 2017.

ROBERT'S HAWAII SCHOOL BUS, INC. INCORPORATED AUG. 23, 1983 STATE OF HAWAII (Seal)

Robert's Hawaii School Bus, Inc.
Name of Protestor

Roy Pfund

Signature

VP

Title

*ALL SIGNATURES MUST BE ACKNOWLEDGED
BY A NOTARY PUBLIC

PROTESTOR ACKNOWLEDGMENT

PROTESTOR ACKNOWLEDGMENT:

STATE OF Hawaii)
: SS.
City and COUNTY OF Honolulu)

On this 2nd day of March, 20 17, before me appeared Roy Pfund and _____ to me known to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are Vice President and _____ of Robert's Hawaii School Bus, Inc. the Protestor named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument in behalf of the Protestor, and acknowledges that he/she/they executed said instrument as the free act and deed of the Protestor.

(Notary Seal)

Notary Public (Signature) Bernadette Coen

State of Hawaii

My commission expires: 08/12/2020

Doc. Date: 03/02/17 # Pages: 3
Notary Name: Bernadette Coen First Circuit
Doc. Description: State of Hawaii Procurement Bond - cash or cashier's check.
RFP No. D17-002

03/02/17
Notary Signature Date

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	) Docket No. _____) DECLARATION OF CHARLES D. HUNTER

DECLARATION OF CHARLES D. HUNTER

I, CHARLES D. HUNTER, make the following statements based upon my personal knowledge:

1. I am an attorney at the law firm of Kobayashi, Sugita & Goda, counsel to the Petitioner in the above entitled matter;

2. Attached hereto as Exhibit "A" is a true and correct copy of the First Request for Debriefing submitted to the Department of Education ("DOE') by Roberts Hawaii School Bus, Inc. ("RHSB") dated November 2, 2016;

3. Attached hereto as Exhibit "B" is a true and correct copy of a letter to the DOE sent by RHSB on November 21, 2016;

4. Attached hereto as Exhibit "C" is a true and correct copy of the Protest in writing as required by HRS § 103D-701 submitted on December 23, 2016;

5. Attached hereto as Exhibit "D" is a true and correct copy of a letter sent by the DOE to RHSB on January 20, 2017, attaching the DOE's January 11, 2017 Determination of Substantial State Interest ("DSSI") relating to the RFP;

6. Attached hereto as Exhibit "E" is a true and correct copy of a letter dated February 6, 2017 sent by RHSB to the DOE disputing the DSSI;

7. Attached hereto as Exhibit "F" is a true and correct copy of a letter sent to RHSB's counsel by the DOE on February 24, 2017 denying the Protest;

8. Attached hereto as Exhibit "G" is a true and correct copy of the letter sent by RHSB to counsel for the DOE on January 27, 2017;

9. Attached hereto as Exhibit "H" is a true and correct copy of the DOE's Determination of Substantial State Interests ("DSSI");

10. Attached hereto as Exhibit "I" is a true and correct copy of an email RHSB received on January 25, 2017 from Kelsey Soma Turek, State of Hawaii DOE transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals.

I, CHARLES D. HUNTER, declare under penalty of law that the foregoing is true and correct.

DATED: Honolulu, Hawai'i, MAR 03 2017.

CHARLES D. HUNTER

Roberts Hawaii

phone 808 523 7750
fax 808 522 7866

Roberts Hawaii, Inc.
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817

robertshawaii.com

November 2, 2016

Mr. Christian H. Butt (Christian Butt/AUX/HIDOE@notes.k12.hi.us)
Section Administrator
Auxiliary Services Branch - Project Control Section
State of Hawaii - Department of Education
3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

RE: RFP D17-002 (Kauai) – Request for debriefing and information.

Dear Mr. Butt:

We have received the Non-Award Notice for RFP D17-002.

Pursuant to your notice and the provisions within Hawaii Revised Statutes (HRS) 103D, we request the following:

- Debriefing for RFP D17-002.
- Immediate receipt of all documents, including the final tabulation worksheet; evaluation, notes and scoring sheets of all evaluators; and copies of written (technical requirements) proposals and pricing forms (Attachment B) for all respondents.

In addition, it should be noted that the Non-Award Notice states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:

> (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.

Exhibit "A"

Roberts Hawaii

Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

If you have any questions, please do not hesitate to contact me at (808) 539-9477 or via email at aaron.kimura@robertshawaii.com.

Sincerely,

Aaron Kimura
Vice President – Contract Management

Cc: Mr. Bert T. Kobayashi, Jr.
Mr. Jonathan S. Moore
Kobayashi, Sugita & Goda LLP
999 Bishop St., Suite 2600
Honolulu, HI 96813

Roberts Hawaii

November 18, 2016

phone 808 523 7750
fax 808 522 7866

Roberts Hawaii, Inc.
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817

robertshawaii.com

Mr. Christian H. Butt (Christian Butt/AUX/HIDOE@notes.k12.hi.us)
Section Administrator
Auxiliary Services Branch - Project Control Section
State of Hawaii - Department of Education
3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

RE: RFP D17-002 (Kauai) – Request for re-solicitation of proposals.

Dear Mr. Butt:

This letter is being sent to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, rescission of the award and cancellation of the awarded contracts is required. RHSB will file its protest no later than November 24, 2016 (you've indicated to Aaron Kimura on the phone yesterday, November 17, 2016, that because there were outstanding questions from the debriefing, the five-day deadline to file a protest would begin as of November 17, 2016). Nonetheless, RHSB plans on filing its protest on Tuesday, November 22, 2016, so that resolution will not be further delayed.

It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.

As you know, HRS 103D-701(b) allows the DOE to, "settle and resolve a protest concerning the solicitation or award of a contract." This section precludes any further actions taken in furtherance of establishing or completing the contract, but not actions to terminate or cancel the contract. International Display Systems, Inc.

Exhibit "B"

Roberts Hawaii

v. Okimoto, 2013, 300 P.3d 601, 129 Hawai'i 335. Further, under HAR 3-126-7(d), "...If the protest is sustained, the available remedies include, but are not limited to, those set forth in this section and subchapter 4..." Under HAR 3-126-38 (part of subchapter 4), when there is no bad faith by the contractor, and "[i]f the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated..." HAR § 3-126-38(a)(3) (emphasis added). Please note the use of the term "shall".

Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders. However, we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring.

Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or re-scores the existing proposals, the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring.

If you have any questions, please do not hesitate to contact me at (808) 523-7750 or via email at roy.pfund@robertshawaii.com.

Sincerely,

Roy Pfund
Executive Vice President

KOBAYASHI SUGITA & GODA, LLP
Attorneys at Law

Bert T. Kobayashi, Jr.*
Kenneth Y. Sugita*
Alan M. Goda*

John R. Aube*
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Gabriele V. Provenza
Anthony Suetsugu
Brian D. Tongg
Thao T. Tran
Maria Y.Y. Wang

Of Counsel:
John F. Lezak
Larry L.Myers

December 23, 2016

Via US Mail, Certified, return receipt requested, Facsimile, and Electronic Mail

The Hon. Kathryn Matayoshi
Mr. Christian Butt

U.S. Mail: The Hon. Kathryn Matayoshi
Superintendent / Chief Procurement Officer
1390 Miller Street, Room 309
Honolulu, HI 96813

Mr. Christian Butt / Section Administrator
Project Control Section
Department of Education
State Procurement Office
PO Box 119
Honolulu HI 96810-0119

Section Administrator
Auxiliary Services Branch - Project Control Section
State of Hawaii - Department of Education
3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

Email: kathryn_matayoshi@notes.k12.hi.us
Christian_Butt@notes.k12.hi.us

Facsimile: 808-586-3314/808-586-0969

Re: Robert's Hawaii School Bus, Inc.'s HRS § 103D-701 Protest of Request For Proposals No. RFP D17-002 Student Transportation Services on the Island of Kauai for the State of Hawaii Department of Education (DOE)

Exhibit "C"

Dear Superintendent Matayoshi and Mr. Butt:

Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this protest ("Protest") of the award of RFP No. D17-002 ("RFP"), which RFP was published by the State of Hawaii, Department of Education ("DOE") on July 20, 2016. This timely protest is made pursuant to Hawaii Revised Statutes ("HRS") § 103D-701 and HRS § 103D-303, and Hawaii Administrative Rules ("HAR") §§ 3-126-4, and addresses Robert's concerns regarding the award of Cluster 1 (Waimea) to Yamaguchi Bus Service, Inc. ("Yamaguchi") and Clusters 2 and 3 (Kapaa and Kauai respectively) to Akita Enterprises, Limited ("Akita").

I. PROTESTOR INFORMATION

Robert's Hawaii School Bus, Inc. ("Roberts")
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817
Phone: (808) 523-7750
Fax: (808) 522-7866

LEGAL COUNSEL

Jonathan S. Moore
Charles D. Hunter
Kobayashi, Sugita & Goda
999 Bishop Street, Ste. 2600
Honolulu, Hawaii 96813
Phone: (808) 535-5700
Fax: (808) 535-5799
Email: jsm@ksglaw.com

II. IDENTIFICATION OF THE PROCUREMENT:

RFP No. D17-002 ("RFP") for Student Transportation Services on the Island of Kauai for the State Department of Education (DOE). The following table shows the significance of this procurement to both the DOE, and to Robert's. It is calculated using 2% annual increases in revenue and results in **$41,589,011 total revenue** over the 7yr + 3yr extension term based on the maximum number of clusters that can be awarded:

KAUAI	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	TOTAL
Kapaa	1,928,700	1,967,274	2,006,619	2,046,752	2,087,687	2,129,441	2,172,029	2,215,470	2,259,779	2,304,975	
Aide	124,740	127,235	129,779	132,375	135,023	137,723	140,478	143,287	146,153	149,076	
	2,053,440	*2,094,509*	*2,136,399*	*2,179,127*	*2,222,709*	*2,267,164*	*2,312,507*	*2,358,757*	*2,405,932*	*2,454,051*	*22,484,595*
Kauai	1,620,000	1,652,400	1,685,448	1,719,157	1,753,540	1,788,611	1,824,383	1,860,871	1,898,088	1,936,050	
Aide	124,740	127,235	129,779	132,375	135,023	137,723	140,478	143,287	146,153	149,076	
	1,744,740	*1,779,635*	*1,815,227*	*1,851,532*	*1,888,563*	*1,926,334*	*1,964,861*	*2,004,158*	*2,044,241*	*2,085,126*	*19,104,416*
	3,798,180	3,874,144	3,951,626	4,030,659	4,111,272	4,193,498	4,277,368	4,362,915	4,450,173	4,539,177	41,589,011

III. SUMMARY OF PROTEST

A. The Protest is Timely

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). On November 2, 2016, Robert's submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section - requesting debriefing and information ("First Request for Debriefing"). The First Request for Debriefing notes,

* * *

> In addition, it should be noted that the Non-Award Notice states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:
>
> > (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.
> >
> > Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

See, First Request for Debriefing at pps. 1-2 (underline in original). The First Debriefing took place on November 16, 2016 ("First Debriefing"). The First Debriefing was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. The timing of the First Debriefing would generally require a protest be submitted on or before November 23, 2016; however, in a telephone conversation held on November 17, 2016 with Mr. Butt, he indicated that because there were outstanding questions from the debriefing, the five day deadline to file a protest would begin as of November 17th, meaning the deadline to file a protest would be November 24, 2016.

On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals could be submitted. The letter made clear that Robert's believed the awards were issued in violation of law.

On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for REP Dl 7-001 and REP D17-O02 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring**. Upon review, the DOE concurs and **has decided to re score both RFPs. *****

(emphasis added). Rather than allowing proposers to resubmit proposals, the DOE simply re-scored the original submissions using the same panel of scorers.

The Second Debriefing took place on December 16, 2016, which requires this Protest be submitted on or before December 23, 2016.

B. <u>The DOE Did Not Abide By Its Own Stated Scoring Procedure</u>

The DOE solicited proposals through the RFP, which specifically outlines the scoring method that the DOE represented to Robert's it would employ. Robert's drafted and submitted its proposal relying on the terms of that RFP and the DOE's obligation to score by its stated method. Instead of following its own process, the DOE adapted it mid-stream in an attempt to remedy both mathematical errors and other procedural flaws.

1. The DOE Represented that Cost Evaluation Would Only Take Place AFTER the Completion of the Technical Evaluation

The RFP is clear that the cost portion of the evaluation would take place only "AFTER the technical evaluation is completed..." (CAPS IN ORIGINAL). Presumably the DOE believed it important to segregate the technical evaluation from the cost evaluation, yet completely abandoned the agreed upon scoring method by allowing the same evaluators to score proposals AFTER each knew the pricing figures supplied by each proposer. Rather than amending the RFP to make clear to all proposers that the technical and cost evaluations would no longer be separate (and allowing them to resubmit proposals taking that into consideration), or selecting a new panel of scorers following the initial scoring, the DOE charged forward with its process nonetheless.

The following statements within the RFP make it clear that the bifurcation of the technical evaluation and cost evaluation was important to the fairness of the process. Robert's proposal strategy relied on the following from Section C.2 of the RFP:

This is a value-based procurement... Cost will be a significant factor in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* - * * *

B. *Technical Evaluation* - **An evaluation committee will evaluate the proponent's Technical Proposal**. The members of the committee **will evaluate each proposal individually**. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – **AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The **lowest cost** proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- **This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.**

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope.*

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation**. *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will.** And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are.** So that's generally the process of how it worked…

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking…**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever.*** **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

Following the First Debriefing, on November 17, 2016, Mr. Butt called Aaron Kimura and offered to re-score the proposals submitted by all proponents. On November 18, 2016, Robert's sent a letter to the DOE entitled "Request for re-solicitation of proposals", which notes in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * *
>
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders.** However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring**.
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring**.

Id. (emphasis added).

On November 21, 2016, Robert's received the "Notice of Re-score" from the DOE. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it simply stated that the evaluation panel would re-score the existing proposals.

Despite the representations in the RFP (including the requirement that pricing be submitted in a separate and sealed envelope), and also the importance of keeping the pricing evaluation isolated from the technical evaluation as stated above by both Mr. Butt and Mr. Kauhi, the DOE conducted its re-scoring process with the same panel of evaluators, *each of whom knew pricing information from the initial scoring process*. The RFP was never amended. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure. The result is that each evaluator knew the pricing information of each proposer *during the scoring of the technical proposals*.

During the Second Debriefing which took place on December 16th, 2016, the following discussion took place:

> Aaron Kimura: … **the panel now had access to the outcome of the prices… the rates**. **Now that is different from the initial process, right, where it was kept away from them**, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to… **you were the only one who had access to the pricing**…
>
> James Kauhi: **Right**…
>
> Aaron Kimura: **So that's a difference**…
>
> James Kauhi: **Yeah**…
>
> Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing… On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**…
> * * *
> Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind… we just did that as an extra step**. But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores**. ***I don't know if they have a photographic memory or not***, but again, I don't think…
>
> Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing…
>
> James Kauhi: So… let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well… but they were not involved in that process.
>
> Christian Butt: So again… **yeah Chad… they did see it… but no, they didn't have it in front of them when they re-evaluated, so**…

* * *

Charles Hunter (counsel for Robert's): This is Charles Hunter here. Excuse my ignorance here, but **can you tell me why the pricing was done as a separate process?**

James Kauhi: ***That's unfortunate* because this discussion was already had... I was hoping that this debrief would center around those what was not discussed... I apologize...**

Christian Butt: Well... I don't mind answering the question... I mean... **there is nothing under the procurement code or anything that requires that... It was just the way that we chose to do the process. That's all... agency preference.**

Charles Hunter: **Why?**

James Kauhi: **Why not?**

Charles Hunter: **I'm just asking for the logic on why that decision was made.** I just, I don't know.

James Kauhi: I'm sorry... **I think Aaron and Roy and Chad should be able to explain that to you no problem.**

Charles Hunter: They can explain *your* logic as to why...?

James Kauhi: They can explain why the pricing presentations were reevaluated...

Charles Hunter: I don't know that that is true...

As it turns out, Robert's *could* have explained the DOE's logic to Mr. Hunter based upon the First Debriefing, where Mr. Butt stated,

> ...we didn't expose the price to the evaluators **so they are not influenced by that**. So again **they were blind to that**. So again, we didn't want to say oh well, **I'm going to score this guy up because his price was kind of low or whatever**. So again **we try to remove that barrier**. So again you know, that **these guys scored it they don't know how it's going to turn out**...

Yet somehow, during the Second Debriefing the DOE took the positions that, (i) the procurement code does not require the technical and price scoring to be bifurcated, despite the clear language of the RFP, (ii) that the scorers somehow forgot the price rankings because they do not have photographic memories, (iii) that they did not wish to discuss the logic as to why the initial decision was made to keep the technical and price evaluations separate, and (iv) that Robert's should somehow be able to explain the DOE's reasoning behind structuring the RFP in the way it did.

If the DOE preferred to eliminate the pricing-blind process that was stated in the RFP, and which was determined to be an important procedure during the First Debriefing, it should have issued an addendum to the RFP making clear the change in procedure. Further, the DOE should have allowed proposers to resubmit proposals with the new procedure taken into consideration, as specifically requested in Robert's November 18, 2016 letter. Instead, the DOE ignored the importance of that procedure, claimed its evaluation panel somehow forgot the pricing results, and rushed forward with its process.

2. **DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates**

The initial RFP stated that for the pricing score, the proponent's supplemental rates would be used; however, Addendum 3 to the RFP noted that the aides rate would be used in the pricing scores. In fact, the DOE used the supplemental rates, which was misleading as Robert's strategized its bid rates based on what the Addendum stated.

Addendum 3 to the RFP states in part:

> ... This addendum **provides clarification for submission requirements** of the RFP related to the need to provide bus aides for special needs services. **This response is hereby incorporated and made a part of the RFP**.
>
> ... for purposes of developing their response **vendors should plan to provide a bus aide** for all identified special needs buses shown on Attachment B.
>
> ... The **cost of the bus aide should be identified** on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum. [This statement is contained four (4) times in Addendum 3.]
>
> ... **The cost of the bus aide will be used in the evaluation of cost provided by each vendor**.

Id. (emphasis added).

During the First Debriefing, Aaron Kimura stated on behalf of Robert's:

> There were calculation errors in the scores. For the pricing score, **proponents' supplemental rates were used, as stated in the initial RFP documents, but it was mentioned in an addendum that the Aides rate would be used in the pricing scores**; and used by RHSB. In the past two RFP series (Oahu and Big Island), the **RFP documents stated the use of the supplemental rates for pricing scores, but the DOE used the aide rates. This is misleading as RHSB strategized its bid rates based on what the Addendum stated**; regarding use of the Aide rates for scoring. (Summarized).

Christian Butt and James Kauhi both eventually agreed that it was an error to use the supplemental, rather than the aide rates, and this was part of the basis for the re-scoring of the proposals. On November 17, 2016, Mr. Butt telephoned Aaron Kimura and agreed that there was an error on this point. Mr. Butt stated that the language in Addendum 3 was in conflict with that of the RFP as to the financial scoring and the use of the aides rates versus using the supplemental rates and agreed with Robert's concerns.

During the Second Debriefing, Aaron Kimura raised the issue that the DOE *again* used the supplemental rate, and added the aides rate to the daily rate portion contrary to the RFP description in Addendum 3:

> Christian Butt: So you're saying then that we should have just used the supplemental rate… or just the aide rate?
>
> Aaron Kimura: No, the aide rate.
>
> Christian Butt: **So we should have just used the aide rate, that is your position?**
>
> Aaron Kimura: **That's not *our* position, that's what was in the addendum.**
>
> Christian Butt: Well, **that's your interpretation of reading it**…

The language above of Addendum 3 is unambiguous. Even the re-scoring erred on this issue to Robert's detriment. This error is clear and unmistakable. Based on the First Debriefing and the Second Debriefing, it appears the DOE agrees.

C. **The Rescoring Shows the Procedure was Arbitrary and Shows Bias**

The re-scoring of proposals without any changes to the materials being evaluated effectively created a double-blind study in the flawed and arbitrary nature of the DOE's re-scoring procedure. This is clear looking at the total scores for Robert's, Yamaguchi, and Akita (all clusters were scored identically):

ROBERT'S		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	50.25	59.25
Robert Joseph	45.00	50.25
James Kauhi	56.25	54.00
Bruce Ellerman	55.50	56.25

YAMAGUCHI		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	53.75	55.50
Robert Joseph	51.00	54.75
James Kauhi	59.25	54.00
Bruce Ellerman	53.00	53.00

AKITA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	49.75	59.50
Robert Joseph	54.25	54.25
James Kauhi	53.50	53.50

Bruce Ellerman	55.00	55.75

This data shows significant changes in scores, despite the fact that *nothing* changed in any of the proposals. This is the very definition of arbitrary.

Interestingly, James Kauhi, who had unlimited access to the pricing figures following the first scoring and the First Debriefing, *reduced* Robert's score by 4.00%, while *all other scorers increased their scores*, with an average increase of 9.95%. Mr. Kauhi was the only scorer to give a lower score (to any proponent) during the re-scoring process, and that single lower score was to Robert's.

Pualani Foster's score for Robert's increased by an astounding 17.91% to a score of 59.25 points. Ms. Foster also increased Akita's score by 19.60%, awarding 59.50 points.

It is unclear how scoring *identical* proposals could result in such varied scores. Given Mr. Kauhi and Mr. Butt's apparent confidence in the scoring panel, it is difficult to see how the rescoring would result in such drastic revisions when there was no change to the proposals submitted.

During the First Debriefing session, James Kauhi confidently stated that the Evaluation Committee was "hand-selected" and highly qualified. Furthermore, Mr. Butt described the committee members to be "well versed, competent and qualified." However during the Second Debriefing, Mr. Kauhi and Mr. Butt stated that they "didn't have confidence in the veracity of their scoring.." and "I did not have high confidence to decide which of the differing scores were the right ones....not terribly confident in knowing exactly what was my true score." This highlights yet another flaw in the re-scoring procedure employed by the DOE.

D. **The Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

HRS § 103D-101 provides in relevant part:

> (a) **All public employees shall conduct and participate in public procurement in an ethical manner**. In conducting and participating in procurement, **public employees shall**:
>
> (1) Act as a fiduciary and trustee of public moneys;
>
> (2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;
>
> (3) Act only in the public interest;
>
> (4) Abide by the statutes and administrative rules relating to public procurement;

> (5) Identify and maximize efficiencies in the public procurement process;
> (6) Encourage economic competition by:
> (A) **Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment**; and
> (B) Researching innovative goods and services to meet the public's needs;
> (7) **Avoid the intent and appearance of unethical behavior**;
> (8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;
> (9) Maintain confidentiality in a manner that ensures a fair procurement process;
> (10) **Remain impartial in dealings** with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and
> (11) **Identify *and eliminate* any conflicts of interest**.
> * * *
> (c) **All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith**.

HRS § 103D-101 (emphasis added). Further, HAR § 3-120-1(a) outlines the following purposes of the rules, which are aimed to "promote economy, efficiency, and effectiveness in the procurement of goods and services… for the State and counties":

> (1) Simplifying, clarifying, and modernizing the law governing procurement;
> (2) Requiring the continued development of procurement policies and practices;
> (3) Making the procurement laws of the State and counties as consistent as possible;
> (4) **Ensuring the fair and equitable treatment of all persons who deal with the procurement system of the State and counties**;
> (5) Providing increased economy in procurement activities and **maximizing best value to the fullest extent practicable**;
> (6) **Fostering effective broad-based competition within the free enterprise system**;
> (7) **Providing safeguards for the maintenance of a procurement system of quality and integrity**; and
> (8) **Increasing public confidence in the procedures followed in public procurement**.

HAR § 3-120-1 (emphasis added).

Here, it is clear that there were numerous conflicts of interest. One such conflict of interest involved Robert Joseph. Mr. Joseph was selected as an evaluator by James Kauhi, Manager of the DOE Student Transportation Services Branch. Mr. Kauhi is Robert Joseph's manager. In addition, Mr. Joseph is married to Mr. Kauhi's sister. The result is that two out of four evaluators were directly related, raising serious issues of partiality and conflict.

In addition, Ms. Foster, the DOE's Kauai Transportation Officer ("TO"), is believed to have approximately 2 years of experience as a TO with the student transportation industry, with that experience being limited to duties on the Island of Kauai, handling "older" contracts for student transportation services. Ms. Foster was not qualified to reasonably evaluate Robert's proposal, and it is highly likely that her evaluation and scores were based on influences from Mr. Joseph and Mr. Kauhi. Furthermore, Ms. Foster's role as an evaluator is a break from the DOE's past practice of not using on-island TO's to evaluate proposals within their own districts. In addition, Ms. Foster's drastic change in scoring (an 18% discrepancy for Robert's and an average 13.33% change for all bidders), shows her lack of experience as a significant issue, and that she was not fit to serve as an evaluator.

Finally, Mr. Kauhi stated to Robert's that the evaluation of its proposal could be affected if the working relationship between Robert's Maui Operations Manager (Kris Kim) and Joseph (acting as Maui TO) did not improve. Apparently Mr. Kauhi also discussed historical difficulties with Ms. Kim during his tenure as the DOE's Maui TO.

The following table shows Mr. Joseph's scores compared to the average of other evaluators for the Maui and Kauai RFPs:

RFP	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Maui	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	2.50	4.00	2.00	48.75
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	2.75	3.00	4.00	2.00	55.50
Kauai	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	54.00
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	3.00	3.00	4.00	2.00	55.25

The various conflicts of interest present during the scoring process resulted in significant bias against Robert's. This bias was allowed to further permeate the scoring process through the "**one-day collaboration** with all four evaluators" that Mr. Kauhi noted took place while he discussed the scoring process during the First Debriefing (cited above in full). This "collaboration" was in violation of the terms of the RFP, which specifically stated that, "The members of the committee **will evaluate each proposal individually**." See, RFP at p. 9 (emphasis added). It appears Messrs. Kauhi and Joseph used this meeting to influence the other panelists. In Mr. Kauhi's words, this meeting was, "an opportunity to voice their perspectives, their concerns there, interpretations if you will. And whether it had an influence **or whether my**

interpretation had an influence on another evaluator's interpretation, same thing **would be entirely up to each individual right…**" Thus, Mr. Kauhi admits the possibility or probability that his interpretation influenced other evaluators, yet he dismisses this improper influence stating the decision on whether to follow his recommendation was "entirely up to each individual". It is for this very reason that the RFP submissions were intended to be evaluated individually, and the scoring clearly shows that Mr. Kauhi's "interpretation" *did* have a strong influence on other evaluators.

Mr. Kauhi also failed to raise important issues during this "collaboration" as to Robert's performance when compared to others operating within the same market. For example, based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with **21.5 missing assets, compared with GTI's 245***. Mr. Kauhi knew this information, yet was selective in whether to provide it to other scorers or to raise it in the "collaboration" process.

The "collaboration" process also allowed Mr. Joseph to negatively influence the minds of other panel members by raising complaints regarding Robert's Maui Operations Manager. As noted earlier, the scoring panel was "hand-selected" by Mr. Kauhi. It appears Mr. Kauhi selected Mr. Joseph not only because he could exert influence over him, but also because Mr. Kauhi knew that Mr. Joseph would have negative feelings towards Robert's from his position as Maui TO.

The data in both the initial and re-scoring process shows clearly that Mr. Kauhi and Mr. Joseph worked together to influence the process by raising issues that would be detrimental to Robert's, while failing to discuss *actual data* that was known to all and in Robert's favor.

E. Evaluations Were Inconsistent with the Stated Scoring Method

Mr. Kauhi had previously explained to Robert's that a respondent would receive the maximum possible points for each category, if minimum requirements were met. The scores from each evaluator, including Mr. Kauhi, show significant inconsistency for the same categories when Robert's proposal is compared to other proposals. The following table shows the RFP scores by all evaluators, and clearly shows that Mr. Kauhi, and Mr. Joseph did not score according to the stated method:

KAUAI	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	**60.00**
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	**54.00**
Joseph	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	**50.25**
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	2.25	2.25	4.00	2.00	**56.25**
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	2.25	4.00	2.00	**59.25**
Avg.	**2.81**	**2.81**	**9.00**	**6.00**	**7.31**	**13.13**	**2.81**	**2.81**	**2.25**	**4.00**	**2.00**	**54.94**
Yam. Avg	3.00	2.63	8.44	6.00	7.88	12.19	3.00	2.44	3.00	3.75	2.00	**54.33**
Akit. Avg	3.00	2.81	9.00	6.00	7.88	13.13	2.81	2.81	2.81	4.00	1.50	**55.75**

1. Category 1: Transmittal Letter

One example of inconsistent scoring on this issue is for category 1, dealing with the Transmittal Letter. This section had 3 points possible. In this section, Robert's noted that "RHSB shall pursue Proposal Option A" and further that it was bidding on "(Multiple clusters, unlimited award) for all three (3) Clusters."

Despite Robert's satisfying the requirements of this section, Joseph scored just 2.25 points, stating wrongly that, "Proponent failed to provide a list of the three clusters they are bidding for." Other scorers fully recognized that Robert's satisfied all of the requirements of this section.

2. Category 2: Executive Summary

In this category, Robert's highlighted numerous reasons why it is well suited to the State's requirements, including its presence on Kauai for over 30 years, its existing fleet of 22 school buses, , 23 certified school bus drivers, 6 maintenance personnel, 7 administrative support personnel, 10 additional bus drivers, and an existing baseyard that is geographically situated to accommodate each services cluster.

In the scoring, Mr. Joseph scored 2.25 points out of the possible 3 points for the category. Similar to the Maui RFP, Mr. Joseph questioned Robert's existing baseyard and asked for reasoning behind Robert's having a north shore baseyard. He further asked the hypothetical question as to whether Robert's would "consider a westside baseyard" if awarded the Waimea cluster. Mr. Joseph made no such comments as to Yamaguchi's proposal, despite the fact that it merely states, "We have base yard [sic] located near schools and near students' homes that makes us familiar with both." A deduction was made to Yamaguchi's score only because the statement that it "has more than 10% spare busses & CDL Drivers" was unclear. Similarly, Mr. Joseph's evaluation of Akita raises serious concerns regarding two recent incidents and "inability to end route cancellation" as stated in the comments, yet Akita is awarded the same score as Robert's.

3. Category 3: Qualifications & Experience

Robert's and Akita both received full points for this category despite the fact that Robert's has significantly more capacity and experience.

4. Category 4: Reference and Testimonials

Mr. Joseph awarded the full 6 points to Akita, despite raising serious concerns in his comments. The comments include disputing a statement that Haiku and Hana contracts were not renewed by the DOE, and that Akita "turned it down due to driver shortage caused by employee dispute." Mr. Joseph also notes that the reference letters provided by Akita did not relate to

home-school-home school bus service. It is unclear why Akita received full points on this section.

5. Category 5: Proponent's Service Approach

Robert's received a score of 6.75 from Mr. Joseph, who commented regarding Robert's "preparedness to acquire a baseyard location on north shore" stating "...so what if Waimea cluster was awarded to RHSB." Yamaguchi received the full 9 points for this category despite the fact that its nearest baseyard to the Waimea cluster is located in Kalaheo. Akita also received full points for this category, with Mr. Joseph stating only that "rank changed to CR" because baseyard concerns were addressed during Akita's interview.

Mr. Kauhi also awarded just 6.75 points to Robert's in this category. Somehow Yamaguchi received an identical score from Mr. Kauhi, despite that he raised serious concerns as to its ability to integrate with the DOE's data systems and also as to Yamaguchi's failure to respond satisfactorily as to protocols for emergency situations.

6. Category 6: Commitment to Safety

This category had a possible 15 points per evaluator. Mr. Joseph awarded just 11.25 points, stating, "Much of this section referred to RHSE's overall practices statewide and one could assume that those values & practices will be taught and practiced there on Kauai, however, very little if any factual data directly related to RHSB's Kauai operations itself was provided..." Yamaguchi received an identical score despite failing to show proper protocol as to accidents and follow up in safety meetings.

Mr. Kauhi also awarded just 11.25 points on this category. He states, "Presentation does not sufficiently [show] how metrics...changed over the years." Robert's proposal outlines the metrics used, by Robert's, and further states that Robert's is "consistently reviewing and improving existing procedures and processes."

7. Category 10: Financial Stability

Robert's is clearly in a stronger financial position than both Yamaguchi and Akita, yet all arbitrarily received the same score.

F. **DOE Did Not Abide by the "Fair and Equal Standard"**

HAR § 3-122-53 requires the fair and equal treatment with respect to discussions and revisions of proposals:

* * *

(d) Priority-listed offerors ***shall*** **be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.**

(1) **Any substantial oral clarification of a proposal shall be reduced to writing** by the priority-listed offeror;

(2) If during discussions there is a need for any substantial clarification or change in the request for proposals, **the request for proposals shall be amended by an addendum to incorporate the clarification or change.**

* * *

Id. (emphasis added). This standard was not followed by the DOE in subsequent discussions with priority listed offerors.

G. **Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.

(1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;

(2) **Private consultants** may also serve on the committee and shall:

(A) Have sufficient knowledge to serve on the committee;

(B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and

(C) **Sign an affidavit**:

(i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
(ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
(iii) **Agreeing that their names will become public information** upon award of the contract;

(3) The contract administrator shall serve as a member of the committee;

(4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

IV. CONCLUSION

HRS 103D-701(b) allows the DOE to, "settle and resolve a protest concerning the solicitation or award of a contract." This section precludes any further actions taken in furtherance of establishing or completing the contract, but not actions to terminate or cancel the contract. International Display Systems, Inc. v. Okimoto, 2013, 300 P.3d 601, 129 Hawai'i 335. Further, under HAR 3-126-7(d), "...If the protest is sustained, the available remedies include, but are not limited to, those set forth in this section and subchapter 4..." Under HAR 3-126-38 (part of subchapter 4), when there is no bad faith by the contractor, and "[i]f the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated..." HAR § 3-126-38(a)(3) (emphasis added). Please note the use of the term "shall".

It is Robert's sincere desire that the DOE does what is required to correct the errors thus far in the process. Robert's further requests that the DOE take all necessary action ensure that all scoring documents, notes, other electronic materials, and any and all other relevant records be preserved by all panel members and others involved in the procurement process.

Clearly there was and is still time to resolicit bids. Robert's requests that this action be taken to avoid any further prejudice to the proposers.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
ATTORNEY GENERAL

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DEPARTMENT OF THE ATTORNEY GENERAL
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January 20, 2017

Mr. Jonathan S. Moore, Esq. *(via hand delivery)*
Mr. Charles D. Hunter, Esq.
Kobayashi Sugita & Goda LLP
999 Bishop Street, Suite 2600
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s Protest of Award of RFP No. D17-001 and RFP D17-002 -- Award of Contract After Receipt of Protest

Dear Mr. Moore and Mr. Hunter:

We are in receipt of your January 18, 2017 e-mail to Superintendent Matayoshi and Mr. Christian Butt. In your e-mail, you cite HRS § 103D-701(f) which imposes a stay on contracting activity when a timely protest has been received by the agency issuing the solicitation unless the chief procurement officer of the agency makes a written determination that award is necessary without delay to protect substantial interests of the State. The DOE has made such a determination and I have attached a copy for your reference. On the basis of the substantial interest determination, the DOE is proceeding to award contracts under the two subject solicitations and is also preparing a response to your protest of those solicitations.

Very truly yours,

James E. Raymond
Deputy Attorney General
Education Division

attachment

c: Client

Received By:_____ Date:_____

676965_1.DOC

Exhibit "D"

JAN 20 2017

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

January 11, 2017

TO: Kathryn S. Matayoshi, Superintendent

THROUGH: Dann Carlson, Assistant Superintendent
Office of School Facilities And Support Services

FROM: James Kauhi, Branch Manager
Student Transportation Services Branch

SUBJECT: **Determination of Substantial State Interest in Contracting Activity Relating to Request for Proposals RFP D17-001 and RFP D17-002 for School Bus Services on the Islands of Maui and Kauai**

Your approval is requested for a Determination of Substantial State Interest in continuing solicitation and contracting activity relating to the Subject Projects.

Background

In an effort to address concerns of spiraling cost escalation and in response to recommendations from an August 2012 report by the State Office of the Auditor, and a November 2012 report by Management Partnership Services, Inc. ("MPS"), an independent consultant of the Department of Education ("DOE"), the DOE has undertaken an overhaul of the contracting process for bus service. Requests for Proposals were issued for Bus services on Oahu and the Big Island in previous years, and were recently issued for Maui and Kauai.

In July 2016, the Student Transportation Services Branch (STSB) released the final round of Requests for Proposals to support the transportation reform effort that started in July 2013. The final two islands to be incorporated into the reform process were the islands of Maui and Kauai. RFP D17-001 for Maui and RFP D17-002 for Kauai were issued on July 20, 2016. On November 1, 2016 Notices of Award were first provided to vendors with Cluster 1 awarded to Robert's Hawaii School Bus, Inc. (RHSB) and Clusters 2 through 4 awarded to Ground Transport, Inc. (GTI) for Maui, and Cluster 1 to Yamaguchi Bus Service, Inc. (YBS) and Clusters 2 and 3 to Akita

Enterprises, Ltd. (AEL) for Kauai. Following a debriefing meeting with RHSB on November 16, 2016, notices were distributed to all participating vendors rescinding the initial award in order to allow for a rescoring of the responses. On November 30, 2016 the evaluation committee met to rescore the responses and on December 5, 2016 updated Notices of Award were distributed to the vendors. While there were small adjustments to the individual scores, the awards as previously discussed remained unchanged.

In a letter dated December 23, 2016, RHSB mailed the DOE two formal protests objecting to the award of the solicitations for Maui and Kauai. These protests were received by the DOE on December 27, 2016. RHSB alleges in both its protests that the DOE failed to follow the criteria set forth in the RFP for scoring and that the evaluators were both unqualified and several were biased.

All contracting and procurement activity was suspended pending the resolution of the protest as required by Hawaii Revised Statutes ("HRS") §103D-701(f) which states:

> (f) In the event of a timely protest under subsection (a), no further action shall be taken on the solicitation or the award of the contract ***until the chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the State.*** (emphasis added)

Additionally, Hawaii Administrative Rules ("HAR") §3-126-5, in relevant part states:

> .....no further action shall be taken until the protest has been settled, ***unless the chief procurement officer makes a written determination, after consulting with the head of the purchasing agency, that the award of the contract is necessary to protect the interests of the State.*** (emphasis added)

Substantial Interests of the State

For the following reasons, the Student Transportation Services Branch requests that the Chief Procurement Officer approve this determination that further contracting activity must be undertaken as soon as possible, but no later than January 11, 2017 to protect the substantial interests of the State.

1. The DOE has a mandate to provide compulsory education for students in grades Kindergarten through 12th grade. See Article X of the Hawaii State Constitution. Within this mandate is the authority to transport students safely to and from school. See HRS §302A-406. The resulting contracts from this current solicitation will provide bus service to approximately 10,000 students commencing on the first day of school, which is August 7, 2017. See DOE Official Calendar. If the services to be provided through this solicitation cannot be delivered on August 7, 2017, these students will be without subsidized transportation. Without subsidized transportation, some students will have no other method

to get to school and thus, are less likely to attend school. For those students who are fortunate enough to be able to arrange alternate transportation, attending school will come at other costs that will likely include disruption in their caretakers' arrangements resulting in missed work and other various social and economic impacts such as an increase in the number of cars on the road during rush hour traffic. In addition, some students may resort to walking or taking public transportation which may expose them to a number of other safety concerns. The forgoing adverse impacts will only be compounded for each day transportation services are not provided.

2. In order to have transportation available beginning August 7, 2017, several critical milestones must be accomplished in sequence in order for the vehicles and the supporting infrastructure to be in place for the start of school. The critical events are set forth in reverse chronological order:

   a) Acquisition of fleet assets: GTI indicated they must order buses no later than January 13, 2017 to have them available for the start of the contract as indicated by their letter dated December 14, 2016. AEL indicated they must order buses by January 15, 2017 as stated in their letter dated December 13, 2016. YBS indicated they must order buses no later than January 12, 2017 as indicated in their letter dated December 12, 2016. This contemplates 90 to 120 days for the manufacturer to fill the order, and then allow for the logistical challenge of shipping them to Hawaii. Shippers typically have to book space on transport vessels months prior to the actual shipping event. See State Auditor's Report Aug. 2012, pg. 27. RHSB is the existing vendor on Maui and currently possesses an excess of equipment required to perform the contract on that island for Cluster 1 and does not face the challenge of ordering new equipment. As awarded, RHSB is not scheduled to perform work on Kauai.

   b) Dry runs for all bus routes: This must occur within 10 calendar days of the start of the contract (start of school) which places the latest date for this to occur as July 24, 2017. See RFP Contract Service Specifications 2(f)(i). The purpose of the dry runs is to ensure the planned routes are feasible and allow sufficient time to adjust routes to ensure they run smoothly on the first day of school.

   c) DOE start up meetings with vendors: This must occur prior to the dry runs and must occur no later than the week following the July 4th, 2017 holiday break as we have done over the last two startups for the contracts using the new RFP methodology. The purpose of the meeting is to make all vendors aware of the statutory, regulatory, and procedural requirements for the provision of transportation to Hawaii's students. Vendors must be made aware of these requirements prior to the dry runs to ensure actual simulated conditions during the dry runs in order for the DOE to evaluate and monitor compliance, and make any necessary corrections or adjustments prior to actual transportation of students.

d) Vendor recruitment of drivers, bus aides, and other personnel: Based on previous experience on other islands and the experiences of DOE's transportation management firm, this process will take approximately 3 months and must begin no later than May 1, 2017. The time for this process is further impacted by the requirement to obtain fingerprinting and background checks which often adds delays to this process. This is particularly important for services on the island of Maui where the winning vendor will be required to stand up a new operation supporting 63 percent of all operations without existing facilities on the island.

e) Land/base of operations acquisition: It is estimated that this process will require six months resulting in the date the acquisition activity must begin is on or about January 13, 2017, at the latest. As mentioned, GTI who will be serving the largest portion of operations on Maui will be required to standup a completely new operation. Additionally, the structure of this RFP again disrupts the traditional geography served by current vendors. Consequently, the need for new facilities will impact both current and new vendors. As it is across nearly all islands, commercial land is at a premium on the island of Maui, which will necessitate an extensive search and negotiation process in order to ensure that vendors are able to find and secure the facilities required to provide the transportation services. The DOE's transportation management vendor estimates that this six months is an aggressive but feasible timeline. This estimate was confirmed when the three winning vendors (except for RHSB) were polled to determine what is the latest date of award that would allow them to timely perform the contracts – they all indicated that notice of award would be required by approximately January 13, 2016. RHSB has indicated in its two protests that it believes that, as of Dec. 23, 2016, there was still time to re-solicit the bids, so it was not polled and deemed able to perform if notified along with other winning bidders.

f) Given the chain of events that must occur prior to providing service on the first day of school, the final notice of award must be provided no later than January 13, 2017.

3. There will be a significant economic impact if the 113 affected buses on Maui and the 65 buses on Kauai (RFP D17-001 and D17-002 Attachment B) are not operating for the start of school. The 178 bus driver positions will not be contributing to the local economy, as well as the trickle-down effect of the business generated by this service.
4. Further delay will impact the ability of the State to realize the pricing and operational efficiencies provided for in the RFPs. Total costs are expected to be reduced by approximately $750,000 annually for these two islands or approximately $5.3 million over the seven year term of the contracts. However, these savings will not be realized and service quality would likely be jeopardized if the necessary timelines are not provided for.

Should you have any questions, please contact James Kauhi, Student Transportation Services Branch Administrator, at 586-0170.

☑ APPROVED ☐ DISAPPROVED

FOR KATHRYN S. MATAYOSHI
SUPERINTENDENT

JAN 1 1 2017
DATE

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February 6, 2017

Via Electronic Mail
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James.e.raymond@hawaii.gov

Re: Robert's Hawaii School Bus, Inc.'s ("RHSB") Protest of Award of RFP No. D17-001 and RFP D17-002 (the "Protests")

Dear Mr. Raymond:

This letter is to follow up on our letter dated January 27, 2017 regarding interference with Robert's Maui operations by Mr. Robert Joseph, and also to address the inexcusable delay by the DOE in responding to Robert's Protests, while simultaneously pushing forward on unlawfully awarded contracts.

Robert's requires immediate action by the Department of Education ("DOE"), or it will be forced to initiate further legal proceedings as outlined below.

I. All Communications Regarding or Related to the RFP and Protests Should Be Conducted Through Legal Counsel

In a telephone conversation that took place on January 30, 2017, Mr. James Kauhi discussed Mr. Joseph's inappropriate conduct with Ms. Gail Sagiao (a Robert's employee). Mr. Kauhi made specific reference to the letter sent to you on January 27, 2017, stating further that "Mr. Carlson called me and asked me to remind everyone on my evaluation team…Robert, Pua, Bruce, myself… that because there is a challenge to the RFP, that we should not be discussing anything that has to do with the RFP with everybody until the legal matter is settled." Despite that instruction, Mr. Kauhi then proceeded to discuss the matter with Ms. Sagiao in detail, including offering defense of Mr. Joseph's (Mr. Kauhi's brother-in-law) actions.

Exhibit "E"

The DOE and your office have made clear that all communications should be conducted through legal counsel. Specifically, your letter dated January 18, 2017 made clear that, " [The] Rules of Professional Conduct, specifically Rule 4.2, be carefully observed in this matter and that any further communications related to this matter be made through this office and not with the DOE, unless a communication is expressly required to be made directly to the DOE by statute or rule."

Although we recognize that DOE employees are not specifically subject to HRPC, Rule 4.2, we ask that your office make clear to the DOE that it should not be discussing the merits of the Protests with Robert's employees. Again, Robert's has existing contractual obligations to perform, and the DOE should not be taking the time of Robert's employees, and distracting them from their duties, in order to assert their personal views on this matter.

II. Discussions Regarding "Transition" Are Premature

Mr. Kauhi's discussion with Ms. Sagiao centered largely around the "transition" of the contracts from Robert's to the incoming vendor. This included discussion about the DOE's past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity. In that discussion, Mr. Kauhi stated, "I am concerned with transition discussions that we have to have moving forward…" He also raised concern that any such "transition" discussions could be used against the DOE.

At this point in time, Robert's has submitted its Protests and has had no response from the DOE for over a month. Under Hawaii Revised Statutes ("HRS") § 103D-701(c), the chief procurement officer or designee, "***shall promptly*** issue a decision in writing to uphold or deny the protest." (emphasis added). Rather than promptly issuing a decision in writing, the DOE has done nothing. Instead, it has pushed forward with awarding contracts resulting from the flawed RFP process.

Further, both HRS § 103D-701(f) and Hawaii Administrative Rules § 3-126-5 require that no further action be taken on the solicitation or the award of the contract until the "chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect the substantial interests of the State." We note that such a determination was apparently made by the State on January 11, 2017, although we disagree with that determination, particularly as existing contracts could have been extended with no interruption to service. That being said, it appears the DOE is set on charging ahead with these contracts, despite the fact that nothing has been done to address the Protests or the underlying flaws with the RFP and procurement process.

In addition, Robert's raised significant concerns with the RFP process both before and after the DOE awarded contracts to other vendors. To the extent that HRS §§ 103D-706 and 707 both contemplate situations where the contracts may be declared null and void, it appears inappropriate for the DOE to be solely focused on pushing forward on a "transition" when it should be working to determine if Robert's Protests raise valid concerns.

Robert's is not prepared to accept that "transition" is the only possible outcome, and believes it is inappropriate for the DOE to be having discussions on that topic with Robert's employees.

III. Mr. Kauhi's Characterization of Robert's Position is Incorrect

Despite Mr. Kauhi not being present when Mr. Joseph was discussing recruiting matters related to Ground Transportation Incorporated's ("GTI's") performance with Robert's employees (as outlined in our prior letter dated January 27, 2017), he attempted to convince Ms. Sagiao that the alleged "inappropriate behavior by Mr. Joseph" merely consisted of statements related to bringing about a smooth transition between contracts. That is not factually correct.

First, it appears that Mr. Kauhi believes the only conversation that Mr. Joseph had took place with Kris Kim, which is not the case. Mr. Joseph also had multiple other conversations that were the primary source of contention, and the reason for our prior letter. As previously noted, those conversations were specifically aimed at "alerting" Robert's employees to the transition Mr. Joseph believes is taking place, further encouraging them to seek employment with GTI by visiting GTI's Oahu facilities. We need not rehash the impropriety of those statements, but would like to reiterate that Mr. Joseph has already caused irreversible damage to the stability of Robert's operations as employees now believe their jobs may be at risk based on his statements. As such, Mr. Joseph should be prohibited from having any further communications with Robert's employees.

Second, Mr. Kauhi characterized the current situation between Robert's and the DOE as being similar to a "pending divorce" and further that in such a situation, "your opponent is going to throw everything at you to discredit you and the people you work for." In making this statement, Mr. Kauhi implied that Mr. Joseph's prior statements were "misinterpreted" and used against him and the DOE because "corporate Robert's has a serious issue with Kathy Matayoshi". These dismissive statements are untrue, and Mr. Kauhi should not be making any such allegations to Robert's employees.

Finally, it should be noted that on December 19, 2013 by way of email sent at 10:00 a.m. to Aaron Kimura of Robert's with copy to Bruce Ellerman, Mr. Kauhi pointed out the importance of avoiding "employee attrition" during transition periods. Clearly Robert's was not given the same deference here. The relevant portion of Mr. Kauhi's prior email states:

> **Our *most prominent concern* is avoiding employee attrition**, where bus drivers and aides **prematurely transition from one employer to the next because of uncertainty**. It is our desire to mitigate any instance of service disruption. We trust that all of our vendor partners will agree. While we know it is important for incoming vendors to secure a qualified team of experienced drivers and aides as quickly as possible, **it is equally important to ensure that those efforts do not disturb existing levels of service**. For this reason, we are **asking incoming partners to delay all**

> **attempts to approach current bus drivers and aides <u>until current vendors agree to making their employees available for such discussions</u>**. Your cooperation on this front is paramount to protecting student health and safety.

Id. (emphasis added). This is precisely the reason that Robert's finds Mr. Joseph's actions so objectionable. Please let us know if you would like us to furnish you with a copy of this email.

IV. Robert's Disputes the Determination of Substantial State Interests

On January 17, 2017, Robert's received a contract for execution in relation to Maui Cluster 1 (Makawao), which was awarded under RFP No D17-001. Robert's and this law firm were surprised to receive this contract given it submitted its two Protests nearly a month prior with no response from the DOE. Robert's was under the assumption that the DOE was carefully reviewing the merits of the Protests so that it could rectify the numerous problems presented, and solicit new proposals given the clear errors and problems with the prior awards. Instead, it appears the DOE charged forward with its awards, simply turning a blind eye to Robert's concerns. It appears the DOE believes that the further it can progress towards implementing the wrongfully awarded contracts, the less likely its actions will be overturned. This is the reason why, "Under most circumstances, public projects cannot proceed while a protest is pending." Nihi Lewa, Inc. v. Dep't Of Budget And Fiscal Services, 103 Hawai`i 163, 167, 80 P.3d 984, 988 (2003)

Further, Robert's only became aware of the DOE's Determination of Substantial State Interests ("DSSI") when your office responded on January 20, 2017 to an email this law firm sent to the DOE two days prior following up on Robert's Protests. That prior email specifically cited HRS § 103D-701(f), which imposes a stay on contracting activities when a timely protest has been received by the agency issuing the solicitation. It is unclear why the DOE did not immediately inform all proposers when the DSSI was issued on January 11, 2017. Robert's finds the secretive issuance of the DSSI to be highly suspicious.

As to the merits of the DSSI, there are none. The only stated bases for the DSSI are that, (1) school bus service must begin on August 7, 2017, (2) to meet the aforementioned deadline, "several critical milestones must be accomplished," including acquisition of fleet assets, dry runs for bus routes, DOE start up meetings with vendors, vendor recruitment, and land/base of operations acquisition, (3) that there will be a significant economic impact if the 178 bus driver positions are not put in place immediately, and (4) that delay will impact the State's ability to "realize the pricing and operational efficiencies provided for in the RFPs."

As to issues (1) and (2) above, this is a problem of the DOE's own making that could be easily cured by an extension of Robert's existing contracts while the Protests are reviewed. The DOE has already mentioned to Robert's its past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity, as noted above. Extension of Robert's contracts would easily solve this problem. Further, allowing the DOE to

press forward on the improperly awarded contracts on this basis will serve as a perverse incentive for all State procurement agencies to delay the issuance of any RFP to the point where the State will be harmed if not permitted to move forward, regardless of faults in the procurement process. Surely the DOE and other agencies should not be permitted to delay the issuance of RFPs to the point where there is no time to review valid protests before issuing awards. The Procurement Code is already designed to accommodate expedited review, and that review would have been completed already if the DOE had not delayed addressing the Protests by over a month. This dubious practice is inconsistent with the purposes of the procurement code, which are to (i) provide fair and equitable treatment of all persons dealing with the government procurement system; (ii) foster broad-based competition among vendors while ensuring accountability, fiscal responsibility, and efficiency in the procurement process; and (3) increase public confidence in the integrity of the system. See, Sen. Stand. Comm. Rep. No. S8-93, in 1993 Senate Journal at 39; CARL Corp. v. State, Dept. of Educ., 85 Hawai'i 431, 455-56, 946 P.2d 1, 25-26 (1997). These issues, "cannot be ignored when determining whether it is in the best interests of the State to ratify an unlawfully awarded contract." Id.

It should also be noted that the above timing problems are the direct result of the DOE selecting GTI on Maui, a vendor with no current operations on the island. This was an issue raised in Robert's Maui Protest, which highlighted the fact that Robert's has had a presence on Maui for over 30 years, has an existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 base yards. In particular, Mr. Joseph somehow scored GTI with maximum points, while providing a lower score to Robert's. This issue was covered in detail in Section III.E of Robert's Maui Protest.

Issue 3) above is a red herring. It assumes that other bus drivers will not be driving busses during the pendency of the Protests, which is logically and factually incorrect. Bus drivers are currently servicing routes, and will continue to do so until the new contracts are put in place. To argue that the "178 bus driver positions will not be contributing to the local economy" is simply fallacious reasoning.

As to the State's ability to realize "pricing and operational efficiencies" under (4), this is also unsupportable. The State is not entitled to "realize" these benefits (to the extent there are any) if they are obtained through unlawfully awarded contracts. To the extent the Protests are later denied, this risk is already contemplated by the procurement law, which requires a cash or protest bond directly related to the amount of the procurement. See, HRS § 103D-709(e). In addition, as discussed below Robert's would be prepared to post a bond to cover the risk of the apparent $750,000 "savings" that would occur in the first year if required to do so, although this solution has never been proposed by the DOE.

Finally, both HRS § 103D-701(f) and HAR § 3-126-5 state that no further action shall be taken until and unless "**the *chief procurement officer* makes** a written determination" that the award is necessary to protect the interests of the State (emphasis added). The DSSI dated January 11, 2017 is not a written determination *by* the chief procurement officer, here Kathryn S. Matayoshi. Rather, it is a memo *from* James Kauhi (who is implicated in numerous ways of

biased conduct as noted in the Protests), "*through*" Dann Carlson, Assistant Superintendent, *to* Kathryn S. Matayoshi. It is *not* a determination by Kathryn S. Matayoshi herself. This memo states, "*Your approval is requested* for a Determination of Substantial State Interest.." and thus cannot be the actual Determination. The memo is then signed "for" Superintendent Matayoshi by Dann Carlson, which also appears improper if this document is intended to be the actual DSSI, and not simply a request for one.

Overall, the DSSI is logically and factually incorrect and should not serve to thwart the purposes of the Procurement Code.

V. Robert's Will Initiate Further Legal Action Due to the State's Lack of Response

"The overall framework of the Hawai'i Public Procurement Code indicates that the Legislature ***intended to create an expeditious process for resolving disputes*** over the awarding of contracts. See CARL Corp. v. State, 85 Hawai'i 431, 453, 946 P.2d 1, 24 (1997) (emphasis added) ("the [Procurement] Code both shortens deadlines for filing protests and applications for review and expedites the administrative hearings process"). By delaying any response to Robert's Protests while moving simultaneously forward with the unlawfully awarded contracts, DOE is working in direct contravention to the legislative intent of the Procurement Code. It does not seem consistent with this intent that Robert's should be forced to submit its Protests within five working days of its debriefings, so that the DOE can delay any response for nearly two months.

Robert's is entitled to an expeditious remedy and will take immediate action to pursue its rights. If a response to the Protests is not received by **Thursday, February 9th, 2017 at 4:00 p.m.**, Robert's intends on filing an action either with the DCCA or in the Courts so that it can limit the damage caused thus far by the DOE's inexcusable actions.

Finally, Robert's will be seeking documents from the DOE, either during administrative or court proceedings, or through a Uniform Information Practices Act (Chapter 92F) request. Robert's will be requesting all communications between the DOE and any vendors, documents and communications regarding internal discussions regarding Robert's, and specifically communications between the members of the scoring panel. Please instruct your client as to the importance of the preservation of evidence, including all emails, text messages, memos, and other relevant documents so that we can be sure these records remain intact.

VI. Robert's Is Prepared to Discuss Resolution Prior to Taking Further Action

As you know, HRS § 103D-701 allows the chief procurement officer or a designee to settle and resolve a protest concerning the solicitation or award of a contract, prior to the commencement of an administrative proceeding. There has been no effort on the DOE's part to settle and resolve the Protests; however, Robert's is still willing to engage in those negotiations.

To that end, Robert's is prepared to post a bond for the full $750,000.00 claimed by the DOE as its "savings" from operational efficiencies during the first year, if the DOE will halt any further action towards pursuing the protested contracts until the Protests have been resolved. Robert's is also willing to stipulate to an extension of its existing contracts so that there will be no interruption to services if a new vendor is not in place by August 7, 2017. These two concessions on Robert's part should allow the DOE to step back and follow the proper procedure contemplated by the Procurement Code. Robert's believes the option of resolving the Protests will not be available once it commences other legal proceedings. Thus, time is of the essence as Robert's will take immediate action following the above stated February 9th deadline.

We appreciate your consideration of these matters.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

From:	Susan M. Koide
To:	James.E.Raymond@hawaii.gov
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	RHSB"s Protest of Award of RFP #D17-001 and RFP #D17-002
Date:	Monday, February 06, 2017 3:16:05 PM
Attachments:	img-206150813-0001.pdf

Mr. James Raymond,

Please see the attached letter dated February 6, 2017 from Jonathan S. Moore, Esq. and Charles D. Hunter, Esq.

Thank you.

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GOVERNOR

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February 24, 2017

Jonathan S. Moore, Esq.
Charles D. Hunter, Esq.
Kobayashi, Sugita & Goda
999 Bishop Street, 26th Floor
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s
Protest of Awards for Request for Proposals No. RFP D17-002

Dear Messrs. Moore and Hunter:

The Department of Education (DOE) is in receipt of your protest on behalf of Robert's Hawaii School Bus, Inc. (RHSB) in the above referenced matter. The DOE finds numerous alleged quotes of DOE personnel cited in the protest. This can only be accounted for by the use of a recording device which the DOE was neither informed of prior to its use, nor given a copy of the resulting recording/transcript. In the future, we request that the use of any recording device be announced prior to the beginning of any oral exchange with DOE staff and that the DOE be offered a copy of the recording/transcript.

RHSB raises six issues in their protest – we respond as follows:

1. **RHSB Claims the DOE Did Not Abide By Its Own Stated Scoring Procedure**

   A. Robert's Claims the DOE Represented that Cost Evaluations Would Only Take Place AFTER the Completion of the Technical Evaluation

RHSB takes exception to the fact that the DOE rescored proposals after the evaluators were exposed to the pricing data during the initial evaluation. RHSB cites section C.2 of the Request for Proposals (RFP) in support of their assertion that the isolation of the pricing information was integral to the scoring methodology. RHSB argues that failure to keep the evaluation committee isolated from the pricing data in the subsequent re-scoring of proposals violated the terms of the RFP and thus nullifying the process. The relevant portion of section C.2 states:

> .....Cost will be a significant factor in the evaluation process. However, cost will be a factor only after the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources.
>
> .....C. Cost Evaluation – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the cost analyzed... [See Exhibit A]

Exhibit "F"

2017

> RHSB goes on to acknowledge in its protest on page six that the separation of the pricing data as part of the scoring process was presumptive on their part. RHSB states:
>
> **Presumably,** the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information in a *separate and sealed envelope.* [See Exhibit B]

The DOE acknowledges the pricing information was requested separately from the response; however it takes exception to RHSB's argument that the DOE was not permitted to accommodate the re-scoring process as it did. The DOE's position is supported on the basis of the following:

The Hawaii Public Procurement Code (Procurement Code) does not require that the evaluation committee make a final evaluation of the technical proposals prior to viewing the price proposals (what we will refer to as "blind" evaluation of the technical proposals). The two primary rules relating to how RFPs are to be structured and how proposals are to be evaluated are Hawaii Administrative Rules (HAR) § 3-122-46, Preparing a Request for Proposals and HAR § 3-122-52, Evaluations of Proposals. They contain no provisions requiring that evaluators be isolated from price proposals when evaluating technical proposals. The only requirement is that the award be based on price and the evaluation factors set forth in the RFP (see HRS § 103D-303(g); HAR § 3-122-57).

As RHSB points out in the protest, the DOE feels it is a good practice, but also explains that the RFP provisions relating to evaluating price proposals were included as an extra, but not required step (see statements attributed to Chris Butt on p. 7 and 9 of the protest). In fact, the DOE followed this process until the discovery of minor errors in the evaluation process necessitated a re-evaluation after the prices had become known to the members of the evaluation committee. This was not anticipated and no express provision of the RFP covered this circumstance, but it was not prohibited by the Procurement Code or by the RFP.

In a decision reversing an agency's inflexible adherence to procedural minutia, leading to the rejection of a low bid, a Hearings Officer concluded that the Procurement Code allowed for reasonable flexibility and quoted a Senate Committee Report on the bill creating the Procurement Code:

> This bill lays the foundation and sets the standards for the way government purchases will be made, but allows for flexibility and the use of common sense by purchasing officials to implement the law in a manner that will be economical and efficient and will benefit the people of the State.
>
> S. Comm. Rep. SS-93, Spec. Sess., Senate Journal at page 39 (1993) as quoted in: *The Systemcenter, Inc. v. State Dept. of Transportation,* p. 8, PCH 98-9 (December 10, 1998).

Another Office of Administrative Hearings decision, *Fletcher Pacific Construction Co., Ltd., v. State Dept. of Transportation*, PCH 98-2 (May 19, 1998) addresses an issue that arose during a flawed evaluation process for a construction solicitation. The central issue was whether or not the pre-award or post-award remedies should apply. After considering the options, the Hearings Officer

adopted the remedy to order the re-evaluation of the solicitation rather than cancelling the solicitation and starting over again. By doing so, the Hearings Officer avoided the more serious problem of requiring bidders to submit bids for a new solicitation **after** the original bid prices had been disclosed:

> In view of the findings and conclusions resulting from this hearing, it would appear that a fair, equitable, and expeditious resolution would be to remand the matter to the Respondent with instructions to: 1) withdraw its January 12, 1998 notification letter to Murphy stating that it was awarded the contract; 2) make a specific determination as to whether Murphy met the DBE good faith efforts goal [Disadvantaged Business Enterprise, a procurement preference], and if so; 3) make a specific determination as to whether allowing Murphy to add a licensed subcontractor to meet the soil treatment requirements after bid opening would be in the best interests of the State. **In other words, to fully and correctly perform (and document) the bid evaluation process as it should have been done, but without rebidding the project.** The Respondent could then proceed with an award - to either Murphy or such other responsive low bidder as might properly be selected from the remaining four bids.
>
> *****
>
> **Furthermore, the advantages such a remedy would include: minimizing the impact of the Respondent's errors on Murphy, on Fletcher, and on the other bidders; eliminating the substantial costs inevitably associated with the issuance of a new invitation for bids; protecting current bidders from the potential misuse of their now disclosed bid costs by other competitors; reducing further loss of time on initiating the underlying project; and, enhancing public confidence in the procurement code by its application in a manner consistent with the elements of common sense and legislative intent.** *Fletcher Pacific*, at p. 22 (emphasis added).

In *Fletcher Pacific*, the Hearings Officer, when confronted with a flawed evaluation process, determined that the best way forward was to have the state agency re-perform the evaluation process and adjust the award accordingly. This was much preferred over the alternative of re-bidding the whole project which would result in greater harm to the field of bidders – especially the potential misuse of the now disclosed bid costs. Obviously, there are many differences in the facts and context that generated the *Fletcher Pacific* decision, but it clearly shows that re-evaluation is not only allowed, but preferable in circumstances where the alternative is to re-bid once pricing has been disclosed. This is precisely the situation that the DOE was confronted with after the first debriefing and the resulting determination that the original evaluation of the technical proposals had some minor errors. And, like the Hearings Officer in *Fletcher Pacific*, the DOE made a carefully weighed judgment call and opted to re-evaluate. The minor impact of having to forgo "blind" evaluation of the technical proposals was outweighed by the benefits of avoiding the much more harmful impact of potential misuse of disclosed pricing information that would result from a re-bidding.

> RHSB stated that their "proposal strategy" relied on "blind" evaluation of the technical proposals as described in the RFP (see p. 4 of protest). However, the only reason for the DOE to take the "extra step" of structuring the RFP for "blind" evaluation was to add the extra measure of isolation from any possible influence that a proposer's pricing might have when evaluating the technical proposals – a belt and suspenders approach. RHSB did not state how their "proposal strategy" would be influenced or in any way be different if the RFP did not provide for "blind" evaluations. The DOE can find no basis that would cause a proposer to alter their "proposal strategy" by the inclusion or non-inclusion of a structural element to isolate evaluators from any potential bias – or how an additional safeguard against bias changed the way a technical proposal or pricing proposal was written.

Another factor that bears on the issue of "blind" evaluation of the technical proposals is that the evaluators were in fact exposed to the pricing information before scores were finalized. The RFP states in Section C.2 (d and e):

> *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score.** The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. **The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed**. [See Exhibit A]

So by the express process detailed in the solicitation, the evaluators were privy to the pricing information while still evaluating responses and before scores on the technical proposals were finalized. Therefore, RHSB's argument that the evaluators were barred from seeing the pricing data, as set forth under the terms of the solicitation, holds no validity. RHSB was a participant in the interview for the Maui award, and did not object to the evaluators revising their scores after having been exposed to the pricing information to determine the preferred vendors. The pricing scores were revised as part of the re-scoring based on a concern raised by RHSB, and so the evaluation committee awarded their points before they knew the revised pricing scores.

RHSB raised a concern in their first debriefing that the DOE did not follow the information in Addendum 3 by considering the bus aide rate in the price evaluation. The DOE, as part of its efforts to ensure fairness to all vendors, subsequently re-calculated the points to be awarded to each vendor through the cost proposals. This recalculation did not change any overall results regarding contract awards. Consequently, the previous price score the committee was exposed to were no longer valid. The re-scoring process for the cost portion of the proposals was performed

without providing these results to the committee while they were re-scoring the technical portion of the proposals. Ergo, despite there being no prohibition to the committee knowing the results of the cost portion scoring, re-scoring was performed without committee knowledge of the changes to the cost scores.

B. Robert's Claims that the DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates

RHSB claims that the DOE erred by not using just the bus aide rate to calculate the four points available for supplemental services. After the first debriefing, the DOE issued Addendum 3 to clarify how cost proposals would be evaluated and revised Attachment B, the Pricing Form by adding a place for contractors to include a separate "Hourly Rate for Bus Aide" (see Addendum 3, p. 4, 6, 8, and 10).

Section D.3 of the RFP explained how the supplemental services were to be scored by stating:

> A total of 36 points will be applied to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in **Attachment B**.

Furthermore, Addendum 3, explained the requirement for bus aides and how the added element of "Hourly Rate for Bus Aide" was to be scored:

1. Are we required to provide aides for each special education vehicle?
   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

   ****

6. What will the cost per hour for bus aide be used for?
   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor. (emphasis added --See Exhibit C)

As Section D.3 of the RFP was not deleted or replaced, its provisions still governed the scoring of the four available points for supplemental services. Addendum 3 is clear that the bus aide rate was to be used in conjunction with the supplemental services rate to derive a price for evaluation of the four point component – nowhere in the Addendum does it state that the bus aid rate is to replace the supplemental services rate. RHSB's position that the bus aide rate alone was to be used is not consistent with the express language of the RFP. Furthermore, whether the bus aide rate was used alone or in conjunction with the supplemental service rate, the overall results of the award would not change. RHSB claims that "Robert's strategized its bid rates based on what the Addendum stated." (see Protest at p.11). With this claim, RHSB indicates that its bid was based on using only the bus aide rate and leaving out the supplemental services rate. However, this is inconsistent with the fact that when calculated using RHSB's method, RHSB's score goes down. As the scoring shows, the DOE did not harm RHSB by using the bus aid rate in conjunction with the supplemental services rate as called for in Addendum 3.

2. **RHSB Claims the Re-scoring Shows the Procedure was Arbitrary and Shows Bias**

RHSB argues that since the scores changed from the first evaluation to the second, without any input or changes from RHSB, the process was either flawed or arbitrary. However, this position fails to consider the DOE's determination to re-score the proposals in the first place: RHSB took exception to the discrepancy between the evaluator's notes and the final scores. Upon review, the DOE discovered the evaluators did not go back and adjust their notes resulting from adjustments arising from the interviews and simply reflected their changes in the scoring tally sheet. Rather than proceeding with a discrepancy between the evaluators' notes and the total sheet, the DOE, in an abundance of caution and giving RHSB the benefit of the doubt, chose to have the evaluator's re-score the responses. This was after the benefit of the interviews, and so RHSB's assertion that no changes or new information was available to the evaluators is not accurate. Given the benefit of the interview, it is foreseeable that scores could change.

Additionally, evaluation of technical proposals by committee members is by definition, to some extent subjective and the only thing that would be truly "astounding," to use the characterization in the protest, would be that all evaluators gave precisely the same score as each other, or that the scores were identical from the first to second evaluation. If this were not the case, the Procurement Code would not require a minimum of three members so that averaging will minimize the subjective element inherent in the process (see HAR § 3-122-45.01). Despite the characterization of "astounding" attributed to the difference of one committee member's first and second score, when the scoring is viewed as a whole, the variations are remarkably consistent and certainly within the bounds of normal variation – it is also relevant that the second re-scoring did not change the overall results with respect to contract awards.

3. **RHSB Claims the Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

RHSB takes exception to the fact that two of the evaluators are related by marriage. Specifically, Robert Joseph is married to the Student Transportation Services Branch (STSB) manager James Kauhi's sister. This relationship coupled with a perceived correlation in scoring is the proof offered by RHSB as evidence of a conflict of interest and collusion. However, HRS § 84-14 as it pertains to governmental employees states:

> Conflicts of interests. (a) No employee shall take any official action directly affecting:
>
> (1) A business or other undertaking in which the employee has a substantial financial interest;

In making its allegation, RHSB does not claim that the Procurement Code or other state law precludes either Mr. Kauhi or Mr. Joseph from serving on the evaluation committee. RHSB claims that the very existence of the relationship raises "serious issues of partiality and conflict." (see Protest at p. 16).

RHSB fails to offer anything linking Mr. Kauhi or Mr. Joseph to any financial interest with any of the bus contractors submitting proposals to this solicitation – the familial relationship is only to each other. All members of the evaluation committee signed declarations that they have no conflicts of interest. [See Exhibit D]. RHSB's argument does not distinguish the fact that both Mr. Kauhi and

Mr. Joseph are employed by the DOE, and work for STSB. Determining the winning vendor pursuant to the terms of legally solicited procurement, subject to a fair degree of cooperation and interaction, is both natural, routine, and in and of itself does not provide any basis for the unsupported allegation of collusion RHSB seeks to level. As such, the relationship between Mr. Kauhi and Mr. Joseph is irrelevant.

RHSB also cites the changes by Mr. Kauhi and Mr. Joseph in their re-score as evidence of improper conduct. As noted above, the two gentlemen are colleagues. There is no prohibition from evaluators discussing a proposal during evaluation. The Hearings Officer in *Kiewit Infrastructure West Co. v. Department of Transportation, State of Hawaii, PCX-2011-001 (June 6, 2011)* found that consensus scoring of proposals was acceptable and in light of that ruling, it is illogical to assert that evaluators are barred from discussing an ongoing evaluation. It is the DOE's position that the change in scores from Mr. Kauhi and Mr. Joseph is not dispositive of any improper conduct in the absence of any other evidence. Of further note is the fact that Mr. Joseph's and Mr. Kauhi's scores for Ground Transport, Inc. (GTI) diverged in the re-scoring process and Mr. Kauhi's nominal and percentage score change was notably greater than the change to RHSB. It should be noted Mr. Joseph served on the evaluation committee for RFP D14-012 for similar services on the Island of Hawaii. In that solicitation, RHSB was the top scoring response, and RHSB had no issue with Mr. Joseph or Mr. Kauhi at that time. It appears RHSB objects to the outcome as opposed to the composition of the committee.

RHSB also objects to DOE's break from past practice of not utilizing on-island Transportation Officers (TO) to evaluate proposals. The operative term is "past practice". The DOE never employed any such criteria in determining qualifications. Any such consideration, if at all, was completely informal and subject to the Purchasing Agency's discretion.

RHSB objects to the qualification of Ms. Pualani Foster as she has only 2 years of experience as a TO. The duties of a TO involve monitoring and overseeing the delivery of transportation services in the various districts the DOE services; exactly the services this solicitation seeks to purchase. The DOE finds that the fact that Ms. Foster qualified for her position as a TO under the civil service laws is sufficient to determine she is qualified to serve on the committee. Her inclusion was subject to review and approval by the delegated Chief Procurement Officer [See Exhibit E]. RHSB's argument contradicts its earlier assertion that the DOE is enjoined by past practice from using an "on-island TO" to evaluate this solicitation. That is exactly what Ms. Foster is, an off-island TO, and the DOE finds the contradiction of RHSB's own arguments unpersuasive.

RHSB also alleges that Ms. Foster's experience is only with pre-existing contracts, and therefore is unqualified to evaluate this RFP. However, this interpretation is narrow and self-serving as the knowledge in question relates to the delivery of student transportation services. If RHSB's argument was found to be compelling, purchasing agencies would be forever enjoined from adopting service delivery systems that differed in the slightest way from past practice as it would be nearly impossible to empanel an evaluation committee with specific experience in the service delivery model. RHSB's interpretation is both unreasonable and unduly restrictive.

4. <u>RHSB Claims the Evaluations Were Inconsistent with the Stated Method in the RFP</u>

RHSB asserts that the inconsistency among individual evaluators and the divergence between scores demonstrates that the evaluators did not follow the scoring criteria. However, there is a

distinction between disagreeing with the evaluator's interpretation of the **content** of the response, as opposed to claiming the evaluator did not follow the criteria set forth in the RFP. RHSB claims that differences between RHSB's scoring and the scoring of other proposers (most notably Ground Transportation, Inc.) are proof that the evaluators failed to follow the evaluation criteria. In supporting this allegation, RHSB brings up numerous instances where points were deducted from RHSB's response. However, the DOE maintains that those deductions were based on the **content** of RHSB's response and that RHSB fails to show anything to support the claim that the evaluation criteria were not followed. RHSB also claims the deductions were made in error because RHSB felt they addressed the issue in the interview and that on that basis, the deductions should have been removed. RHSB contends that another proposer failed to address the same issue and yet received no deductions. The Hawaii Public Procurement Code addresses the issue of how evaluations are to be conducted:

HAR § 3-122-52(a) States:

> Evaluation factors shall be set out in the request for proposals and the evaluation shall be based only on the evaluation factors. Evaluation factors not specified in the request for proposals may not be considered.

In this case, RHSB's objections do not relate to whether the criteria were in fact followed, rather the objections focus on the **content** of the finding and a disagreement with the interpretation of their proposal by the evaluators. The DOE does not find sufficient evidence presented that the scores awarded did not correspond to the criteria set forth in the solicitation. All evaluators documented supporting reasoning for any point deducted, and all deductions were according to Section D of the RFP. The DOE does not find the level of divergence among committee members' scores to be dispositive of a failure to follow the scoring criteria; rather it is a natural consequence of having multiple points of view among the committee members. This is the rationale behind having multiple members on the evaluation committee in the first place.

5. **RHSB Claims the DOE Did Not Abide by the "Fair and Equal Standard"**

RHSB claims the DOE did not adhere to HAR § 3-122-53(d) which states:

> (d) Priority-listed offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.
>
> (1) Any substantial oral clarification of a proposal shall be reduced to writing by the priority-listed offeror;
>
> (2) If, during discussions there is a need for any substantial clarification or change in the request for proposals, the request for proposals shall be amended by an addendum to incorporate the clarification or change.
>
> RHSB asserts that representations made by Ground Transportation, Inc. during their interview (conducted as set forth in the RFP Section C.2(E.)) were both substantial and subject to submission in writing as provided for in the rule. The DOE disagrees with this interpretation. As stated in the RFP, the interview allows for clarifications and it is the DOE's position that the clarifications raised during the interview were not

substantial. Both RHSB and GTI were afforded equal opportunity to clarify their responses. RHSB did not submit any of their clarifications from their interview in writing. The DOE maintains that it adhered to the provisions of the subject rule and that all parties were treated fairly and equally.

6. **RHSB Claims that Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

RHSB asserts that documentation selecting the evaluation committee members and their declarations were not in the procurement file. This is not correct. [See Exhibits D and E] The documentation was not initially provided to RHSB as part of their document request due to an oversight, but were subsequently supplied via e-mail to Mr. Aaron Kimura on January 25, 2017.

RHSB claims that Bruce Ellerman was a paid consultant and that the rules governing his participation were not followed by the DOE. HAR § 3-122-45.01 states:

> Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. A copy of the document identifying any committee members and any subsequent changes thereto shall be placed in the contract file.
>
> (1) The evaluation committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services, or construction to be procured;
>
> (2) Private consultants may also serve on the committee and shall:
>
> (A) Have sufficient knowledge to serve on the committee;
>
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
>
> (C) Sign an affidavit:
>
> (i) Attesting to having no personal, business, or any other relationship that will influence their decision in the evaluation process;
>
> (ii) Agreeing not to disclose any information on the evaluation process to other than an employee of a governmental body; and
>
> (iii) Agreeing that their names will become public information upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
>
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

RHSB "believes that there were numerous violations of HAR § 3-122-45.01." (See Protest at p. 24). The documents show that the DOE observed all the requirements of the rule (see Exhibits D and E) and that if there are any deviations (such as the use of a declaration rather than an affidavit), they are only technical requirements and not the basis for requesting a re-solicitation. The Hearings Officer in *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7, January 2, 1998, provides helpful guidance in assigning the proper role of technical requirements:

> A savings of $21,000 of public funds would do more to foster public confidence in the integrity of the procurement system than would a strict adherence to a largely technical requirement. The requirement of HAR § 3-122-108(a) was not meant to cost public bodies thousands of dollars by requiring acceptance of higher bids for mere technical violations. *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7 at p. 9, January 2, 1998).

Based on the facts and events that transpired, it is clear that the DOE fulfilled the essential requirements of the rule.

Conclusion

Based on the foregoing, and subject to H.R.S. § 103D-701(c), your protest on this matter is hereby denied. This decision is final. Pursuant to Hawaii Administrative Rule, Chapter 126, Subchapter 5, you have the right to an administrative proceeding. Should you file such a request, your request must be made directly to the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs within seven (7) calendar days of the issuance of this determination. You must also notify this office of such a decision within the same time period.

Very truly yours,

FOR Kathryn S. Matayoshi
Superintendent

KSM:cak
Enclosures

c: Student Transportation Services Branch
James E. Raymond, Deputy Attorney General
Project Control Section

Mandatory interviews – The DOE will require an onsite presentation of the top two proponents' proposals for each cluster and interview of key staff as part of the selection process. These interviews will be conducted on Oahu and will be scheduled on the dates indicated in the Calendar of Events.

Notice of award(s) – The DOE will publicly announce the award of contract(s) to the successful proponents on the date indicated in the Calendar of Events.

Contract start date, services commence – This will be the effective date of the contracts. The successful proponents shall be fully prepared with all required resources and services as per the contract. Earlier readiness may be sufficient to support Extended School Year services prior to the start of regular 2017/18 school year services. The State will evaluate readiness for inclusion of any new contractor to provide services and such services will be provided at the contracted rates and at the option of the proponent.

2. Proposal Evaluation & Vendor Selection Process

This is a value-based procurement. The successful proponents must have the demonstrable experience and qualifications, staffing, and financial resources to deliver the required services for the entire term of the contract. Cost will be a significant factor in the evaluation process. However, cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* – The proposal must be received in good order, with all required forms, tabs, and information as required.

B. *Technical Evaluation* – An evaluation committee will evaluate the proponent's Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated service volume in each identified category on **Attachment B** to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The lowest cost proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the maximum available points.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

F. *Notice of Award* – the final results will be shared with the preferred vendors and with the next highest scoring vendor in each service cluster.

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.

D. PROPOSAL SUBMISSION REQUIREMENTS

1. Instructions to Proponents

A. GENERAL

Proponents shall be incorporated or organized under the laws of the State or be registered to do business in the State as a separate branch or division that is capable of fully performing under the contract. The following definitions are used in the solicitation documents:

Hawaii Business §3-122-112 HAR: A Proponent who is registered and incorporated or organized under the laws of the State is a "Hawaii Business" and eligible for an award.

Compliant non-Hawaii Business §3-122-112 HAR: A Proponent not incorporated or organized under the laws of the State, but is registered to do business in the State and complies with or is exempt from the requirements of §3-122-112 HAR, is a "Compliant Non-Hawaii Business" and eligible for an award.

Non-compliant Proponent: If a Proponent is a non-Hawaii business and is not registered with the DCCA Business Registration Division (BREG) or cannot comply with §3-122-112 HAR, than the Proponent is non-compliant and is ineligible for an award.

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

EXHIBIT C

DEPARTMENT OF EDUCATION

PROJECT CONTROL SECTION

September 22, 2016

RFP D17-002

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF KAUAI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 3

Below is the third addendum to RFP D17-002 for student transportation services on the island of Kauai. This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

2. Is the cost of aide to be included in the Daily Rate for 3.5 hour minimum for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

3. Is the cost of aide to be included in the additional cost over 3.5 hours for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

4. Is the cost of aide to be included in the driving rate for supplemental services, (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

5. Is the cost of aide to be included in the layover & wait time rate for supplemental services (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

6. What will the cost per hour for bus aide be used for?

   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

Attachment B – Pricing Form

Cluster 1 – Waimea

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	14		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	1		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Kapaa

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	19		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Kauai

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	15		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	4		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested In receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

BK
10/12/16

EXHIBIT D

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce E Ellerman
Signature

BK

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr
Signature

EXHIBIT E

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

KOBAYASHI SUGITA & GODA, LLP
Attorneys at Law

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Gabriele V. Provenza
Anthony Suetsugu
Brian D. Tongg
Thao T. Tran
Maria Y.Y. Wang

Of Counsel:
John F. Lezak
Larry L.Myers

January 27, 2017

Via Electronic Mail
Mr. James E. Raymond, Esq.
Deputy Attorney General
State of Hawaii, Department of Attorney General
Education Division
Leiopapa A Kamehameha Bldg.
235 South Beretania Street, Room 304
Honolulu, Hawai'i 96813
James.e.raymond@hawaii.gov

Re: Robert's Hawaii School Bus, Inc.'s ("RHSB") Protest of Award of RFP No. D17-001 and RFP D17-002 (the "Protests") – Committee appointments and declaration forms; Cease and desist interference with Robert's Maui operations

Dear Mr. Raymond:

As you know, Robert's Hawaii School Bus, Inc. ("RHSB") has two pending protests in relation to the above procurements. This letter is being sent to highlight flaws in documents recently received by RHSB from the DOE, and also to alert your office to highly inappropriate behavior by Mr. Robert Joseph that took place yesterday at RHSB's Maui base yard.

I. Memoranda of Record and Declarations for Panel Members

On January 25, 2017, RHSB received an email from Kelsey Soma Turek, State of Hawaii Department of Education ("DOE") transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "A" (email and attached documents).

RHSB's protests both contained sections protesting on the basis that documentation regarding the evaluation committee was not in the file, and that no affidavit was signed. The Protests each contain the following:

Exhibit "G"

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.

(1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services,** or construction **to be procured**;

(2) **Private consultants** may also serve on the committee and shall:
(A) Have sufficient knowledge to serve on the committee;
(B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
(C) **Sign an affidavit**:

(i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
(ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
(iii) **Agreeing that their names will become public information** upon award of the contract;

(3) The contract administrator shall serve as a member of the committee;
(4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

> This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

See, Protests at § III.G (emphasis in original). It is important to highlight the use of the phrase "*Prior* to the preparation of the request for proposals", and further that a copy of the document identifying any committee members "*shall* be placed in the contract file." Simply put, this was not done.

None of these documents are dated, with the exception of the Declaration of Bruce Ellerman, which is dated *October 12, 2016.* It is unclear how these Declarations (even assuming all were signed on October 12, 2016) could have been completed "*prior* to the preparation of the request for proposals" and "placed in the contract file" when the RFPs were issued on July 20, 2016, with a proposal deadline of October 5, 2016.

Further, assuming Bruce Ellerman was a paid consultant, it is unclear whether a determination in writing was made by the head of the DOE that the compensation was justified. In addition, Mr. Ellerman's Declaration makes no statement that he agreed to having his name become public information upon the award of the contract as required by subsection (2)(C)(iii).

Finally, the above statute requires private consultants like Mr. Ellerman to sign "an affidavit", not a Declaration. As you likely know, an affidavit must be witnessed by an official such as a notary public. Mr. Ellerman's statement is not notarized, and therefore does not constitute "an affidavit".

II. Highly Inappropriate Conduct by the DOE

On the morning of January 25, 2017, while Robert Joseph was at RHSB's Maui base yard, he approached two RHSB's employees and told them that Ground Transportation Incorporated ("GTI") would be taking over the contract for Maui. Mr. Joseph stated that RHSB's Protests had been denied. Mr. Joseph further stated that GTI has begun their recruiting process and that these employees should visit Oahu to see GTI's operations.

In a separate incident on January 24, 2017, Mr. Joseph approached another RHSB employee and stated that the contracts subject to the Protests have been awarded to GTI, and that the Protests would not change the outcome. Mr. Joseph then proceeded to tell the RHSB employee that he scored RHSB's Proposals low because RHSB "got sloppy and cheap" because it used the same proposal for each island. He further stated that this is why RHSB was also not awarded the Kauai contracts.

Obviously it is highly inappropriate for Mr. Joseph (as a State employee) to be acting on GTI's behalf in its recruiting efforts. RHSB considers this to be direct interference with contractual and business relations, which are separate grounds for legal action. It is also

inappropriate for Mr. Joseph to be discussing the scoring, Protests, or other related matters with RHSB employees. As such, Mr. Joseph should be reprimanded and ordered to cease and desist any such activity. Mr. Joseph should be immediately and indefinitely prohibited from entering RHSB's Maui base yard or otherwise interfering with its operations. Mr. Joseph's actions are particularly unacceptable given the DOE's disregard for the active Protests, which also highlight numerous conflicts of interest and bias.

In addition, Mr. Joseph's conduct indicates a lack of consistency with respect to how the DOE treats transitions between contracts (if a transition occurs). During prior transitions on Oahu, the DOE has asked that successful bidders not approach employees of competitors to recruit them, as that would interfere with the performance of existing contracts. Here, Mr. Joseph is actively doing just the opposite by spreading misinformation and encouraging RHSB employees to seek employment with GTI. This would be unacceptable if it were done by GTI, but is particularly egregious when done at the hands of a State DOE employee who was involved in the evaluation panel for the RFPs.

Regardless of the outcome of the Protests, RHSB is obligated to perform as to one of the Maui clusters going forward, and wishes to retain all of its drivers to that end. Mr. Joseph's actions are a direct interference with the existing and future contractual relations between RHSB and the DOE.

Finally, the fact Mr. Joseph is helping GTI in recruiting employees should be a clear indication that GTI is unqualified and unable to properly perform on any Maui contract awarded, which was also an issue raised numerous times in RHSB's Protests.

Swift and strict action must be taken to prevent any further interference by Mr. Joseph. The DOE and your office should ensure that he takes no further action on behalf of GTI, a State contractor and competitor to RHSB.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

Enclosures: Exhibit "A"

From: Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us
[mailto:Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us]
Sent: Wednesday, January 25, 2017 1:55 PM
To: Aaron Kimura
Cc: Christian Butt/AUX/HIDOE@notes.k12.hi.us; James Kauhi/FACILITIES/HIDOE@notes.k12.hi.us
Subject: Committee appointments and declaration forms for RFP D17-001 and -002

Hi Aaron,

In the rush to produce the documents requested for RFP D17-001 and RFP D17-002, these documents were overlooked. We apologize for the inconvenience. Please find attached the committee appointments and declaration forms for RFP D17-001 and RFP D17-002.

(See attached file: Committee Appointments RFP D17-001 and -002.pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Bruce Ellerman).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (James Kauhi).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Pualani Foster).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Robert Joseph).pdf)

Thank you,

Kelsey Soma Turek
State of Hawaii Department of Education
Office of School Facilities and Support Services
Auxiliary Services Branch; Project Control Section
3633 Waialae Ave Bldg E
Honolulu HI 96816
Phone (direct): (808) 784-5022
Fax: (808) 733-2102

NOTE: EFFECTIVE MARCH 2, 2015, DOE PROJECT CONTROL SECTION IS NOW LOCATED AT THE QUEEN LILIUOKALANI ELEMENTARY SCHOOL (QLES) IN KAIMUKI. [DRIVEWAY ENTRANCE IS ON KOKO HEAD AVE]

Confidentiality Notice: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and/or privileged information. Any review, use, disclosure, or distribution by unintended recipients is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

BE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

BR
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce E Ellerman
Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

From:	Lana DeCambra
To:	"James.E.Raymond@hawaii.gov"
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	Letter from Jonathan Moore and Charles Hunter
Date:	Friday, January 27, 2017 2:26:24 PM
Attachments:	Roberts Hi School Bus Letter to Raymond dated Jan 27 2017.PDF FW Committee appointments and declaration forms for RFP D17-001 and -002.msg

Dear Mr. Raymond,

Please see attached letter from Mr. Jonathan S. Moore, Esq. and Mr. Charles D. Hunter Esq. dated January 27, 2017.

Also enclosed is Exhibit "A" (email and attached documents).

Thank you.

Lana DeCambra | Legal Assistant
KOBAYASHI, SUGITA & GODA LLP
999 Bishop Street, Suite 2600, Honolulu, HI 96813 | Tel: 808-535-5700 | Fax: 808-535-5799 |
www.ksglaw.com | LND@ksglaw.com

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DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI'I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

January 11, 2017

TO: Kathryn S. Matayoshi, Superintendent

THROUGH: Dann Carlson, Assistant Superintendent
Office of School Facilities And Support Services

FROM: James Kauhi, Branch Manager
Student Transportation Services Branch

SUBJECT: **Determination of Substantial State Interest in Contracting Activity Relating to Request for Proposals RFP D17-001 and RFP D17-002 for School Bus Services on the Islands of Maui and Kauai**

Your approval is requested for a Determination of Substantial State Interest in continuing solicitation and contracting activity relating to the Subject Projects.

Background

In an effort to address concerns of spiraling cost escalation and in response to recommendations from an August 2012 report by the State Office of the Auditor, and a November 2012 report by Management Partnership Services, Inc. ("MPS"), an independent consultant of the Department of Education ("DOE"), the DOE has undertaken an overhaul of the contracting process for bus service. Requests for Proposals were issued for Bus services on Oahu and the Big Island in previous years, and were recently issued for Maui and Kauai.

In July 2016, the Student Transportation Services Branch (STSB) released the final round of Requests for Proposals to support the transportation reform effort that started in July 2013. The final two islands to be incorporated into the reform process were the islands of Maui and Kauai. RFP D17-001 for Maui and RFP D17-002 for Kauai were issued on July 20, 2016. On November 1, 2016 Notices of Award were first provided to vendors with Cluster 1 awarded to Robert's Hawaii School Bus, Inc. (RHSB) and Clusters 2 through 4 awarded to Ground Transport, Inc. (GTI) for Maui, and Cluster 1 to Yamaguchi Bus Service, Inc. (YBS) and Clusters 2 and 3 to Akita

Exhibit "H"

Enterprises, Ltd. (AEL) for Kauai. Following a debriefing meeting with RHSB on November 16, 2016, notices were distributed to all participating vendors rescinding the initial award in order to allow for a rescoring of the responses. On November 30, 2016 the evaluation committee met to rescore the responses and on December 5, 2016 updated Notices of Award were distributed to the vendors. While there were small adjustments to the individual scores, the awards as previously discussed remained unchanged.

In a letter dated December 23, 2016, RHSB mailed the DOE two formal protests objecting to the award of the solicitations for Maui and Kauai. These protests were received by the DOE on December 27, 2016. RHSB alleges in both its protests that the DOE failed to follow the criteria set forth in the RFP for scoring and that the evaluators were both unqualified and several were biased.

All contracting and procurement activity was suspended pending the resolution of the protest as required by Hawaii Revised Statutes ("HRS") §103D-701(f) which states:

> (f) In the event of a timely protest under subsection (a), no further action shall be taken on the solicitation or the award of the contract ***until the chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the State***. (emphasis added)

Additionally, Hawaii Administrative Rules ("HAR") §3-126-5, in relevant part states:

> .....no further action shall be taken until the protest has been settled, ***unless the chief procurement officer makes a written determination, after consulting with the head of the purchasing agency, that the award of the contract is necessary to protect the interests of the State.*** (emphasis added)

Substantial Interests of the State

For the following reasons, the Student Transportation Services Branch requests that the Chief Procurement Officer approve this determination that further contracting activity must be undertaken as soon as possible, but no later than January 11, 2017 to protect the substantial interests of the State.

1. The DOE has a mandate to provide compulsory education for students in grades Kindergarten through 12th grade. See Article X of the Hawaii State Constitution. Within this mandate is the authority to transport students safely to and from school. See HRS §302A-406. The resulting contracts from this current solicitation will provide bus service to approximately 10,000 students commencing on the first day of school, which is August 7, 2017. See DOE Official Calendar. If the services to be provided through this solicitation cannot be delivered on August 7, 2017, these students will be without subsidized transportation. Without subsidized transportation, some students will have no other method

to get to school and thus, are less likely to attend school. For those students who are fortunate enough to be able to arrange alternate transportation, attending school will come at other costs that will likely include disruption in their caretakers' arrangements resulting in missed work and other various social and economic impacts such as an increase in the number of cars on the road during rush hour traffic. In addition, some students may resort to walking or taking public transportation which may expose them to a number of other safety concerns. The forgoing adverse impacts will only be compounded for each day transportation services are not provided.

2. In order to have transportation available beginning August 7, 2017, several critical milestones must be accomplished in sequence in order for the vehicles and the supporting infrastructure to be in place for the start of school. The critical events are set forth in reverse chronological order:

   a) Acquisition of fleet assets: GTI indicated they must order buses no later than January 13, 2017 to have them available for the start of the contract as indicated by their letter dated December 14, 2016. AEL indicated they must order buses by January 15, 2017 as stated in their letter dated December 13, 2016. YBS indicated they must order buses no later than January 12, 2017 as indicated in their letter dated December 12, 2016. This contemplates 90 to 120 days for the manufacturer to fill the order, and then allow for the logistical challenge of shipping them to Hawaii. Shippers typically have to book space on transport vessels months prior to the actual shipping event. See State Auditor's Report Aug. 2012, pg. 27. RHSB is the existing vendor on Maui and currently possesses an excess of equipment required to perform the contract on that island for Cluster 1 and does not face the challenge of ordering new equipment. As awarded, RHSB is not scheduled to perform work on Kauai.

   b) Dry runs for all bus routes: This must occur within 10 calendar days of the start of the contract (start of school) which places the latest date for this to occur as July 24, 2017. See RFP Contract Service Specifications 2(f)(i). The purpose of the dry runs is to ensure the planned routes are feasible and allow sufficient time to adjust routes to ensure they run smoothly on the first day of school.

   c) DOE start up meetings with vendors: This must occur prior to the dry runs and must occur no later than the week following the July 4th, 2017 holiday break as we have done over the last two startups for the contracts using the new RFP methodology. The purpose of the meeting is to make all vendors aware of the statutory, regulatory, and procedural requirements for the provision of transportation to Hawaii's students. Vendors must be made aware of these requirements prior to the dry runs to ensure actual simulated conditions during the dry runs in order for the DOE to evaluate and monitor compliance, and make any necessary corrections or adjustments prior to actual transportation of students.

d) Vendor recruitment of drivers, bus aides, and other personnel: Based on previous experience on other islands and the experiences of DOE's transportation management firm, this process will take approximately 3 months and must begin no later than May 1, 2017. The time for this process is further impacted by the requirement to obtain fingerprinting and background checks which often adds delays to this process. This is particularly important for services on the island of Maui where the winning vendor will be required to stand up a new operation supporting 63 percent of all operations without existing facilities on the island.

e) Land/base of operations acquisition: It is estimated that this process will require six months resulting in the date the acquisition activity must begin is on or about January 13, 2017, at the latest. As mentioned, GTI who will be serving the largest portion of operations on Maui will be required to standup a completely new operation. Additionally, the structure of this RFP again disrupts the traditional geography served by current vendors. Consequently, the need for new facilities will impact both current and new vendors. As it is across nearly all islands, commercial land is at a premium on the island of Maui, which will necessitate an extensive search and negotiation process in order to ensure that vendors are able to find and secure the facilities required to provide the transportation services. The DOE's transportation management vendor estimates that this six months is an aggressive but feasible timeline. This estimate was confirmed when the three winning vendors (except for RHSB) were polled to determine what is the latest date of award that would allow them to timely perform the contracts – they all indicated that notice of award would be required by approximately January 13, 2016. RHSB has indicated in its two protests that it believes that, as of Dec. 23, 2016, there was still time to re-solicit the bids, so it was not polled and deemed able to perform if notified along with other winning bidders.

f) Given the chain of events that must occur prior to providing service on the first day of school, the final notice of award must be provided no later than January 13, 2017.

3. There will be a significant economic impact if the 113 affected buses on Maui and the 65 buses on Kauai (RFP D17-001 and D17-002 Attachment B) are not operating for the start of school. The 178 bus driver positions will not be contributing to the local economy, as well as the trickle-down effect of the business generated by this service.
4. Further delay will impact the ability of the State to realize the pricing and operational efficiencies provided for in the RFPs. Total costs are expected to be reduced by approximately $750,000 annually for these two islands or approximately $5.3 million over the seven year term of the contracts. However, these savings will not be realized and service quality would likely be jeopardized if the necessary timelines are not provided for.

Should you have any questions, please contact James Kauhi, Student Transportation Services Branch Administrator, at 586-0170.

☑ APPROVED ☐ DISAPPROVED

FOR KATHRYN S. MATAYOSHI
SUPERINTENDENT

JAN 1 1 2017
DATE

From: Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us
[mailto:Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us]
Sent: Wednesday, January 25, 2017 1:55 PM
To: Aaron Kimura
Cc: Christian Butt/AUX/HIDOE@notes.k12.hi.us; James Kauhi/FACILITIES/HIDOE@notes.k12.hi.us
Subject: Committee appointments and declaration forms for RFP D17-001 and -002

Hi Aaron,

In the rush to produce the documents requested for RFP D17-001 and RFP D17-002, these documents were overlooked. We apologize for the inconvenience. Please find attached the committee appointments and declaration forms for RFP D17-001 and RFP D17-002.

(See attached file: Committee Appointments RFP D17-001 and -002.pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Bruce Ellerman).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (James Kauhi).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Pualani Foster).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Robert Joseph).pdf)

Thank you,

Kelsey Soma Turek
State of Hawaii Department of Education
Office of School Facilities and Support Services
Auxiliary Services Branch; Project Control Section
3633 Waialae Ave Bldg E
Honolulu HI 96816
Phone (direct): (808) 784-5022
Fax: (808) 733-2102

NOTE: EFFECTIVE MARCH 2, 2015, DOE PROJECT CONTROL SECTION IS NOW LOCATED AT THE QUEEN LILIUOKALANI ELEMENTARY SCHOOL (QLES) IN KAIMUKI. [DRIVEWAY ENTRANCE IS ON KOKO HEAD AVE]

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Exhibit "I"

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

BE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

BE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce E Ellerman
Signature

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	) Docket No. _____) CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Appeal was served on the above-identified party at their respective address by ***hand delivery*** on MAR 03 2017.

JAMES E. RAYMOND, ESQ.
Deputy Attorney General
State of Hawaii, Department of Attorney General
Education Division
Leiopapa A Kamehameha Bldg.
235 South Beretania Street, Room 304
Honolulu, Hawai'i 96813

Attorney for Respondent
KATHRYN S. MATAYOSHI in her capacity as
SUPERINTENDENT / CHIEF PROCUREMENT OFFICER,
STATE OF HAWAII
DEPARTMENT OF EDUCATION

DATED: Honolulu, Hawai'i, MAR 03 2017.

JONATHAN S. MOORE
CHARLES D. HUNTER
Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2017 APR 13 P 1:28

HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAI'I

In the Matter of: ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as Superintendent/Chief Procurement Officer, DEPARTMENT OF EDUCATION, STATE OF HAWAII, Respondent, and GROUND TRANSPORT, INC., Intervenor.	PDH-2017-001 PDH-2017-002 [Consolidated] HEARINGS OFFICER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION

HEARINGS OFFICER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION

I. INTRODUCTION

On March 3, 2017, Robert's Hawaii School Bus, Inc. ("Petitioner") filed requests for administrative review of Kathryn S. Matayoshi, in her capacity as Superintendent/Chief Procurement Officer for the Department of Education, State of Hawaii's ("Respondent") February 24, 2017 denials of Petitioner's December 23, 2016

I HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE IN THE DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS.

protests. These matters were designated as PDH-2017-001 and PDH-2017-002 and set for hearing. Notices of Hearing and Pre-Hearing Conference were duly served on the parties.

On March 8, 2017, Ground Transport Inc. ("Intervenor'), requested leave to intervene in PDH-2017-001. By agreement of the parties, the request was granted, and PDH-2017-001 and PDH-2017-002 were consolidated for hearing.

On March 10, 2017, Petitioner filed motions for partial summary judgment on the issues of separation of technical and pricing evaluations, and evaluation committee documentation; and Respondent filed a motion for summary judgment on all claims. Following oral argument and upon due consideration, Petitioner's motions were denied and Respondent's motion with respect to Petitioner's challenge of Respondent's substantial interest determination as a separate claim, was granted. In all other respects, Respondent's motion was denied. On March 17, 2017, Petitioner moved the Hearings Officer to reconsider his order partially granting Respondent's motion for summary judgment. On March 20, 2017, Petitioner's motion for reconsideration was denied.

On March 15, 2017, these matters came on for hearing before the undersigned Hearings Officer in accordance with the provisions of HRS Chapter 103D. Craig K. Shikuma, Esq. and Charles D. Hunter, Esq. appeared for Petitioner; Gary S. Suganuma, Esq. and Anne T. Horiuchi, Esq. appeared for Respondent, and Arsima Muller, Esq. appeared for Intervenor. The hearing continued on March 16 and 20, 2017 and was completed on March 21, 2017.

At the conclusion of the hearing, the Hearings Officer directed the parties to submit written closing arguments. Accordingly, on March 31, 2017, closing briefs were submitted by the parties.

Having reviewed and considered the evidence and arguments presented by the parties, together with the entire record of this proceeding, the Hearings Officer hereby renders the following findings of fact, conclusions of law and decision.

II. FINDINGS OF FACT

1. On or about July 20, 2016, Respondent issued two requests for proposals ("RFPs") for Student Transportation Services on the Islands of Maui ("RFP D17-001") and Kauai ("RFP D17-002"). The RFPs were written, in part, to address the Legislature's concern over the lack of competition in connection with the procurement of student transportation services.

2. The RFPs generally sought proposals to provide school bus transportation services on the Islands of Maui and Kauai for regularly scheduled service to and from school for regular and special education students. The RFPs sought to award contracts for an initial period of 7 years beginning on August 1, 2017. By mutual agreement, the contracts could be extended for up to 3 one-year periods.

3. The RFPs allocated the required transportation services on each island to a number of "clusters" based on geographic, logistical, and volume considerations. On Maui, the 4 clusters were designated as the Makawao, Baldwin, Lahaina, and Maui clusters. On Kauai, the 3 clusters were designated as the Waimea, Kapaa, and Kauai clusters.

4. Pursuant to the terms of the RFPs, an Offeror could win a maximum of 3 clusters on Maui and 2 on Kauai.

5. Section C.2 of the RFPs entitled, "Proposal Evaluation & Vendor Selection Process", provided in relevant part:

> This is a value-based procurement. The successful proponents must have the demonstrable experience and qualification, staffing, and financial resources to deliver the required services for the entire term of the contract. *Cost will be a significant factor in the evaluation process. However, cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experiences, wherewithal, and proposed approach to delivering the required services and resources. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:*

A. *Determination of Proposal Qualification*

* * * *

B. *Technical Evaluation - An evaluation committee will evaluate the proponents' Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.*

C. *Cost Evaluation - AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated services volume in each identified category on Attachment B to this RFP (pricing forms).* Points will be assigned by formula in accordance with the following criteria:

•The lowest cost proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the maximum available points.

•Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.

•This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

D. *Determination of Preferred Vendor(s)* - The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three

service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – After reviewing the result of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. *The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal.* The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

F. *Notice of Award* - the final results will be shared with the preferred vendors and with the next highest scoring vendor in each service cluster.

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirement section below.

(Emphasis added).

6. Pursuant to the terms of the RFPs, the technical evaluation was to be completed before the scoring of the Pricing Proposals. The Technical Proposal scores from each evaluator would then be averaged to arrive at a final Technical Proposal score for each Offeror. This score was then combined with the Offeror's score of the Pricing Proposal to determine the Offeror's Total Score.

7. The RFPs were administered by the Project Control Section of Respondent. The Section Administrator was Christian Butt.

8. Pursuant to the terms of the RFPs, offers in response to the RFPs were due by October 5, 2016.

9. The RFPs called for an Evaluation Committee to conduct the technical evaluation of each offer submitted in response to the RFPs.

10. James Kauhi, the Student Transportation Services Branch Manager for Respondent, was appointed as the Chair of the Evaluation Committee.

11. As Chair of the Evaluation Committee, Kauhi appointed the other members of the committee which included Pualani Foster, Robert Joseph, and Bruce Ellerman.

12. Memos For Record, approving of the appointments of Kauhi, Foster, Joseph, and Ellerman to serve on the Evaluation Committee for RFP D17-001 and RFP D17-002, were signed by Respondent's Assistant Superintendent, Dann Carlson. The memos were undated.

13. Joseph and Foster are employed by Respondent as the transportation officers on Maui and Kauai, respectively. Their immediate supervisor is Kauhi.

14. Foster has been employed by Respondent since 2011. In 2013, she became the transportation officer for the Island of Kauai. Joseph has been the transportation officer for Maui for approximately 9 years.

15. In their capacity as transportation officers, Joseph and Foster are generally responsible for setting up and maintaining transportation services for public school regular and special education students on Maui and Kauai. Their duties include making sure the bus routes are running efficiently, the bus companies are complying with the contract, and complaints involving the transportation services are addressed.

16. Kauhi is the brother-in-law of Joseph and both are neighbors on Maui. Joseph has known Kauhi for over 40 years.

17. At the time of his appointment to the Evaluation Committee, Ellerman was an employee of Management Partner Services, a private consultant hired by Respondent for assistance in developing the RFPs.

18. None of the members of the Evaluation Committee were compensated specifically for their work on the committee by Respondent. During their evaluation of the Technical Proposals, the members were paid their normal compensation earned as a result of their employment with their respective employers.

19. Section D.1.D of the RFPs provides that "Proposals must be submitted using the instruction in this RFP".

20. Section D.2. of the RFPs explained the method by which the Technical Proposals would be scored by the Evaluation Committee:

* * * *

2. Technical Proposals - 60 Points Available

Each section of the proposal will be evaluated based on the number of points identified for each respective tab described below. The evaluation process will include each proposal being reviewed by an appointed evaluation committee. Those proposals that are determined to be responsive (those that offer all of the basic requirements requested in the RFP and contain all of the required information and forms properly completed) will be further reviewed using the comparative criteria outlined in this section.

The committee will use the comparative criterion for each separate rating area, and based upon these criteria, will assign an overall rating to each tab. Each of the tabs will be rated based on the following guidelines:

- Complete response with no omissions will receive 100% of available points
- Minor omissions will receive 75% of available points
- Many minor omissions or a major omission will receive 50% of available points
- Many major omissions or major deficiency will receive 2% of available points
- Incomplete or missing response will receive 0 points

* * * *

21. The Technical Proposals were evaluated and scored based on a "deductive evaluation" process. Points would be deducted from the maximum number of points available for each of the 11 areas or "Tabs". The Tabs consisted of the following categories: Transmittal Letter, Executive Summary, Qualifications & Experience, References and Testimonials, Proponent's Service Approach, Proponent's Commitment to Safety, Vehicles & Fleet Management, Proponent's Staff, Transition Plan, Financial Stability, and Appendix.

22. Section D.3. of the RFPs stated:

> **Cost Proposal - 40 Points Available**
>
> A total of 36 points will be applied to the home-to-school service pricing. *A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in* ***Attachment B.***
>
> No pricing information is to be included in the proposal. One hard copy of **Attachment B** or an exact replica, in its entirely, with all required information must be included in a separate, marked, sealed envelope as part of the proponent's submission.
>
> * * * *

(Emphasis added).

23. On or about August 23, 2016, Kristine Kim, Petitioner's Maui manager, emailed Joseph to determine whether one of Petitioner's drivers could adjust his route. After an exchange of emails on the subject, Joseph replied:

> Kris,
> So am I to understand that 43 Puu Kukui Elementary students went out to Waikapu Gardens then approximately 20 or 50% of them had to stay on the bus and return to Iao Intermediate with the driver before finally being taken back out to Waiolani & Waikapu to be dropped off.
>
> Imagine being the parent of one of these students, sitting at the dinner table tonight, and your child tells you about the extra long bus ride they had today and that the bus driver

thinks this is a better way to operate the route because it saves him 20 minutes a day 5 days a week. Yet on the other hand, each of these 20+ kids will have to endure an additional 15 to 20 minutes per days 5 days a week if this bus driver has his way.

Even if I factored in the fact that the 17 to 21 Iao students would get home approximately 10 minutes earlier daily, it still equates to being a benefit for the driver and RHSB at the expense of time sacrificed by the Puu Kukui **ELEMENTARY** Students, not to mention that the Iao Students probably are enjoying the time spent with their friends while waiting for the bus.

Sorry but it just does not make any sense to me.

PLEASE instruct this driver as well as all other drivers, To follow the schedules we have issued to them which are the exact same as those posted at our schools. Remind them that I am always open to suggestions from them on better ways to do routes, **BUT** their suggestions need to be brought to you and me in writing first so we can discuss and agree upon before actually implementing any changes to the already set schedules. No driver has the authority to change anything on their assigned Route Schedule on their own unless imminent danger exist. Please have them follow our protocols.

24. On the same date, August 23, 2016, Kauhi forwarded the emails between Joseph and Kim to Aaron Kimura, Petitioner's vice-president, and said:

> Aaron, this is what I've been trying to tell you about Kris and her local practices. It concerns me deeply. Please note that this stuff is going to come up during evaluations of the RFP proposals.

25. Joseph testified that he works closely with Kim on Maui and considers her to be his "right hand." According to Joseph, he has learned a lot from Kim and that Kim was very knowledgeable. Joseph acknowledged that he has had at least 2 disagreements with Kim in the past but described their relationship as "brother-sister".

26. Gayle Sagiao, Petitioner's operations director, testified that Joseph could be harsh and stubborn at times but was always straight with her.

27. On or about September 22, 2016, Respondent issued Addendum 3 to the RFPs. Addendum 3 provides in relevant part:

* * * *

> This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. *This response is hereby incorporated and made a part of the RFP.*
>
> 1. Are we required to provide aides for each special education vehicle?
>
> A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.
>
> * * * *
>
> 6. What will the cost per hour for bus aide be used for?
>
> A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

(Emphasis added).

28. Addendum 3 also stated that the "cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form included [sic] with this Addendum".

29. Petitioner did not seek clarification on any of the matters addressed by Addendum 3.

30. In response to the RFPs, offers were submitted by the following providers: In RFP D17-001 – Petitioner, Intervenor, Akina Enterprises, LLC ("Akina"), and Iosepa

Transportation ("Iosepa"). In RFP D17-002 – Yamaguchi Bus Service, Inc. ("Yamaguchi"), Petitioner, Iosepa and Akita Enterprises, Limited ("Akita").

31. The offers for both RFPs were received by the Project Control Section and secured in a safe place until the Evaluation Committee could convene. Pursuant to the instructions in the RFPs, each offer consisted of a Technical Proposal and a Pricing Proposal which were submitted in separate, sealed envelopes.

32. On or about October 7, 2016 the Evaluation Committee received information from the Project Control Section regarding the RFPs. The information included the Technical Proposals that had been submitted in response to the RFPs along with scoring sheet forms the members were to use in determining the scores for each Technical Proposal. The Evaluation Committee was not given information on the Pricing Proposals.

33. Prior to receiving the Technical Proposals, each member of the Evaluation Committee received instructions from staff of the Project Control Section and Kauhi regarding the scoring of the proposals. The members were generally instructed to keep an open mind, to be fair in their scoring of the proposals, and to base their scoring only on the criteria provided in the RFPs rather than on outside information on the Offerors. They were also given a deadline to complete their scoring of the proposals.

34. Prior to receiving the Technical Proposals, each member of the Evaluation Committee was also provided with a form of Declaration which they were required to sign and return to the Project Control Section. The form required each Evaluation Committee member to certify and affirm the following with respect to the RFPs:

> 1) I have no conflict of interest with [the RFP] or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
> 2) I will not disclose any information regarding [the RFP] including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
> 3) I will not discuss the information presented, or provide

any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

35. The Declaration forms did not provide a space for the date to be filled in by the declarant.

36. The Declarations were signed by each member of the Evaluation Committee and returned to the Project Control Section. No potential conflicts of interest were disclosed to Kauhi by any of the other members of the committee.

37. Joseph and Foster testified that they probably signed and returned the Declaration to the Project Control Section prior to beginning their scoring of the Technical Proposals. Ellerman and Kauhi testified that they signed and returned the Declarations in October 2016.

38. Only after the scores for the Technical Proposals were completed by the Evaluation Committee were the Pricing Proposals opened and scored. The scoring of the Pricing Proposals was not done by the Evaluation Committee. Rather, the scoring was done by the Project Control Section according to the formula set forth in the RFPs.

39. For RFP D17-001, the Evaluation Committee's individual scores for the Technical Proposals for all clusters were as follows:

	Petitioner	Intervenor	Iosepa	Akina
Foster	51.00	55.50	54.50	48.00
Joseph	51.75	56.25	49.75	49.50
Kauhi	56.25	59.25	51.25	50.00
Ellerman	57.00	57.25	50.00	50.75

40. For each of the 4 clusters in RFP D17-001, Petitioner offered an hourly rate for bus aide of $33.00 while Intervenor offered an hourly rate of $22.75.

41. For RFP D17-002, the Evaluation Committee's individual scores for the Technical Proposals for all clusters were as follows:

	Petitioner	Yamaguchi	Akita	Iosepa
Foster	50.25	53.75	49.75	54.50
Joseph	45.00	51.00	52.00	49.75
Kauhi	56.25	59.25	53.50	51.25
Ellerman	55.50	53.00	55.00	52.25

42. For each of the 3 clusters in RFP D17-002, Petitioner offered an hourly rate for bus aide of $33.00 while Akita's rate was $21.50, and Yamaguchi's rate was $26.00.

43. The Offerors' Pricing Proposals were scored using only the supplemental hourly rate provided in the proposals. Two prior solicitations in 2013 involving school bus transportation services for the Islands of Oahu and Hawaii utilized only the aide rate in the scoring of the Pricing Proposals.

44. The supplemental hourly rate required by the RFPs were bus rates relating to charter services for such activities as field trips and athletic events. These rates were not related to any of the services required by the RFPs and, instead, were managed and scheduled by the individual school sites. Supplemental rates were required by the RFPs in order to cap the hourly rate for these charters for the benefit of the individual schools.

45. Following the completion of the scoring of the Technical and Pricing Proposals, the members of the Evaluation Committee and a representative from the Project Control Section met by way of conference call to discuss the results and to tabulate the scores.

46. During the conference call, the members of the committee discussed, among other things, their reasons for certain point deductions from their scoring of the Technical Proposals. That discussion led other members to consider and assess similar deductions in their scoring of some of the Technical Proposals.

47. During the conference call, the scores for the Technical Proposals were announced by each member of the Evaluation Committee and recorded by staff of the Project Control Section.

48. After the scores of the Technical and Pricing Proposals were tabulated, the various offers were ranked according to their Total Score.

49. In accordance with the terms of the RFPs, the 2 highest-ranked Offerors for each RFP were interviewed by the Evaluation Committee.

50. The 2 highest-ranked Offerors for Maui were Intervenor and Petitioner. Yamaguchi and Akita were the 2 highest-ranked Offerors in Kauai.

51. The interviews took place in or around October 19-20, 2016.

52. Prior to the interviews, the members of the Evaluation Committee had the opportunity to submit questions to Kauhi to be posed to the Offerors at their interviews in order to clarify and expand upon their offers. The members were not provided with the summary of the scores. Instead, they were provided with their score sheets and a list of the previously submitted questions.

53. The interviews were the first time the identities of the Evaluation Committee members were made known to any of the Offerors.

54. Following the interviews, the members of the Evaluation Committee met by way of conference call with staff from the Project Control Section to tabulate their scores.

55. By letter dated November 1, 2016, Respondent notified Petitioner that Petitioner would be awarded the Makawao cluster and Intervenor would be awarded the Baldwin, Lahaina and Maui clusters in RFP D17-001. By letter of the same date, Respondent notified Petitioner that Yamaguchi would be awarded the Waimea cluster and Akita would be awarded the Kapaa and Kauai clusters in RFP D17-002.

56. The Makawao cluster is the largest of the 4 clusters designated in RFP D17-001.

57. By letters to Respondent, both dated November 2, 2017, Petitioner requested a debriefing in each of the two solicitations.

58. The debriefing was held on November 16, 2016.

59. During the November 16, 2016 debriefing, Butt, the administrator for the Project Control Section, stated in part:

* * * *

First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so . . . you want to get it started Jimmy? You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference.

* * * *

One thing to that like I said, I was just looking . . . actually price was the determinant. But one of the things, again I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price. And we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that. So again, we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever. So again we try to remove that barrier. So again you know, that these guys scored it they don't know how it's going to turn out.

* * * *

60. During the debriefing, Kauhi explained how the Evaluation Committee arrived at their final scores;

Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation . . . on Kauai that seems to be the big difference. Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation.

* * * *

> I thought the evaluation team did a terrific job. We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns, their interpretations if you will. And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but that was the time where we weigh in on all of the different components of the technical presentation and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are. So that's generally the process of how it worked.

* * * *

61. During the debriefing, a representative of Petitioner commented that Intervenor's offer "contained nebulous information" and that Petitioner lost points for "having an existing infrastructure, but not [Intervenor]". Kauhi responded:

> I can tell you that they [Intervenor] weren't nebulous in their interview. I understand where you're going with this and which is why you have an interview. Interview questions were right along the lines of every bullet point you've raised so far. Did we not question you about baseyards? Did we not question you about workforce and the way you utilized between the different components of your highly diversified company? What I'm saying is the technical score sheets that you saw from each individual was to evaluate your presentation on the merit of your presentation. But then we also had an interview and during that interview you were asked questions and they were clarified. Now, whether that's going to make a difference, as I said before, to the individual evaluators as to whether they're going to change their score or not change their

> scores, is entirely up to them. The purpose of the interview was to get clarification for questions about components of your presentation.

62. Following the debriefing, Butt became aware that some of the scores of the individual evaluators did not match the scores reflected in the summary and that there were mathematical errors in averaging some of the scores for the Technical Proposals.

63. By letters dated November 18, 2016 to Butt, Petitioner requested that Respondent rescind the awards in both RFPs and reissue the RFPs to allow new proposals to be submitted. Petitioner alleged that the awards had been made in violation of the law:

> This letter is being sent to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, rescission of the award and cancellation of the awarded contracts is required.
>
> * * * *
>
> It is clear at this point, based on our conversation and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * * *
>
> Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders. However, we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit

> entirely new proposals, RHSB reserves all of its right to protest the result of the re-scoring.
>
> Finally RHSB believes that regardless of whether the DOE reissues a new RFP or re-scores the existing proposals, the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring.

* * * *

64. After consulting with Kauhi, Butt determined that there was no need to cancel the RFPs and resolicit offers. Instead, Butt determined that having the same Evaluation Committee rescore the Technical Proposals would sufficiently address the deficiencies found in the proposals. Among other things, Butt was concerned that resoliciting offers after prices had been exposed might be prejudicial to the Offerors.

65. Following the debriefing, Butt called Kimura and offered to rescind the awards and rescore the Technical Proposals.

66. On November 21, 2016, Petitioner received a Notice of Re-score from Respondent as to both RFPs. The Notice of Re-score acknowledged discrepancies in the solicitations:

> You are being notified that the awards for RFP D17-001 and RFP D17-002 are being rescinded. It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring. Upon review, the DOE concurs and has decided to re-score both RFPs.

* * * *

67. In preparation for the rescoring process, the Evaluation Committee was given their scoring sheets from the initial scoring of the Technical Proposals, their notes from the interviews, and the Technical Proposals.

68. In rescoring the Technical Proposals, the members of the Evaluation Committee reviewed and reread all of the proposals. As a result of this review, some of the

members of the Evaluation Committee became aware of concerns they did not see in their initial review that affected their scoring.

69. For RFP D17-0001, the Evaluation Committee's revised scores for the Technical Proposals for all clusters were as follows:

	Petitioner	Intervenor	Iosepa	Akina
Foster	60.00	60.00	57.25	53.25
Joseph	48.75	57.00	51.50	50.75
Kauhi	54.00	53.25	52.25	50.00
Ellerman	57.75	58.00	49.25	50.75

70. For RFP D17-002, the Evaluation Committee's revised scores for the Technical Proposals for all clusters were as follows:

	Petitioner	Yamaguchi	Akita	Iosepa
Foster	59.25	55.50	59.50	57.25
Joseph	50.25	54.75	54.25	49.75
Kauhi	54.00	54.00	53.50	50.75
Ellerman	56.25	53.00	55.75	52.25

71. The following are the Evaluation Committee members' revised technical scores for Petitioner for Maui:

MAUI	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**Total**
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00.	2.00	60.00
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	54.68
Joseph	2.25	2.25	6.75	6.00	6.75	11.25	1.50	3.00	3.00	4.00	2.00	48.75
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	3.00	3.00	4.00	2.00	57.75
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	60.00

72. The following are the Evaluation Committee members' revised technical scores for Intervenor for Maui:

MAUI	1	2	3	4	5	6	7	8	9	10	11	Total
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00.	2.00	60.00
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	2.25	4.00	2.00	53.25
Joseph	2.25	3.00	6.75	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	57.00
Ellerman	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	1.50	4.00	1.50	58.00
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	60.00

73. The following are Petitioner's revised Total Scores for Maui:

Cluster	Technical	Price	Total
Makawao	55.13	39.46	94.58
Baldwin	55.13	36.61	91.74
Lahaina	55.13	36.46	91.59
Maui	55.13	35.72	90.84

74. The following are Intervenor's revised Total Scores for Maui:

Cluster	Technical	Price	Total
Makawao	57.06	40.00	97.06
Baldwin	57.06	40.00	97.06
Lahaina	57.06	40.00	97.06
Maui	57.06	40.00	97.06

75. The following are the Evaluation Committee members' revised technical scores for Petitioner for Kauai:

KAUAI	1	2	3	4	5	6	7	8	9	10	11	Total
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00.	2.00	60.00
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	54.00
Joseph	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	50.25
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	2.25	2.25	4.00	2.00	56.25
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	2.25	4.00	2.00	59.25

76. The following are Petitioner's revised Total Scores for Kauai:

Cluster	Technical	Price	Total
Waimea	54.94	27.25	82.18
Kapaa	54.94	32.10	87.03
Kauai	54.94	32.27	87.21

77. The following are Akita's revised Total Scores for Kauai:

Cluster	Technical	Price	Total	Rank
Waimea	55.75	39.07	94.82	1
Kapaa	55.75	40.00	95.75	1
Kauai	55.75	40.00	95.75	1

78. The following are Yamaguchi's revised Total Scores for Kauai:

Cluster	Technical	Price	Total	Rank
Waimea	54.31	38.26	92.57	2
Kapaa	54.31	33.87	88.18	2
Kauai	54.31	37.09	91.40	2

79. At the time the Technical Proposals were rescored, at least some of the members of the Evaluation Committee had seen the Offeror's Total Scores.

80. Joseph testified that he has never seen the pricing even following the awarding of the contracts and that he had no interest in the pricing information.

81. Ellerman testified that he was sure that he saw the combined technical and price scores although he did not have a specific recollection of it.

82. Kauhi testified that shortly after the conference call to tally the initial scores, he received the lump sum combined technical and price scores by email. The price scores were not provided to the other evaluators at that time because there was no need for them to have that information.

83. Foster testified that she only saw totals of the technical and pricing scores contained in the award letters following the initial scoring.

84. Tab 1 of the RFPs concerned the Transmittal Letter. Petitioner received a score of 2.25 points out of a maximum of 3.00 points from Joseph. Joseph noted in his score sheets for RFP D17-001 that a "list of the 4 clusters that is being proposed for was not provided", and for RFP D17-002, that Petitioner "had failed to provide a list of the three clusters they are bidding for. Petitioner's offers, however, stated that, Petitioner "shall pursue Proposal Option A (Multiple clusters, unlimited award) for all four (4) Clusters" in RFP D17-001 and that Petitioner "shall pursue Proposal Option A (Multiple clusters, unlimited award) for all three (3) Clusters" in RFP D17-002. In Tab 1 of its Technical Proposal, Intervenor stated, "We are submitting for Proposal Option A for all Maui service clusters: Cluster 1-Makawao (Haiku, Makawao, Pukalani, Kula, Paia); Cluster 2-Baldwin (Wailuku); Cluster 3-Lahaina; and Cluster 4-Maui (Kahului and Kihei)." Joseph awarded Intervenor a score of 2.25 and apparently deducted .75 points because Intervenor had "exceeded page limit".

85. Tab 2 concerned the Executive Summary of each RFP. Joseph awarded Petitioner 2.25 out of a maximum 3.00 points in both RFPs and had the following comments on his score sheet for RFP D17-001:

> *Conflicting statements pertaining to the number of strategically placed base yards in bullets # 1 & 3.
>
> *Capacity & Functionality of Makawao Baseyard questionable-define the term "baseyard" and explain what the DOE could expect from each of these locations.
>
> *Turn key statement-current fleet would not meet average age requirements if awarded 85% of clusters.

86. Joseph's comments regarding Tab 2 were based on knowledge he acquired from his work with Petitioner on the current Maui bus contract. From that experience, it was Joseph's belief that Petitioner did not maintain what he considered to be a "baseyard" in Makawao or Lahaina, and that Petitioner's current fleet of buses would not meet the age

requirements because he believed from his experience as the Maui transportation officer in charge of the current contracts that Petitioner had outdated buses.

87. Joseph awarded the maximum 3.00 points to Intervenor for Tab 2 despite the fact that Intervenor had no presently existing baseyards on Maui.

88. Tab 3 concerned the Offeror's Qualifications and Experience. Joseph awarded Petitioner 6.75 out of the maximum 9.00 points in RFP D17-001 and included the following comments:

> *44 Dispatchers Statewide-Are they school bus department or DOEs it include tour & public transit personnel as well?
>
> *Bullets 3&4 were combined into one statement

89. In its Technical Proposal for both RFPs, Petitioner addressed the requirements for Tab 3, in pertinent part, as follows:

> **Comparable and Currently Active Service Delivery Contracts**
> As the largest student transportation services provider in the State of Hawaii, Robert's Hawaii School Bus, Inc. (RHSB) currently (as of the development period for this proposal) has a total of *thirty-nine* (22) active DOE student transportation services contracts throughout four (4) major Hawaiian Islands; Hawaii, Maui, Oahu, and Kauai. Three (3) contracts for the Island of Hawaii, one (1) contract for the Island of Kauai, fourteen (14) contracts for the Island of Maui, and four (4) contracts for Island of Oahu.

(Emphasis added).

90. Petitioner's Technical Proposals displayed a table showing the 22 active contracts it had on each island by clusters.

91. Joseph's comments regarding Tab 3 were based on knowledge he acquired from his work with Petitioner on the current Maui bus contract. From that experience, it was Joseph's belief that Petitioner had only 22 active service delivery contracts rather than the 39 contracts "claimed" in Petitioner's Technical Proposal - even though the proposal accurately represented the total as 22 in other sections of Petitioner's response to Tab 3.

92. Tab 4 of the RFPs concerned Reference and Testimonials. Tab 4 required Offerors to provide not less than one and no more than 3 letters of reference. Intervenor listed 3 references and 12 customer testimonials.

93. Tab 5 of of the RFPs concerned the Proponent's Service Approach. Joseph, Kauhi and Ellerman awarded Petitioner 6.75 points out of the maximum of 9.00 points in both RFPs.

94. Joseph testified that his deduction of points for Petitioner's response to Tab 5 was based on the fact that Petitioner's offer did not identify who was responsible for ensuring that drivers were conducting the required pre-trip inspections for safety and cleaning and did not provide steps that Petitioner would take to check route schedule compliance.

95. In his scoring sheet for Petitioner in RFP D17-001, Kauhi entered the following comment for Tab 5:

> Response to "Reliability" bullet is insufficient. It fails to include details on policies relating to internal communication protocols for emergencies such as driver no shows and particularly for park-aways.

96. In his scoring sheet for Intervenor, Kauhi commented on Intervenor's response to Tab 5:

> The response to the question of "Reliability" is insufficient. No information is provided on internal communication protocols for emergencies, such as driver no shows particularly for park-aways. Described procedures is insufficient.

97. In his scoring sheet for Petitioner in RFP D17-001, Ellerman entered the following comment for Tab 5:

> Needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOE, esp. in SpEd area

98. Tab 6 of the RFPs concerned the Offerors' Commitment to Safety. Joseph and Kauhi awarded Petitioner 11.25 point of the maximum 15.00 points in both RFPs. In his

scoring sheet for Petitioner in RFP D17-001, Joseph noted, "All responses to bulleted items are generic and does not reflect actual Maui team members performance." In his testimony, Joseph explained that he was looking for actual safety performance and that Petitioner's response lacked specifics.

99. In his scoring sheet for Petitioner in RFP D17-001, Kauhi commented in Tab 6:

> Response to how has safety metrics changed is insufficient. The presentation's response to the question of how is safety measured indicated two metrics: Accident/1,000 driving hours, and student injuries/1000 driving hours. Response to how these two metrics changed speaks to partnering with third party experts and enhancing communications instead of pointing to specific metrics that enables the overall effectiveness of the safety program.

100. Tab 7 of the RFPs concerned Vehicle & Fleet Management. Joseph awarded Petitioner 1.5 points of the maximum 3.00 points in RFP D17-001. Joseph noted in his scoring sheet:

> *Descriptions of Baseyards referred to in Tab 9 are not accurate.
>
> Define Baseyard, what exactly can we expect from each of these locations operationally?

101. The Offerors' Pricing Proposals were rescored using both the supplemental and aide rate provided in their proposals.

102. By letter dated December 5, 2016 from Respondent, Petitioner was notified that it would be awarded the Makawao cluster and that the remaining clusters would be awarded to Intervenor:

> Your response received the second highest score in all four clusters, with Ground Transport Incorporated (GTI) being the top scoring vendor in all four clusters. However, due to the award limit stated in the RFP, GTI was awarded Clusters 2, 3, and 4.

103. By letter dated December 5, 2016 from Respondent, Petitioner was notified that it would not be awarded any of the contracts for the 3 clusters in Kauai. Although Akita had the highest score for all 3 clusters, it was limited to an award of 2 clusters under the terms of RFP D17-002. Accordingly, the Waimea cluster was awarded to Yamaguchi since it was the Offeror with the second highest Total Score for that cluster.

104. No interviews were conducted following or in connection with the rescoring of the offers.

105. Aaron Kimura, Petitioner's vice-president for contracts management, testified that the prices Petitioner included in its Pricing Proposal was based on the understanding that the costs would not be disclosed to the evaluators until after the Technical Proposals had been scored. Kimura testified that because they usually receive high technical scores, they are able to offer moderate prices; however, had they known that the costs would be made known to the evaluators prior to the scoring or rescoring of the technical proposals, they would have adjusted their prices. Kimura also testified that an interview following the rescoring would have provided them with the opportunity to clarify and reiterate the extent of their existing infrastructure on Maui.

106. A second debriefing with Petitioner and Respondent was held on December 16, 2016.

107. By letter dated December 12, 2016, Yamaguchi informed Respondent that, "[s]ome school bus vendors that we are working with have indicated that they still will be able to supply new school buses to Kauai by July 1, 2017 if the order is received by January 13, 2017."

108. By letter dated December 13, 2016, Akita informed Respondent that the "drop dead deadline for ordering buses is January 15, 2017", and explained that, "that is the absolute lead time the manufacturer needs to build the bus and have it shipped to Kauai by July 1, 2017."

109. By letter dated December 14, 2016, Intervenor informed Respondent that because of the lead time required to build and ship the required vehicles to Maui, the deadline for ordering the buses is January 13, 2017.

110. At the December 16, 2016 debriefing, Butt, Kauhi, and Chad Iwamoto and Aaron Kimura of Petitioner had the following exchange on the claim that the rescoring of the Technical Proposals should have been done without the evaluators' knowledge of the results of the Pricing Proposals:

> Kimura: . . . the panel now had access to the outcome of the prices . . . the rates. Now that is different from the initial process, right, where it was kept away from them, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to . . . you were the only one who had access to the pricing . . .
>
> Kauhi: Right . . .
>
> * * * *
>
> Iwamoto: Isn't that contrary to the ways that the RFP was put out? That's what you told us on our first debriefing . . . On the first debriefing, you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was. . .
>
> Butt: OK, that's different, but there's nothing in the procurement code that requires that to be blind . . . we just did that as an extra step. But in any case, yes, they saw it but they did not have access to the score sheet when they rescored. Again, we kept that and they didn't do the price evaluation so, yeah they might have had a peek of the scores. I don't know if they have a photographic memory or not, but again I don't think . . . .
>
> * * * *
>
> Iwamoto: Well Jimmy [Kauhi] had the scores with him at the first debriefing . . .
>
> Kauhi: So, let me say this. The evaluators were asked to re-score the technical presentations, and that's all they did. While your point is well taken in the sense that they had general information on who, on what the price

presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well . . . but they were not involved in that process.

Butt: So again . . . yeah Chad . . . they did see it . . . but no, they didn't have it in front of them when they re-evaluated, so . . .

* * * *

111. On December 23, 2016, Petitioner protested the awards made in RFP D17-001 and RFP D17-002.

112. Petitioner currently operates the majority of the school bus routes on Maui.

113. Ellerman testified that during his work as a consultant for Respondent, he never sensed any animosity by Respondent against Petitioner.

114. On January 11, 2017, Respondent made a written determination that the award of the contracts resulting from the RFPs without delay was necessary to protect the substantial interests of the State pursuant to HRS §103D-701(f)("Substantial Interest Determination").

115. Contracts were awarded to Intervenor and Petitioner for RFP D17-001 and to Yamaguchi and Akita for RFP D17-002.

116. By letter dated January 20, 2017, Respondent informed Petitioner for the first time of its January 11, 2017 Substantial Interest Determination.

117. On January 25, 2017, Joseph went to Petitioner's Maui baseyard apparently to speak to Kim in her office. Upon leaving the office, Joseph ran into 2 drivers, Jim and Jancene Shields. Jancene Shields inquired "what was happening with DOE". According to Shields, Joseph replied that a new contract had been awarded and that Petitioner's appeal had been denied. Joseph testified that he informed the Shields that the contracts had been awarded but that nothing was set in stone because of the pending protests and that anything could happen. Jancene Shields asked how the new contractor was going to have a new facility up and running by the beginning of the new school year and Joseph,

according to Shields, suggested that they visit Intervenor's facility on Oahu and commented that Intervenor's facility was so clean they could do surgery there.

118. Following their January 25, 2017 conversation with Joseph, the Shields were asked about the conversation by Kim and asked to document the substance of the conversation. Consequently, on January 26, 2017, Jim Shields emailed Kim about his recollections of the conversation. Shield's email was forwarded by Kim to Sagiao with an indication from Kim that the description of the conversation in Shield's email did not exactly match the description the Shield's verbally related to Kim. There was no indication in the record as to what portion of the description had been inconsistent.

119. A few days after their January 25, 2017 conversation at Petitioner's Kahului baseyard, Joseph and Jancene Shields spoke again when they ran into each other at Maui High School. According to Shields, Joseph told her that Petitioner had previously attempted to block Respondent from hiring him because of his relationship to Kauhi. This led to an investigation which resulted in a delay in his hiring.

120. By letter dated February 6, 2017 to Respondent's attorney, Petitioner's attorney stated in relevant part:

> This letter is a follow up on our letter dated January 27, 2017 regarding interference with Robert's Maui operations by Mr. Robert Joseph, and also to address the inexcusable delay by the DOE in responding to Robert's Protest, while simultaneously pushing forward on unlawfully awarded contracts.
>
> * * * *
>
> IV. **Robert's Disputes the Determination of Substantial State Interests**
>
> * * * *
>
> VI. **Robert's Is Prepared to Discuss Resolution Prior to Taking Further Action**
> As you know, HRS §103D-701 allows the chief procurement officer or a designee to settle and resolve a

> protest concerning the solicitation or award of a contract, prior to the commencement of an administrative proceeding. There has been no effort on the DOE's part to settle and resolve the Protests; however, Robert's is still willing to engage in those negotiations.
>
> To that end, Robert's is prepared to post a bond for the full $750,000.00 claimed by the DOE as its "savings' from operational efficiencies during the first year, if the DOE will halt any further action towards pursuing the protested contracts until the Protests have been resolved. Robert's is also willing to stipulate to an extension of its existing contracts so that there will be no interruption to services if a new vendor is not in place by August 7, 2017. These two concessions on Robert's part should allow the DOE to step back and follow the proper procedure contemplated by the Procurement Code. Robert's believes the option of resolving the Protests will not be available once it commences other legal proceedings. Thus, time is of the essence as Robert's will take immediate action following the above stated February 9th deadline.

* * * *

121. By letters dated February 24, 2017, Respondent notified Petitioner that it was denying Petitioner's December 23, 2017 protests in both RFPs.

122. On March 3, 2017, Petitioner filed the instant requests for administrative review and posted the requisite bonds pursuant to HRS §103D-709(e).

III. CONCLUSIONS OF LAW

If any of the following conclusions of law shall be deemed to be findings of fact, the Hearings Officer intends that every such conclusion of law shall be construed as a finding of fact.

Hawaii Revised Statutes ("HRS") §103D-709(a) extends jurisdiction to the Hearings Officer to review and determine *de novo* any request from any bidder, offeror, contractor or governmental body aggrieved by a determination of the chief procurement officer, head of a purchasing agency, or a designee of either officer made pursuant to HRS

§§103D-310, 103D-701 or 103D-702. The Hearings Officer is charged with the task of deciding whether those determinations were in accordance with the Constitution, statutes, regulations, and the terms and conditions of the solicitation or contract. HRS §103D-709(f). And, having initiated this action, Petitioner has the burden of proving each of the alleged violations by a preponderance of the evidence. *103D-709(c).*

1. Compliance with Evaluation Criteria.

Petitioner alleges that in evaluating the Technical Proposals, the Evaluation Committee failed to follow the criteria set forth in the RFPs. Among other claims, Petitioner alleges that Respondent's decision to have the Technical Proposals rescored by the same Evaluation Committee violated HRS §103D-303. That section provides in relevant part:

> (a) Competitive sealed proposals may be used to procure goods, services, or construction that are either not practicable or not advantageous to the State to procure by competitive sealed bidding.
>
> * * * *
>
> (f) Discussions may be conducted with responsible offerors who submit proposals determined to be reasonably likely to be selected for a contract award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.
> (g) Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous, taking into consideration price and the evaluation factors set forth in the request for proposals. *No other factors or criteria shall be used in the evaluation.* The contract file shall contain the basis on which the award is made.
>
> * * * *

(Emphasis added).

Similarly, Hawaii Administrative Rule §3-122-52 provides in relevant part:

> (a) *Evaluation factors shall be set out in the request for proposals and the evaluation shall be based only on the evaluation factors. Evaluation factors not specified in the request for proposals may not be considered.*
>
> * * * *

(Emphasis added).

The RFPs at issue here expressly provided that although cost "will be a significant factor in the evaluation process", "cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach . . ." The RFPs also provided:

> Cost Evaluation - AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms).
>
> * * * *
>
> Proposals must be submitted using the instructions in this RFP.
>
> * * * *
>
> No pricing information is to be included in the proposal. One hard copy of Attachment B or an exact replica, in its entirety, with all required information must be included in a separate, marked, sealed envelope as part of the proponent's submission.
>
> * * * *

Contrary to Respondent's and Intervenor's assertion that there is nothing in HRS Chapter 103D ("Procurement Code") that requires the completion of the technical evaluation before the Pricing Proposals are scored, the terms of the RFPs make clear that the

Evaluation Committee's scoring of the Technical Proposals was to have been completed without knowledge of the Pricing Proposals or the results of the scoring of those proposals. Indeed, at the November 16, 2016 debriefing with Petitioner, Respondent acknowledged that knowledge of an Offeror's pricing could influence the scoring of the Technical Proposal. Having included this requirement in the RFPs, Respondent was obligated to comply with that criteria. And because the RFPs did not specifically address the method of scoring in the event that a rescoring of the offers became necessary, it stands to reason that the same criteria applies. Any other conclusion would allow the procuring agency to circumvent the criteria set forth in the RFPs and undermine the integrity of the evaluation process.

There is no dispute here that the same evaluators who performed the initial technical evaluation also did the rescoring of those proposals. The record, however, was not altogether clear as to whether or to what extent the evaluators were exposed to the Pricing Proposals or the scores for those proposals. This was evident from the fact that while Respondent claims that the testimony established that the evaluators were sent only the combined technical and pricing scores, Petitioner argues that the evaluators were actually provided with the total scoring information including the scores for the price/cost portions of the proposals. Nevertheless, it was clear that if the evaluators were exposed to the Offerors' Total Scores, those scores alone would not have been sufficient to reveal which Offeror had submitted the lowest Pricing Proposal. This was because according to the RFPs, the Technical Proposal accounted for 60% of the Total Score and the Pricing Proposal accounted for the remaining 40% of the total. As such, the Offeror with the highest Total Score would not necessarily have the lowest pricing since a high technical score could compensate for a low pricing score. Moreover, even if the evaluators had been exposed to the scores for the Pricing Proposals from the initial evaluation, those scores would only reveal which Offeror had offered the best overall pricing under the original tabulation. Unlike the rescoring of the Pricing Proposals which was based on both the supplemental and the aide rate, the initial tabulation of those proposals was based solely on the supplemental rate for the 4-point component of the overall Pricing Proposal score. Based on this record, the Hearings Officer

concludes that the evidence was insufficient to prove that the rescoring of the Technical Proposals violated the requirement in the RFPs that those proposals be evaluated without knowledge of the Pricing Proposals.

On the other hand, it was made clear from the evidence that one evaluator went beyond the criteria provided in the RFPs by relying on his knowledge of Petitioner's work on the current contract in Maui to rescore Petitioner's proposal. In his rescoring of Petitioner's responses to Tabs 2, 3, and 7, Joseph questioned and apparently deducted points based on his prior knowledge of Petitioner's "baseyards" and his own understanding of what comprised a "baseyard", as well as knowledge of the number of active contracts Petitioner currently had. In going beyond the criteria provided by the RFPs, Joseph placed Petitioner at a disadvantage over the other Offerors, including Intervenor, who had no history of operating school buses in Maui. The record also established that in rescoring the Technical Proposals, the members of the Evaluation Committee reread the proposals which admittedly led to concerns they had overlooked during the initial scoring process. Notwithstanding that, no interviews were scheduled following the rescoring even though such interviews were required by the RFPs as a part of the evaluation process. There was evidence that an interview would have aided Petitioner in clarifying some of the concerns raised by the committee. For these reasons, the Hearings Officer concludes that the rescoring of the Technical Proposals did not comply with HRS §103D-303(g).

Additionally, Petitioner contends that following the completion of the technical evaluation, the members of the Evaluation Committee participated in a conference call during which members discussed their scoring of the Technical Proposals, including the reasons for certain deductions. According to Petitioner, this amounted to an improper attempt to influence the other members of the committee. The record, however, was devoid of any basis for this claim. Rather, the evidence made clear that although the discussion did cause members to consider issues they had not previously considered, the ultimate decision to make any resulting deduction was their decision alone. In *Kiewit Infrastructure West Co. v. Dept. of Transportation, PCX-2009-2 (June 6, 2011)*, the Hearings Officer cited *Bean*

Stuyvesant, LLC v. U.S., 48 Fed Cl. 303 (Ct. Fed. Claims 2000) at 326, with approval. There, the court recognized that, "[e]valuators may meet to discuss the relative strengths and weaknesses of a proposal, as such discussions can operate to correct mistakes or misperceptions in individual evaluations". And, in allowing consensus scoring, the Hearings Officer in *Kiewit* said:

> Where, as here, the RFP covers a wide range of technical matters, consensus scoring would be desirable, it not preferable, because individual evaluators would not be expected to have extensive experience and insight/expertise on all the technical matters.
>
> * * * *
>
> Kiewit appears to argue that the regulation requires an independent evaluation by each member of the evaluation committee. However, each individual member of the committee can independently come to the conclusion that the consensus score is appropriate. (Averaging, in contract, would not be an independent evaluation.)

Petitioner also complains that in rescoring the Pricing Proposals, Respondent incorrectly applied the supplemental rate in conjunction with the aide rate. According to Petitioner, Addendum 3 clearly established that the aide rate, rather than the supplemental rate, was to be used in the application of the 4 points available for supplemental services. Section D.3. of the RFPs explained how the supplemental services were to be scored:

> A total of 36 points will be applied to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in Attachment B.

In response to questions received after the RFPs were issued, Respondent issued Addendum 3 to clarify how the Pricing Proposals would be evaluated and to revise Attachment B, the Pricing Form by adding a place for Offerors to include a separate "Hourly Rate for Bus Aide." Addendum 3 provided in part:

This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

* * * *

6. What will the cost per hour for bus aide be used for?

A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

A plain reading of Section D.3 of the RFPs together with Addendum 3, however, does not support the argument that Addendum 3 replaced the supplemental rate with the aide rate. On the contrary, those provisions, read together, unambiguously establish that the bus aide rate was to be used in conjunction with the supplemental services rate to determine a rate for the application of the 4 points in the scoring of the Pricing Proposals. Nowhere in Addendum 3 does it provide that the bus aide rate is to be used in place of the supplemental services rate. Moreover, even if the aide rate was used alone in the rescoring, Petitioner's position would not have changed. In RFP D17-001, Petitioner's aide rate was $33.00/hour for all clusters while Intervenor's aide rate was $22.75/hour. In RFP D17-002, Petitioner's aide rate was $33.00/hour while Akita's aide rate was $21.50/hour and Yamaguchi's rate was $26.00/hour for the same clusters.[1]

[1] Because Petitioner's pricing for its supplemental services was more competitive than its aide rate, the initial score for Petitioner's Pricing Proposal was higher than after the rescoring which was based on the supplemental and aide rate. Use of the aide rate alone would actually lower Petitioner's Total Score.

2. *Evaluation Committee's Bias and Conflicts of Interest.*

Petitioner next asserts that the rescoring of the Technical Proposals was tainted by the biases and conflicts of some members of the Evaluation Committee. In particular, Petitioner contends that Kauhi and Joseph had a conflict of interest and were biased against Petitioner because Kauhi is Joseph's brother-in-law, supervisor and neighbor, and both have known each other for over 40 years. Petitioner, however, does not point to, and the Hearings Officer cannot find, any authority precluding Kauhi or Joseph from serving on the committee under these circumstances alone. Generally, the selection of an evaluation committee member is a matter falling primarily within the discretion of the procuring agency and will not be questioned absent evidence of actual bias or other improprieties. Petitioner also argues that because Foster had only about 3 years of experience as a transportation officer, she was, in all likelihood, unduly influenced by Kauhi and Joseph. The evidence, however, was insufficient to prove that any such influence actually occurred.

In support of their claim of bias, Petitioner points primarily to the relationship between Kim, their Maui manager, and Joseph. Although Kim did not testify, there was evidence that Joseph and Kim had periodic disagreements over the Maui school bus operations. Sagiao, Petitioner's operations director, described Joseph as harsh and stubborn at times, although she acknowledged that he was straight with her. The Hearings Officer credits her testimony. Joseph, who was equally credible, testified that he works closely with Kim on Maui on the current bus contract and considers her to be his "right hand" and that he has learned a lot from her. While it was clear from the testimonies that there was an occasional personality conflict between the two, nothing in the record sufficiently established that the relationship resulted in any bias against Petitioner in these solicitations.

Evidence was also presented that Joseph believed that Petitioner had attempted to block his rehiring as the Maui transportation officer in or after 2010 and may have still been upset about that. Jancene Shields, one of Petitioner's drivers, testified that she had a conversation with Joseph in 2017 during which he expressed anger at Petitioner's attempt to block his hire. Shields also recalled an earlier conversation she had with Joseph

when Joseph told her that Petitioner had lost the contract and that she should visit Intervenor's baseyard on Oahu. According to Petitioner, these conversations exhibit Joseph's animosity toward and bias against Petitioner. The evidence, however, indicated that Joseph had been on Petitioner's baseyard to meet with Kim in the office and only ran into the Shields when he was leaving. Moreover, many of Joseph's statements to Shields during this conversation were made in response to questions initiated by Shields. Placed in this context, it appears less likely that Joseph was deliberately trying to sabotage Petitioner's operation. Joseph, for his part, testified that he was not upset at Petitioner's questioning of his rehire as he was already employed and Petitioner's inquiry only resulted in a short delay of his hiring.[2] Thus, while there was a possibility that Joseph might have been upset at Petitioner's earlier attempt to interfere with his employment with Respondent, no objective evidence was presented to establish that any such animosity actually led Joseph to improperly rescore Petitioner's Technical Proposal.

Additionally, Petitioner asserts that the scores it received from the rescoring of its Technical Proposals by certain members of the Evaluation Committee was unjustified and further demonstrates bias against Petitioner. In that regard, the Hearings Officer is mindful that the evaluation of technical factors requires the exercise of discretion and judgment which is necessarily subjective. Thus, the determination of the relative technical merits of offers is a matter primarily left to the procuring agency and is entitled to great weight. The agency is in the best position to determine which technical proposal best meets its needs and must bear the burden for any difficulties incurred by a defective evaluation. The role of the Hearings Officer is therefore not to substitute his judgment for that of the agency. Rather, the Hearings Officer will determine whether a reasonable basis exists for the conclusions reached or whether the conclusions are instead shown to be unreasonable, arbitrary, capricious, or contrary to law. Mere disagreement with the decision of the evaluators is insufficient to show that the evaluation of proposals is unreasonable or the result of bias.

For Tab 1 of the RFPs, Petitioner received a score of 2.25 points out of a maximum of 3.00 points from Joseph. Joseph noted in his score sheets for RFP D17-001 that

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[2] Petitioner also presented an unsworn statement from another bus driver, Vicki Perreira, who wrote, among other things, that Joseph told her that he scored Petitioner the way he did because "Roberts got sloppy and cheap." The Hearings Officer finds this evidence to be largely irrelevant and, given the fact that Perreira, who was an employee of Petitioner, did not testify and her statement was unsworn, assigns little weight to her statement.

a "list of the 4 clusters that is being proposed for was not provided", and for RFP D17-002, that Petitioner "had failed to provide a list of the three clusters they are bidding for. Petitioner's offers, however, stated that, Petitioner "shall pursue Proposal Option A (Multiple clusters, unlimited award) for all four (4) Clusters" in RFP D17-001 and that Petitioner "shall pursue Proposal Option A (Multiple clusters, unlimited award) for all three (3) Clusters" in RFP D17-002. In contrast, Intervenor stated in its response, "We are submitting for Proposal Option A for all Maui service clusters: Cluster 1-Makawao (Haiku, Makawao, Pukalani, Kula, Paia); Cluster 2-Baldwin (Wailuku); Cluster 3-Lahaina; and Cluster 4-Maui (Kahului and Kihei)." Joseph awarded Intervenor a score of 2.25 but apparently deducted .75 points only because Intervenor had "exceeded page limit". While Joseph's deduction of points from Petitioner's response to Tab 1 for failing to provide a list of the clusters that was being proposed for was extremely technical in nature, it was nevertheless consistent with the Evaluation Description provided for Tab 1 which required Offerors to "[i]nclude a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing".

Tab 4 of the RFPs was entitled, References and Testimonials and required Offerors to provide not less than 1 and no more than 3 letters of reference. Petitioner alleges that Intervenor exceeded the maximum 3 references by including 12 quoted testimonials. In fact, Intervenor listed 3 references and 12 customer testimonials. Given the title of Tab 4, the inclusion of the testimonials along with the required references was not unreasonable.

Tab 5 of the RFPs concerned the Proponent's Service Approach. Joseph, Kauhi and Ellerman each awarded Petitioner 6.75 points out of the maximum of 9.00 points in both RFPs. Joseph testified that his deduction of points for Petitioner's response was based on the fact that Petitioner's offer did not identify who was responsible for ensuring that drivers were conducting the required pre-trip inspections for safety and cleaning and did not provide the steps that Petitioner would take to check route schedule compliance.

In his scoring sheet for Petitioner in RFP D17-001, Kauhi commented:

> Response to "Reliability" bullet is insufficient. It fails to include details on policies relating to internal communication protocols for emergencies such as driver no shows and particularly for park-aways.

And in his scoring sheet for Intervenor, Kauhi similarly commented on Intervenor's response to Tab 5:

> The response to the question of "Reliability" is insufficient. No information is provided on internal communication protocols for emergencies, such as driver no shows particularly for park-aways. Described procedures is insufficient.

Evaluation Committee member Ellerman entered the following comment in his scoring of Petitioner's response to Tab 5 in RFP D17-001:

> Needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOE, esp. in SpEd area

Tab 6 of the RFPs addressed the Offerors' Commitment to Safety. Joseph and Kauhi awarded Petitioner 11.25 point of the maximum 15.00 points in both RFPs. In his scoring sheet for Petitioner in RFP D17-001, Joseph noted, "All responses to bulleted items are generic and does not reflect actual Maui team members' performance." In his testimony, Joseph explained that he was looking for actual safety performance and that Petitioner's response lacked specifics.

In his scoring sheet for Petitioner in RFP D17-001, Kauhi commented in Tab 6:

> Response to how has safety metrics changed is insufficient. The presentation's response to the question of how is safety measured indicated two metrics: Accident/1,000 driving hours, and student injuries/1000 driving hours. Response to how these two metrics changed speaks to partnering with third party experts and enhancing communications instead of pointing to specific metrics that enables the overall effectiveness of the safety program.

A careful review of the foregoing, the testimonies of the members of the Evaluation Committee, and an assessment of their credibility, leads the Hearings Officer to conclude that these scores were reasonably justified and not the result of actual bias[3]. Bias will not be attributed to the members of the Evaluation Committee based on inference, speculation, or supposition but rather, must be demonstrated to exist by substantive hard facts or evidence.

On the other hand, for Tabs 2, 3 and 7 in RFP D17-001, Joseph apparently deducted points from Petitioner's Technical Proposal based primarily on knowledge he acquired from his work with Petitioner on the current contracts on Maui. As discussed above, the application of that knowledge to the scoring of Petitioner's Technical Proposal, exceeded the criteria provided in the RFPs and should not have been used as a basis for scoring the proposal. Joseph's application of this knowledge despite having been instructed to keep an open mind and to base his scoring only on the criteria provided in the RFPs rather than on outside information on the Offerors, resulted in preconceived beliefs by Joseph as to the subject matters covered by these tabs. These preconceived beliefs are tantamount to bias in the scoring of these 3 tabs.

3. Documentation Regarding the Evaluation Committee.

Petitioner contends that, contrary to HAR §3-122-45.01, certain required documents were not contained in the contract file prior to the issuance of the RFPs, and that Ellerman did not sign the requisite affidavit. That rule provides:

> §3-122-45.01 Evaluation committee. Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. A copy of the document identifying any committee members and any subsequent changes thereto shall be placed in the contract file.
>
> (1) The evaluation committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services, or construction to be procured;

[3] Joseph and Kauhi also served on the evaluation committee in connection with an RFP for similar services on the Big Island. In that solicitation, Petitioner was the top scoring offeror and had no issue with Joseph's or Kauhi's participation on the committee.

(2) Private consultants may also serve on the committee and shall:

(A) Have sufficient knowledge to serve on the committee;
(B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
(C) Sign an affidavit:

(i) Attesting to having no personal, business, or any other relationship that will influence their decision in the evaluation process;
(ii) Agreeing not to disclose any information on the evaluation process to other than an employee of a governmental body; and
(iii) Agreeing that their names will become public information upon award of the contract;

(3) The contract administrator shall serve as a member of the committee;
(4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

Petitioner argues that the rule required that the Declarations signed by the members of the Evaluation Committee and the Memoranda for Record evidencing Respondent's approval of the appointments of the members of the Evaluation Committee, must be placed in the contract file prior to the preparation of the RFPs. Respondent, on the other hand, asserts that the rule only requires that a determination be made by the chief procurement officer that the chief procurement officer or an evaluation committee will evaluate the proposals prior to the preparation of the request for proposals[4]. Even assuming that the rule also required "a copy of the document identifying any committee members" to be placed in the contract file *prior to the preparation of the RFPs*, there was no evidence proving that the Memoranda of Record was *not* placed in the file prior to the preparation of the RFPs. The rule simply requires that a "copy of the document identifying any committee

[4] Respondent points out that the RFPs themselves state that the technical proposals will be evaluated by a committee.

members" be placed in the file. There is no additional requirement that *all* such documents be included in the contract file.

Petitioner further contends that Ellerman, as a private consultant, was required by HAR §3-122-45.01(2) to sign an affidavit agreeing that his name will become public information upon award of the contract, but failed to do so. Petitioner also complains that Ellerman received compensation while serving as a member of the Evaluation Committee but no written justification for his compensation was prepared by the head of the procuring agency as required by the rule.

At the outset, the Hearings Officer considers a declaration as a substantial equivalent of an affidavit for purposes of HAR §3-122-45.01. *See generally, Greenpath Technologies, Inc. v. Dept. of Finance, County of Maui, et al., PDH-2014-002 (March 20, 2014)(holding that declarations are the substantial equivalent of affidavits for administrative hearings as they are in Circuit Court litigation).* Petitioner has not pointed to, and the Hearings Officer, can find no authority, identifying any meaningful distinction between an affidavit and a declaration justifying a different conclusion here. Contrary to the rule, however, Ellerman's Declaration did not include an agreement that his name will become public information upon the award of the contracts, and that he had no personal, business, or any other relationship that will influence his decision in the evaluation process. With respect to the latter requirement, Ellerman's Declaration certified, among other things, that "I have no conflict of interest . . . or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation." The Hearings Officer finds that Ellerman's representation substantially complied with this requirement. Furthermore, construing HAR §3-122-45.01(2)(C) as a whole, the Hearings Officer determines that the requirement that Ellerman agree in his Declaration that his name will become public information upon the award of the contracts is directory rather than mandatory. While the word "shall" is generally regarded as mandatory, in certain situations, it may be given a directory meaning. In analogous situations, courts look to the essence of the particular requirement and, where no substantial rights depend on strict compliance, have

considered the requirement to be directory in nature. *Big Island Recycling & Rubbish v. County of Hawaii, PCH 99-12 (December 17, 1999); Jas. W. Glover, Ltd. v. Board of Water Supply, PCH-2001-002 (August 7, 2001).* Here, there is nothing in the record or the rule to show that a substantial right of the Offerors depended on a declaration by Ellerman that he agreed to the public disclosure of his name following the award of the contract. *See e.g., Big Island Recycling & Rubbish, supra (the requirement in HAR § 3-126-3(c) which states that protests shall include supporting exhibits, evidence, or documents appears to be one which was promulgated with a view to the proper and orderly conduct of business concerning convenience rather than substance and therefore can be regarded as directory).*

Finally, a plain reading of HAR §3-122-45.01 leads the Hearings Officer to conclude that the rule requiring a written determination that compensation for a consultant is justified, is only applicable where the consultant is specifically compensated by the procuring agency for his service on an evaluation committee. The Hearings Officer can find no reason why a private consultant should be forced to forego the compensation he normally receives from his employer, particularly when the rule does not preclude government employees from continuing to receive their normal compensation while they serve on such committees.[5] Petitioner's interpretation of HAR §3-122-45.01(2)(B) would lead to an absurd result and diminish the State's ability to recruit well-qualified consultants to serve on technical evaluation committees.

Petitioner has also suggested that Evaluation Committee member Foster was unqualified to serve as a member of the committee. HAR §3-122-45.01 merely requires that government employee-members have "sufficient qualifications in the area of the goods, services, or construction to be procured". The evidence did establish that Foster had been the transportation officer on Kauai for several years and, in that capacity, was responsible for the overall school bus operations on that island. Moreover, as discussed above, the selection of an evaluation committee member is a matter falling primarily within the discretion of the procuring agency and will not be questioned absent evidence of actual bias or other

[5] Of course, the consultant would still be required to disclose any potential conflict of interest.

improprieties[6]. Based on all of these considerations, the Hearings Officer concludes that Petitioner has not proven any violation of HAR §3-122-45.01.

4. Fair and Equal Standard.

In its protests, Petitioner included a claim that during the November 16, 2016 interviews, Intervenor allegedly made substantial oral clarifications that were never reduced to writing or were the subject of an addendum to the RFPs as required by HAR §3-122-53(d). Therefore, according to this theory, Petitioner was not accorded fair and equal treatment as required by the rule. This claim is apparently based on Petitioner's assertion that Ellerman noted in his scoring that Intervenor's offer gave no indication of how staffing and driver/aides would be recruited, and when the issue was raised during the interview, Kauhi commented that Intervenor made representations to him that convinced Respondent that Intervenor would be able to set up its operations on Maui despite the fact that Intervenor had no infrastructure or experience there. Yet, according to Petitioner, there is nothing in the RFP documents that supports Intervenor's "nebulous" claims. These allegations, even if accurate, are speculative and insufficient to prove any violation of HAR §3-122-53(d). There was little direct evidence to establish what representations were actually made by Intervenor during its interview with Respondent that may have amounted to a "substantial" clarification, or the context in which they were made that may have prevented Petitioner from receiving fair and equal treatment. The Hearings Officer finds this claim to be based on speculation and is without merit.

5. Substantial Interest Determination.

On March 15, 2017, the Hearings Officer granted Respondent's motion for summary judgment as to Petitioner's challenge of Respondent's January 11, 2017 substantial interest determination, and subsequently denied Petitioner's motion for reconsideration of that ruling on March 20, 2017.

HRS §103D-701(a) authorizes an offeror who is aggrieved in connection with a solicitation or award of a contract to file a protest "within five working days after the aggrieved person knows or should have known of the facts giving rise" to the protest. Under

[6] Contrary to Petitioner's contention, there is no specific requirement that the members of an evaluation committee have prior experience in procurements or in serving on an evaluation committee.

HRS §103D-701(b), once a protest is filed and prior to the commencement of an administrative proceeding, the chief procurement officer has an opportunity to settle and resolve the protest. Otherwise, the chief procurement officer "shall promptly issue a decision in writing to uphold or deny the protest." HRS §103D-701(c). Thereafter, upon the filing of a timely appeal to the Office of Administrative Hearings by an aggrieved offeror, HRS §103D-709 authorizes the Hearings Officer to review the agency's determinations of the matters raised in the protest and to issue a decision within 45 days. This process underscores the importance the Legislature placed on the expeditious processing of protests through an efficient and effective procurement system so as to minimize the disruption to procurements and contract performance. *GTE Hawaiian Telephone Co., Inc. v. County of Maui, PCH 98-6 (December 9, 1998).*

In this case, it was undisputed that Petitioner learned of the substantial interest determination by January 20, 2017. Pursuant to HRS §103D-701(a), Petitioner had 5 working days to protest that determination. It did not do so. And although Petitioner wrote to Petitioner on January 23, 2017 and, again on February 6, 2017, to dispute the substantial interest determination, the letters were clearly not intended as "Protests" under HRS §103D-701. Rather, the January 23, 2017 letter merely pointed out that "moving forward with this procurement will create substantial liability for the State of Hawaii", that the bus orders "will involve placements of deposits, shipping expenses, and other significant expenses for which these entities must be compensated if the particular contract is terminated", and that Petitioner will "seek damages if Respondent proceeds with the awards despite the protests." Nor was the February 6, 2017 letter intended as a protest. Instead, it was a follow-up to a prior letter:

> This letter is a follow up on our letter dated January 27, 2017 regarding interference with Robert's Maui operations by Mr. Robert Joseph, and also to address the inexcusable delay by the DOE in responding to Robert's Protests, while simultaneously pushing forward on unlawfully awarded contracts.

> Robert's requires immediate action by the Department of Education ("DOE"), or it will be forced to initiate further legal proceedings as outlined below.
>
> * * * *
>
> At this point in time, Robert's has submitted its Protests and has had no response from the DOE for over a month.
>
> * * * *
>
> "The overall framework of the Hawai'i Public Procurement Code indicates that the Legislature intended to create an expeditious process for resolving disputes over the awarding of contracts. See CARL Corp. v. State, 85 Hawai'i 431, 453, 946 P.2d 1, 24 (1997)(emphasis added)("the [Procurement] Code both shortens deadlines for filing protests and applications for review and expedites the administrative hearings process"). By delaying any response to Robert's Protests while moving simultaneously forward with the unlawfully awarded contracts, DOE is working in direct contravention to the legislative intent of the Procurement Code. It does not seem consistent with this intent that Robert's should be forced to submit its Protests within five working days of its debriefings, so that the DOE can delay any response for nearly two months.
>
> * * * *

Indeed, in opposing Respondent's motion for summary judgment, Petitioner stopped short of claiming that the January 23, 2017 or the February 6, 2017[7] letters were intended as protests.

By failing to timely protest the substantial interest determination, Petitioner effectively denied Respondent the opportunity to expeditiously address and, possibly "settle and resolve", any alleged defects in that determination earlier on in the process so that any delays in the solicitations could be minimized or avoided altogether. The failure to protest essentially allowed the very situation Petitioner warned Respondent of in its January 23, 2017 letter: "placements of deposits [for bus orders], shipping expenses, and other significant expenses for which these entities must be compensated if the particular contract is

[7] Of course, if the February 6, 2017 letter was deemed to be a protest of the substantial interest determination, it would have been untimely under HRS §103D-701(a).

terminated". Having failed to protest the issue, Petitioner is not entitled to pursue this claim in this proceeding.[8] *See, Cushnie Construction v. Dept. of Finance, County of Kauai, PCH-2008-18 (December 11, 2008)(because Petitioner's letter to Respondent was a request for clarification and not a protest, HRS §103D-701 does not apply and the Hearings Officer lacks jurisdiction under HRS §103D-709). See also, Maui Master Builders, Inc. v. Dept. of Public Works, County of Maui, et al., PDH-2014-014 (December 9, 2014), citing Greenpath Technologies, Inc. v. Dept. of Finance, County of Maui, et al., PDH-2014-002 (March 20, 2014)(because issue of the protestor's lack of standing due to alleged defects in the protestor's own proposal was not raised in a timely protest and therefore not the subject of a determination by the chief procurement officer, the Hearings Officer does not have jurisdiction to address the issue).*

6. Post-Award Remedies.

Having concluded that that the rescoring of the Technical Proposals violated HRS §103D-303 and that one evaluator's scoring of Tabs 2, 3, and 7 of Petitioner's Technical Proposal was the subject of bias, the Hearings Officer must now determine an appropriate remedy. The parties acknowledge that because the contracts have been awarded in both solicitations, HRS §103D-707 controls. That provision provides in relevant part:

> **§103D-707 Remedies after an award.** If after an award it is determined that a solicitation or award of a contract is in violation of law, then:
> (1) If the person awarded the contract has not acted fraudulently or in bad faith[9]:
> (A) The contract may be ratified and affirmed, or modified; provided it is determined that doing so is in the best interests of the State; or
> (B) The contract may be terminated and the person awarded the contract shall be compensated for the actual expenses, other than attorney's fees, reasonably incurred under the contract, plus a reasonable profit, with such expenses and profit calculated not for the entire term of the contract but only to the point of termination;

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[8] Petitioner also seems to suggest that it was not required to file a separate protest in connection with Respondent's substantial interest determination and, instead, was allowed to immediately seek administrative review of that determination directly with the Office of Administrative Hearings. Even if true, Petitioner would have been required to request an administrative review within 7 calendar days under HRS §103D-712(a). Petitioner's appeals, however, were not filed until March 3, 2017.

[9] There has been no allegation made, or evidence presented, of any bad faith by Intervenor, Akita or Yamaguchi.

Furthermore, the rule implementing the foregoing provision provides:

§3-126-38 Remedies after an award. (a) When there is no fraud or bad faith by a contractor:
(1) Upon finding after award that a state or county employee has made an unauthorized award of a contract or that a solicitation or contract award is otherwise in violation of law where there is no finding of fraud or bad faith, the chief procurement officer or designee may ratify and affirm, modify, or terminate the contract in accordance with this section after consultation with the respective attorney general or corporation counsel, as applicable.
(2) If the violation can be waived without prejudice to the State or other bidders or offerors, the preferred action is to ratify and affirm the contract.
(3) If the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated. If there is no time for resoliciting bids or offers, the contract may be amended appropriately, ratified, and affirmed.
(4) If the violation cannot be waived without prejudice to the State or other bidders or offerors and if performance has begun, the chief procurement officer or designee shall determine in writing whether it is in the best interest of the State to terminate or to amend, ratify, and affirm the contract. Termination is the preferred remedy. The following factors are among those pertinent in determining the State's best interest:
(A) The costs to the State in terminating and resoliciting;
(B) The possibility of returning goods delivered under the contract and thus decreasing the costs of termination;
(C) The progress made toward performing the whole contract; and
(D) The possibility of obtaining a more advantageous contract by resoliciting.
(5) Contracts based on awards or solicitations that were in violation of law shall be terminated at no cost to the State, if possible, unless the determination required under paragraphs (2) through (4) is made.

* * * *

Petitioner argues that the violations require termination of the contracts "to give meaning to the underlying principles of the Procurement Code". In support of its position, Petitioner cites to *Carl Corp. v. DOE, 85 Hawaii 431 (1997)* for the proposition that the integrity of the Procurement Code cannot be ignored - an economical and efficient system of procurement directly benefits taxpayers and it is in the public interest that the state abide by the procurement rules it has set for itself. *Id. at 455-56.* Petitioner also points out that performance has not yet begun and the current bus contracts on both Maui and Kauai can be extended for up to 180 days. *See also, Access Service Corp. v. City and County, PCX-2009-3 (11/16/2009).*

On the other hand, Respondent urges the Hearings Officer to ratify the contracts already awarded in both RFPs as such action will be in the State's best interest given the additional cost and time Respondent would incur in resoliciting and the time required for the acquisition of buses. Respondent also points out that the Offerors' pricing information has already been made public and would therefore unfairly provide Petitioner with an opportunity to submit a new offer based on its competitors' pricing.

Additionally, Respondent contends that Petitioner did not suffer any prejudice because any error that may have occurred in the rescoring of the Technical Proposals had no effect on Petitioner's chances of obtaining any of the contracts. In support of this argument, Respondent cites *PGBA, LLC v. United States, 60 Fed. Cl. 196, 203 (2004)* where the court held that in order to prevail in a bid protest, a disappointed offeror must show both significant error in the procurement process and prejudice to its posture in the process - in effect, the plaintiff must show that there is a substantial chance that it would have received the award but for the faulty evaluation. And, in *Advanced Data Concepts, Incorporated v. United States, 216 F.3d 1054,* the court concluded that in order to prevail on appeal, a protestor must show not only that significant errors occurred in the procurement process, but also that the errors were prejudicial – in other words, that had the procuring agency made no errors, there was a reasonable likelihood that the protestor would have been awarded the contract. Respondent's argument finds support in HAR §3-126-38(a)(2) which provides that "[i]f a

violation can be waived without prejudice to the State or other bidders or offerors, the preferred action is to ratify and affirm the contract." The rule recognizes that not all violations of the Procurement Code should result in termination of the contract. Rather, in order to justify termination, the protestor must have suffered or will suffer some prejudice or have had a reasonable chance of receiving the contract had the agency made no errors. This conclusion is consistent with the intent underlying the Procurement Code to allow flexibility and the use of common sense by purchasing officials to implement the law in a manner that will be economical and efficient and will benefit the people of the State." *The Systemcenter, Inc. v. State Dept. of Transportation, PCH 98-9 (December 10, 1998).* It is also consistent with HRS §103D-701 which limits standing to bring a protest to any actual or prospective offeror who is *aggrieved* in connection with the solicitation or award of a contract. *See, Hawaii Newspaper Agency, et. a l., v. State Dept. of Accounting & General Services, et al. and Milici Valenti Ng Pack v. State Dept. of Accounting & General Services, et al, PCH 99-2 and PCH 99-3 (consolidated) (April 16, 1999)(because Milici no longer had any realistic expectation of submitting a proposal and being awarded the contract, it was not an "aggrieved" party when the contract was subsequently awarded to RFD. See also Construction Material Agents and Supply LLC, et al. v. State Dept. of Accounting & General Services, et al., PCH-2000-11 (September 17, 2001); Ohana Flooring v. Dep't of Transportation, PCH-2011-12 (Nov. 18, 2011).*

In this case, the undisputed evidence established that even if Petitioner had received the maximum number of points (60) on its Technical Proposals, the results would have been the same because Petitioner's pricing was too high. In RFP D17-001, Petitioner's Total Score would still have been lower than Intervenor's score for the Baldwin, Lahaina and Maui clusters[10]. For the Baldwin cluster, a perfect score would have given Petitioner a Total Score of 96.61. Intervenor's Total Score was higher at 97.06. For the Lahaina cluster, Petitioner would have had a Total Score of 96.46 which would still have been less than Intervenor's total of 97.06. And for the Maui cluster, Petitioner's Total Score would have been 95.72 as compared to Intervenor's score of 97.06. Similarly, in RFP D17-002, for the

[10] If Petitioner received the maximum Total Score of 60 for the Makawao cluster, it would have been the highest-ranked Offeror for that cluster. Petitioner was nevertheless awarded the contract for the Makawao cluster because Intervenor had been awarded the maximum 3 clusters under RFP D17-001. Therefore, Petitioner would have been and was awarded the Makawao contract notwithstanding the errors found in the technical evaluation.

Waimea cluster, a perfect technical score for Petitioner would have resulted in a Total Score of 87.25 which would have been less than Akita's Total Score of 94.82 and Yamaguchi's Total Score of 92.57. For the Kapaa cluster, Petitioner would have had a Total Score of 92.10 which would have been less than Akita's Total Score of 95.75. And for the Kauai cluster, a perfect technical score would have given Petitioner a Total Score of 92.27 which would have been less than Akita's Total Score of 95.75. The record is clear that Petitioner would not have been the highest-ranked Offeror for any additional clusters on Maui and Kauai regardless of the rescoring errors found in the technical evaluation[11].

To the extent that Petitioner alleges that Intervenor's, Akita's or Yamaguchi's technical evaluation rescores were improperly inflated as a result of biases by the Evaluation Committee, the Hearings Officer finds such a claim to purely speculative and unsupported by the credible and objective evidence. For instance, Petitioner complained that Joseph awarded the maximum 3.00 points to Intervenor for Tab 2 (Executive Summary) despite the fact that Intervenor had no presently existing baseyards on Maui. The Evaluation Description for Tab 2, however, only required the Offeror to address three specific questions under separate headings in 5 pages or less: "What makes your company, and your proposal, uniquely well suited to the State's requirements?"; "What specific elements of your proposal do you believe will exceed the State's service requirements?"; and, "What factors differentiate your company's approach to service delivery from that of your competitors?" Petitioner did not allege, let alone prove, that Intervenor's response did not fulfill the requirements of Tab 2.

Based on all of these considerations, the Hearings Officer concludes that, despite Respondent's violation[12] of HRS §103D-303 and Joseph's tainted scoring of Petitioner's responses to Tabs 2, 3, and 7 in RFP D17-001, Petitioner suffered no prejudice as it would not have been the highest-ranked Offeror for any additional clusters on Maui and Kauai[13] even without those errors. That, along with the additional cost and time Respondent

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[11] Nor would Petitioner have become the second highest-ranked Offeror for the cluster awarded to Yamaguchi (Waimea) after Akita was awarded the maximum 2 clusters in RFP D17-002. A Total Score of 60 on Petitioner's Technical Proposal for the Waimea cluster would still have been less than the Total Scores of both Akita and Yamaguchi.

[12] These violations were based solely on errors in the rescoring of the Technical Proposals and did not affect the scoring of the Pricing Proposals.

[13] Additionally, Joseph's improper use of his prior knowledge of Petitioner's operations in Maui in his technical evaluation of Tabs 2, 3 and 7, was limited to RFP D17-001. And, even though Respondent failed to conduct interviews in conjunction with the rescoring of the Technical Proposals, Petitioner, as the third-ranked Offeror in RFP D17-002, would not been entitled to an interview.

would incur in resoliciting, the time required for the acquisition of buses, the commitments made by the contractors in preparing to perform the contracts[14], and the fact that the Offerors' pricing information has already been made public, leads the Hearings Officer to conclude that ratification of the contracts is preferable to termination and would be in the State's best interest.

V. DECISION

Based upon the foregoing findings and conclusions, the Hearings Officer orders as follows:

1. The contracts awarded in RFP D17-001 and RFP D17-002 are hereby ratified and affirmed pursuant to HRS §103D-707(1)(A);

2. Respondent's Appeals of Denials of Protests in these consolidated matters are hereby dismissed;

3. Each party shall bear its own attorneys' fees and costs; and

4. Petitioner's cash protest bonds posted in PDH-2017-001 and PDH-2017-002 shall be deposited into the general fund pursuant to HRS §103D-709(e).

Dated at Honolulu, Hawaii: APR 13 2017

CRAIG H. UYEHARA
Senior Hearings Officer
Department of Commerce
and Consumer Affairs

[14] These commitments were made after Respondent determined that the award of the contracts without delay was necessary to protect substantial interests of the State and Petitioner failed to file a timely challenge to that determination.

DAVID Y. IGE
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February 8, 2017

Mr. Jonathan S. Moore, Esq. *(via hand delivery)*
Mr. Charles D. Hunter, Esq.
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Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s Protest of Award of RFP No. D17-001 and RFP D17-002 -- Award of Contract After Receipt of Protest

Dear Mr. Moore and Mr. Hunter:

I am in receipt of your February 6, 2017 letter. Based on the concerns you raise and the offer to discuss resolution options, the DOE has undertaken additional investigations into the issues of concern. Due to the complexity and interrelation of the various issues, the DOE is requesting an additional ten business days beyond the February 9, 2017 deadline in order to complete its investigation. This would set a new deadline of February 24, 2017, by which time the DOE will either engage in resolution discussions or issue its written response to the two current protests.

This letter and all subsequent communications are settlement negotiations, and are neither discoverable nor admissible in any legal proceeding, as they are governed by Federal Rule of Evidence 408 and Hawaii Revised Statues § 626-1, Rule 408.

Very truly yours,

James E. Raymond
Deputy Attorney General
Education Division

c: Client

Received By:_____ Date:_____

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February 6, 2017

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Re: Robert's Hawaii School Bus, Inc.'s ("RHSB") Protest of Award of RFP No. D17-001 and RFP D17-002 (the "Protests")

Dear Mr. Raymond:

This letter is to follow up on our letter dated January 27, 2017 regarding interference with Robert's Maui operations by Mr. Robert Joseph, and also to address the inexcusable delay by the DOE in responding to Robert's Protests, while simultaneously pushing forward on unlawfully awarded contracts.

Robert's requires immediate action by the Department of Education ("DOE"), or it will be forced to initiate further legal proceedings as outlined below.

I. All Communications Regarding or Related to the RFP and Protests Should Be Conducted Through Legal Counsel

In a telephone conversation that took place on January 30, 2017, Mr. James Kauhi discussed Mr. Joseph's inappropriate conduct with Ms. Gail Sagiao (a Robert's employee). Mr. Kauhi made specific reference to the letter sent to you on January 27, 2017, stating further that "Mr. Carlson called me and asked me to remind everyone on my evaluation team…Robert, Pua, Bruce, myself… that because there is a challenge to the RFP, that we should not be discussing anything that has to do with the RFP with everybody until the legal matter is settled." Despite that instruction, Mr. Kauhi then proceeded to discuss the matter with Ms. Sagiao in detail, including offering defense of Mr. Joseph's (Mr. Kauhi's brother-in-law) actions.

The DOE and your office have made clear that all communications should be conducted through legal counsel. Specifically, your letter dated January 18, 2017 made clear that, " [The] Rules of Professional Conduct, specifically Rule 4.2, be carefully observed in this matter and that any further communications related to this matter be made through this office and not with the DOE, unless a communication is expressly required to be made directly to the DOE by statute or rule."

Although we recognize that DOE employees are not specifically subject to HRPC, Rule 4.2, we ask that your office make clear to the DOE that it should not be discussing the merits of the Protests with Robert's employees. Again, Robert's has existing contractual obligations to perform, and the DOE should not be taking the time of Robert's employees, and distracting them from their duties, in order to assert their personal views on this matter.

II. Discussions Regarding "Transition" Are Premature

Mr. Kauhi's discussion with Ms. Sagiao centered largely around the "transition" of the contracts from Robert's to the incoming vendor. This included discussion about the DOE's past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity. In that discussion, Mr. Kauhi stated, "I am concerned with transition discussions that we have to have moving forward..." He also raised concern that any such "transition" discussions could be used against the DOE.

At this point in time, Robert's has submitted its Protests and has had no response from the DOE for over a month. Under Hawaii Revised Statutes ("HRS") § 103D-701(c), the chief procurement officer or designee, "*shall* ***promptly*** issue a decision in writing to uphold or deny the protest." (emphasis added). Rather than promptly issuing a decision in writing, the DOE has done nothing. Instead, it has pushed forward with awarding contracts resulting from the flawed RFP process.

Further, both HRS § 103D-701(f) and Hawaii Administrative Rules § 3-126-5 require that no further action be taken on the solicitation or the award of the contract until the "chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect the substantial interests of the State." We note that such a determination was apparently made by the State on January 11, 2017, although we disagree with that determination, particularly as existing contracts could have been extended with no interruption to service. That being said, it appears the DOE is set on charging ahead with these contracts, despite the fact that nothing has been done to address the Protests or the underlying flaws with the RFP and procurement process.

In addition, Robert's raised significant concerns with the RFP process both before and after the DOE awarded contracts to other vendors. To the extent that HRS §§ 103D-706 and 707 both contemplate situations where the contracts may be declared null and void, it appears inappropriate for the DOE to be solely focused on pushing forward on a "transition" when it should be working to determine if Robert's Protests raise valid concerns.

Robert's is not prepared to accept that "transition" is the only possible outcome, and believes it is inappropriate for the DOE to be having discussions on that topic with Robert's employees.

III. Mr. Kauhi's Characterization of Robert's Position is Incorrect

Despite Mr. Kauhi not being present when Mr. Joseph was discussing recruiting matters related to Ground Transportation Incorporated's ("GTI's") performance with Robert's employees (as outlined in our prior letter dated January 27, 2017), he attempted to convince Ms. Sagiao that the alleged "inappropriate behavior by Mr. Joseph" merely consisted of statements related to bringing about a smooth transition between contracts. That is not factually correct.

First, it appears that Mr. Kauhi believes the only conversation that Mr. Joseph had took place with Kris Kim, which is not the case. Mr. Joseph also had multiple other conversations that were the primary source of contention, and the reason for our prior letter. As previously noted, those conversations were specifically aimed at "alerting" Robert's employees to the transition Mr. Joseph believes is taking place, further encouraging them to seek employment with GTI by visiting GTI's Oahu facilities. We need not rehash the impropriety of those statements, but would like to reiterate that Mr. Joseph has already caused irreversible damage to the stability of Robert's operations as employees now believe their jobs may be at risk based on his statements. As such, Mr. Joseph should be prohibited from having any further communications with Robert's employees.

Second, Mr. Kauhi characterized the current situation between Robert's and the DOE as being similar to a "pending divorce" and further that in such a situation, "your opponent is going to throw everything at you to discredit you and the people you work for." In making this statement, Mr. Kauhi implied that Mr. Joseph's prior statements were "misinterpreted" and used against him and the DOE because "corporate Robert's has a serious issue with Kathy Matayoshi". These dismissive statements are untrue, and Mr. Kauhi should not be making any such allegations to Robert's employees.

Finally, it should be noted that on December 19, 2013 by way of email sent at 10:00 a.m. to Aaron Kimura of Robert's with copy to Bruce Ellerman, Mr. Kauhi pointed out the importance of avoiding "employee attrition" during transition periods. Clearly Robert's was not given the same deference here. The relevant portion of Mr. Kauhi's prior email states:

> **Our *most prominent concern* is avoiding employee attrition**, where bus drivers and aides **prematurely transition from one employer to the next because of uncertainty**. It is our desire to mitigate any instance of service disruption. We trust that all of our vendor partners will agree. While we know it is important for incoming vendors to secure a qualified team of experienced drivers and aides as quickly as possible, **it is equally important to ensure that those efforts do not disturb existing levels of service**. For this reason, we are **asking incoming partners to delay all**

> **attempts to approach current bus drivers and aides <u>until current vendors agree to making their employees available for such discussions</u>**. Your cooperation on this front is paramount to protecting student health and safety.

Id. (emphasis added). This is precisely the reason that Robert's finds Mr. Joseph's actions so objectionable. Please let us know if you would like us to furnish you with a copy of this email.

IV. Robert's Disputes the Determination of Substantial State Interests

On January 17, 2017, Robert's received a contract for execution in relation to Maui Cluster 1 (Makawao), which was awarded under RFP No D17-001. Robert's and this law firm were surprised to receive this contract given it submitted its two Protests nearly a month prior with no response from the DOE. Robert's was under the assumption that the DOE was carefully reviewing the merits of the Protests so that it could rectify the numerous problems presented, and solicit new proposals given the clear errors and problems with the prior awards. Instead, it appears the DOE charged forward with its awards, simply turning a blind eye to Robert's concerns. It appears the DOE believes that the further it can progress towards implementing the wrongfully awarded contracts, the less likely its actions will be overturned. This is the reason why, "Under most circumstances, public projects cannot proceed while a protest is pending." Nihi Lewa, Inc. v. Dep't Of Budget And Fiscal Services, 103 Hawai`i 163, 167, 80 P.3d 984, 988 (2003)

Further, Robert's only became aware of the DOE's Determination of Substantial State Interests ("DSSI") when your office responded on January 20, 2017 to an email this law firm sent to the DOE two days prior following up on Robert's Protests. That prior email specifically cited HRS § 103D-701(f), which imposes a stay on contracting activities when a timely protest has been received by the agency issuing the solicitation. It is unclear why the DOE did not immediately inform all proposers when the DSSI was issued on January 11, 2017. Robert's finds the secretive issuance of the DSSI to be highly suspicious.

As to the merits of the DSSI, there are none. The only stated bases for the DSSI are that, (1) school bus service must begin on August 7, 2017, (2) to meet the aforementioned deadline, "several critical milestones must be accomplished," including acquisition of fleet assets, dry runs for bus routes, DOE start up meetings with vendors, vendor recruitment, and land/base of operations acquisition, (3) that there will be a significant economic impact if the 178 bus driver positions are not put in place immediately, and (4) that delay will impact the State's ability to "realize the pricing and operational efficiencies provided for in the RFPs."

As to issues (1) and (2) above, this is a problem of the DOE's own making that could be easily cured by an extension of Robert's existing contracts while the Protests are reviewed. The DOE has already mentioned to Robert's its past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity, as noted above. Extension of Robert's contracts would easily solve this problem. Further, allowing the DOE to

press forward on the improperly awarded contracts on this basis will serve as a perverse incentive for all State procurement agencies to delay the issuance of any RFP to the point where the State will be harmed if not permitted to move forward, regardless of faults in the procurement process. Surely the DOE and other agencies should not be permitted to delay the issuance of RFPs to the point where there is no time to review valid protests before issuing awards. The Procurement Code is already designed to accommodate expedited review, and that review would have been completed already if the DOE had not delayed addressing the Protests by over a month. This dubious practice is inconsistent with the purposes of the procurement code, which are to (i) provide fair and equitable treatment of all persons dealing with the government procurement system; (ii) foster broad-based competition among vendors while ensuring accountability, fiscal responsibility, and efficiency in the procurement process; and (3) increase public confidence in the integrity of the system. See, Sen. Stand. Comm. Rep. No. S8-93, in 1993 Senate Journal at 39; CARL Corp. v. State, Dept. of Educ., 85 Hawai'i 431, 455-56, 946 P.2d 1, 25-26 (1997). These issues, "cannot be ignored when determining whether it is in the best interests of the State to ratify an unlawfully awarded contract." Id.

It should also be noted that the above timing problems are the direct result of the DOE selecting GTI on Maui, a vendor with no current operations on the island. This was an issue raised in Robert's Maui Protest, which highlighted the fact that Robert's has had a presence on Maui for over 30 years, has an existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 base yards. In particular, Mr. Joseph somehow scored GTI with maximum points, while providing a lower score to Robert's. This issue was covered in detail in Section III.E of Robert's Maui Protest.

Issue 3) above is a red herring. It assumes that other bus drivers will not be driving busses during the pendency of the Protests, which is logically and factually incorrect. Bus drivers are currently servicing routes, and will continue to do so until the new contracts are put in place. To argue that the "178 bus driver positions will not be contributing to the local economy" is simply fallacious reasoning.

As to the State's ability to realize "pricing and operational efficiencies" under (4), this is also unsupportable. The State is not entitled to "realize" these benefits (to the extent there are any) if they are obtained through unlawfully awarded contracts. To the extent the Protests are later denied, this risk is already contemplated by the procurement law, which requires a cash or protest bond directly related to the amount of the procurement. See, HRS § 103D-709(e). In addition, as discussed below Robert's would be prepared to post a bond to cover the risk of the apparent $750,000 "savings" that would occur in the first year if required to do so, although this solution has never been proposed by the DOE.

Finally, both HRS § 103D-701(f) and HAR § 3-126-5 state that no further action shall be taken until and unless "**the *chief procurement officer* makes** a written determination" that the award is necessary to protect the interests of the State (emphasis added). The DSSI dated January 11, 2017 is not a written determination *by* the chief procurement officer, here Kathryn S. Matayoshi. Rather, it is a memo *from* James Kauhi (who is implicated in numerous ways of

biased conduct as noted in the Protests), "*through*" Dann Carlson, Assistant Superintendent, ***to*** Kathryn S. Matayoshi. It is *not* a determination by Kathryn S. Matayoshi herself. This memo states, "*Your approval is requested* for a Determination of Substantial State Interest.." and thus cannot be the actual Determination. The memo is then signed "for" Superintendent Matayoshi by Dann Carlson, which also appears improper if this document is intended to be the actual DSSI, and not simply a request for one.

Overall, the DSSI is logically and factually incorrect and should not serve to thwart the purposes of the Procurement Code.

V. Robert's Will Initiate Further Legal Action Due to the State's Lack of Response

"The overall framework of the Hawai'i Public Procurement Code indicates that the Legislature ***intended to create an expeditious process for resolving disputes*** over the awarding of contracts. See CARL Corp. v. State, 85 Hawai'i 431, 453, 946 P.2d 1, 24 (1997) (emphasis added) ("the [Procurement] Code both shortens deadlines for filing protests and applications for review and expedites the administrative hearings process"). By delaying any response to Robert's Protests while moving simultaneously forward with the unlawfully awarded contracts, DOE is working in direct contravention to the legislative intent of the Procurement Code. It does not seem consistent with this intent that Robert's should be forced to submit its Protests within five working days of its debriefings, so that the DOE can delay any response for nearly two months.

Robert's is entitled to an expeditious remedy and will take immediate action to pursue its rights. If a response to the Protests is not received by **Thursday, February 9th, 2017 at 4:00 p.m.**, Robert's intends on filing an action either with the DCCA or in the Courts so that it can limit the damage caused thus far by the DOE's inexcusable actions.

Finally, Robert's will be seeking documents from the DOE, either during administrative or court proceedings, or through a Uniform Information Practices Act (Chapter 92F) request. Robert's will be requesting all communications between the DOE and any vendors, documents and communications regarding internal discussions regarding Robert's, and specifically communications between the members of the scoring panel. Please instruct your client as to the importance of the preservation of evidence, including all emails, text messages, memos, and other relevant documents so that we can be sure these records remain intact.

VI. Robert's Is Prepared to Discuss Resolution Prior to Taking Further Action

As you know, HRS § 103D-701 allows the chief procurement officer or a designee to settle and resolve a protest concerning the solicitation or award of a contract, prior to the commencement of an administrative proceeding. There has been no effort on the DOE's part to settle and resolve the Protests; however, Robert's is still willing to engage in those negotiations.

To that end, Robert's is prepared to post a bond for the full $750,000.00 claimed by the DOE as its "savings" from operational efficiencies during the first year, if the DOE will halt any further action towards pursuing the protested contracts until the Protests have been resolved. Robert's is also willing to stipulate to an extension of its existing contracts so that there will be no interruption to services if a new vendor is not in place by August 7, 2017. These two concessions on Robert's part should allow the DOE to step back and follow the proper procedure contemplated by the Procurement Code. Robert's believes the option of resolving the Protests will not be available once it commences other legal proceedings. Thus, time is of the essence as Robert's will take immediate action following the above stated February 9th deadline.

We appreciate your consideration of these matters.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

KS&G

KOBAYASHI SUGITA & GODA, LLP
Attorneys at Law

DEPT OF EDUCATION
SUPT'S OFFICE
2016 DEC 27 P 12:52

Transmittal

December 23, 2016

To: The Hon. Kathryn Matayoshi
Superintendent / Chief Procurement Officer
1390 Miller Street, Room 309
Honolulu, HI 96813

Mr. Christian Butt / Section Administrator
Project Control Section
Department of Education
State Procurement Office
PO Box 119
Honolulu HI 96810-0119

Section Administrator
Auxiliary Services Branch - Project Control Section
State of Hawaii - Department of Education
3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

From: Lana DeCambra, Assistant to Jonathan S. Moore and Charles D. Hunter

Re: Robert's Hawaii School Bus, Inc.

☒ Mail, *Certified, return receipt* ☐Hand delivery ☐Pick-up

Transmitted:

☐ For your information and files ☐ For review and comment ☐ For signature/return

☒ For necessary action ☐ For approval ☐ As requested

Copies	Description
1	Robert's Hawaii School Bus, Inc.'s HRS § 103D-701 Protest of Request For Proposals No. RFP D17-001 Student Transportation Services on the Island of Maui for the State of Hawaii Department of Education (DOE)

1	Robert's Hawaii School Bus, Inc.'s HRS § 103D-701 Protest of Request For Proposals No. RFP D17-002 Student Transportation Services on the Island of Kauai for the State of Hawaii Department of Education (DOE) *dated December 23, 2016*

Remarks: Thank you.

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December 23, 2016

Via US Mail, Certified, return receipt requested, Facsimile, and Electronic Mail

The Hon. Kathryn Matayoshi
Mr. Christian Butt

U.S. Mail: The Hon. Kathryn Matayoshi
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Re: Robert's Hawaii School Bus, Inc.'s HRS § 103D-701 Protest of Request For Proposals No. RFP D17-001 Student Transportation Services on the Island of Maui for the State of Hawaii Department of Education (DOE)

Dear Superintendent Matayoshi and Mr. Butt:

Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this protest ("Protest") of the award of RFP No. D17-001 ("RFP"), which RFP was published by the State of Hawaii, Department of Education ("DOE") on July 20, 2016. This timely protest is made pursuant to Hawaii Revised Statutes ("HRS") § 103D-701 and HRS § 103D-303, and Hawaii Administrative Rules ("HAR") §§ 3-126-4, and addresses Robert's concerns regarding the award of three clusters (Baldwin, Lahaina, and Maui) to Ground Transport Incorporated ("GTI").

I. PROTESTOR INFORMATION

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LEGAL COUNSEL

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II. IDENTIFICATION OF THE PROCUREMENT:

RFP No. D17-001 ("RFP") for Student Transportation Services on the Island of Maui for the State Department of Education (DOE). The following table shows the significance of this procurement to both the DOE, and to Robert's. It is calculated using 2% annual increases in revenue and results in **$94,150,300 total revenue** over the 7yr + 3yr extension term based on the maximum number of clusters that can be awarded:

MAUI	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	TOTAL
Makawao	3,551,040	3,622,061	3,694,502	3,768,392	3,843,760	3,920,635	3,999,048	4,079,029	4,160,609	4,243,822	
Aide	436,590	445,322	454,228	463,313	472,579	482,031	491,671	501,505	511,535	521,765	
	3,987,630	***4,067,383***	***4,148,730***	***4,231,705***	***4,316,339***	***4,402,666***	***4,490,719***	***4,580,533***	***4,672,144***	***4,765,587***	***43,663,436***
Baldwin	1,539,900	1,570,698	1,602,112	1,634,154	1,666,837	1,700,174	1,734,178	1,768,861	1,804,238	1,840,323	
Aide	187,110	190,852	194,669	198,563	202,534	206,585	210,716	214,931	219,229	223,614	
	1,727,010	***1,761,550***	***1,796,781***	***1,832,717***	***1,869,371***	***1,906,759***	***1,944,894***	***1,983,792***	***2,023,467***	***2,063,937***	***18,910,278***
Maui	2,592,720	2,644,574	2,697,466	2,751,415	2,806,444	2,862,572	2,919,824	2,978,220	3,037,785	3,098,540	
Aide	291,060	296,881	302,819	308,875	315,053	321,354	327,781	334,336	341,023	347,844	
	2,883,780	***2,941,456***	***3,000,285***	***3,060,290***	***3,121,496***	***3,183,926***	***3,247,605***	***3,312,557***	***3,378,808***	***3,446,384***	***31,576,586***
	8,598,420	**8,770,388**	**8,945,796**	**9,124,712**	**9,307,206**	**9,493,350**	**9,683,217**	**9,876,882**	**10,074,419**	**10,275,908**	**94,150,300**

III. SUMMARY OF PROTEST

A. The Protest is Timely

On November 1, 2016, the DOE sent a letter to Robert's announcing that GTI was selected as the winning bidder for three clusters under the RFP, including Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). On November 2, 2016, Robert's submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section - requesting debriefing and information ("First Request for Debriefing"). The First Request for Debriefing notes,

> * * *
>
> In addition, it should be noted that the Notice of Award states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:
>
> > (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.
> >
> > Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

See, First Request for Debriefing at pps. 1-2 (underline in original). The First Debriefing took place on November 16, 2016 ("First Debriefing"). The First Debriefing was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. The timing of the First Debriefing would generally require a protest be submitted on or before November 23, 2016; however, in a telephone conversation held on November 17, 2016 with Mr. Butt, he indicated that because there were outstanding questions from the debriefing, the five day deadline to file a protest would begin as of November 17th, meaning the deadline to file a protest would be November 24, 2016.

On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals

could be submitted. The letter made clear that Robert's believed the awards were issued in violation of law.

On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for REP Dl 7-001 and REP D17-O02 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring**. Upon review, the DOE concurs and **has decided to re score both RFPs**. ***

(emphasis added). Rather than allowing proposers to resubmit proposals, the DOE simply re-scored the original submissions using the same panel of scorers.

The Second Debriefing took place on December 16, 2016, which requires this Protest be submitted on or before December 23, 2016.

B. **The DOE Did Not Abide By Its Own Stated Scoring Procedure**

The DOE solicited proposals through the RFP, which specifically outlines the scoring method that the DOE represented to Robert's it would employ. Robert's drafted and submitted its proposal relying on the terms of that RFP and the DOE's obligation to score by its stated method. Instead of following its own process, the DOE adapted it mid-stream in an attempt to remedy both mathematical errors and other procedural flaws.

1. **The DOE Represented that Cost Evaluation Would Only Take Place AFTER the Completion of the Technical Evaluation**

The RFP is clear that the cost portion of the evaluation would take place only "AFTER the technical evaluation is completed..." (CAPS IN ORIGINAL). Presumably the DOE believed it important to segregate the technical evaluation from the cost evaluation, yet completely abandoned the agreed upon scoring method by allowing the same evaluators to score proposals AFTER each knew the pricing figures supplied by each proposer. Rather than amending the RFP to make clear to all proposers that the technical and cost evaluations would no longer be separate (and allowing them to resubmit proposals taking that into consideration), or selecting a new panel of scorers following the initial scoring, the DOE charged forward with its process nonetheless.

The following statements within the RFP make it clear that the bifurcation of the technical evaluation and cost evaluation was important to the fairness of the process. Robert's proposal strategy relied on the following from Section C.2 of the RFP:

This is a value-based procurement... Cost will be a significant factor in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* - * * *

B. *Technical Evaluation* - **An evaluation committee will evaluate the proponent's Technical Proposal**. The members of the committee **will evaluate each proposal individually**. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – **AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The **lowest cost** proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- **This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster**.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE issued a Notice of Award noting that Robert's was awarded Cluster 1 (Makawao), with Ground Transport Incorporated ("GTI") being awarded Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation**. *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will**. And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are**. So that's generally the process of how it worked…

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking…**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever***. **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

Following the First Debriefing, on November 17, 2016, Mr. Butt called Aaron Kimura and offered to re-score the proposals submitted by all proponents. On November 18, 2016, Robert's sent a letter to the DOE entitled "Request for re-solicitation of proposals", which notes in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals**

> **can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * *
>
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders**. However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring**.
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring**.

Id. (emphasis added).

On November 21, 2016, Robert's received the "Notice of Re-score" from the DOE. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it simply stated that the evaluation panel would re-score the existing proposals.

Despite the representations in the RFP (including the requirement that pricing be submitted in a separate and sealed envelope), and also the importance of keeping the pricing evaluation isolated from the technical evaluation as stated above by both Mr. Butt and Mr. Kauhi, the DOE conducted its re-scoring process with the same panel of evaluators, *each of whom knew pricing information from the initial scoring process*. The RFP was never amended. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure. The result is that each evaluator knew the pricing information of each proposer *during the scoring of the technical proposals*.

During the Second Debriefing which took place on December 16th, 2016, the following discussion took place:

> Aaron Kimura: … **the panel now had access to the outcome of the prices… the rates**. **Now that is different from the initial process, right, where it was kept away from them**, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to… **you were the only one who had access to the pricing**…
>
> James Kauhi: **Right**…
>
> Aaron Kimura: **So that's a difference**…
>
> James Kauhi: **Yeah**…
>
> Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing… On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**…
> * * *
> Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind… we just did that as an extra step**. But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores**. ***I don't know if they have a photographic memory or not***, but again, I don't think…
>
> Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing…
>
> James Kauhi: So… let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well… but they were not involved in that process.
>
> Christian Butt: So again… **yeah Chad… they did see it… but no, they didn't have it in front of them when they re-evaluated, so**…

* * *

Charles Hunter (counsel for Robert's): This is Charles Hunter here. Excuse my ignorance here, but **can you tell me why the pricing was done as a separate process?**

James Kauhi: ***That's unfortunate*** **because this discussion was already had... I was hoping that this debrief would center around those what was not discussed... I apologize**...

Christian Butt: Well... I don't mind answering the question... I mean... **there is nothing under the procurement code or anything that requires that... It was just the way that we chose to do the process. That's all... agency preference**.

Charles Hunter: **Why?**

James Kauhi: **Why not?**

Charles Hunter: **I'm just asking for the logic on why that decision was made**. I just, I don't know.

James Kauhi: I'm sorry... **I think Aaron and Roy and Chad should be able to explain that to you no problem**.

Charles Hunter: They can explain *your* logic as to why...?

James Kauhi: They can explain why the pricing presentations were reevaluated...

Charles Hunter: I don't know that that is true...

As it turns out, Robert's *could* have explained the DOE's logic to Mr. Hunter based upon the First Debriefing, where Mr. Butt stated,

> ...we didn't expose the price to the evaluators **so they are not influenced by that**. So again **they were blind to that**. So again, we didn't want to say oh well, **I'm going to score this guy up because his price was kind of low or whatever**. So again **we try to remove that barrier**. So again you know, that **these guys scored it they don't know how it's going to turn out**...

Yet somehow, during the Second Debriefing the DOE took the positions that, (i) the procurement code does not require the technical and price scoring to be bifurcated, despite the

clear language of the RFP, (ii) that the scorers somehow forgot the price rankings because they do not have photographic memories, (iii) that they did not wish to discuss the logic as to why the initial decision was made to keep the technical and price evaluations separate, and (iv) that Robert's should somehow be able to explain the DOE's reasoning behind structuring the RFP in the way it did.

If the DOE preferred to eliminate the pricing-blind process that was stated in the RFP, and which was determined to be an important procedure during the First Debriefing, it should have issued an addendum to the RFP making clear the change in procedure. Further, the DOE should have allowed proposers to resubmit proposals with the new procedure taken into consideration, as specifically requested in Robert's November 18, 2016 letter. Instead, the DOE ignored the importance of that procedure, claimed its evaluation panel somehow forgot the pricing results, and rushed forward with its process.

2. **DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates**

The initial RFP stated that for the pricing score, the proponent's supplemental rates would be used; however, Addendum 3 to the RFP noted that the aides rate would be used in the pricing scores. In fact, the DOE used the supplemental rates, which was misleading as Robert's strategized its bid rates based on what the Addendum stated.

Addendum 3 to the RFP states in part:

> ... This addendum **provides clarification for submission requirements** of the RFP related to the need to provide bus aides for special needs services. **This response is hereby incorporated and made a part of the RFP**.
>
> ... for purposes of developing their response **vendors should plan to provide a bus aide** for all identified special needs buses shown on Attachment B.
>
> ... The **cost of the bus aide should be identified** on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum. [This statement is contained four (4) times in Addendum 3.]
>
> ... **The cost of the bus aide will be used in the evaluation of cost provided by each vendor**.

Id. (emphasis added).

During the First Debriefing, Aaron Kimura stated on behalf of Robert's:

> There were calculation errors in the scores. For the pricing score, **proponents' supplemental rates were used, as stated in the initial RFP documents, but it was mentioned in an addendum that the Aides rate would be used in the pricing scores**; and used by RHSB. In the past two RFP series (Oahu and Big Island), the **RFP documents stated the use of the supplemental rates for pricing scores, but the DOE used the aide rates. This is misleading as RHSB strategized its bid rates based on what the Addendum stated**; regarding use of the Aide rates for scoring. (Summarized).

Christian Butt and James Kauhi both eventually agreed that it was an error to use the supplemental, rather than the aide rates, and this was part of the basis for the rescoring of the proposals. On November 17, 2016, Mr. Butt telephoned Aaron Kimura and agreed that there was an error on this point. Mr. Butt stated that the language in Addendum 3 was in conflict with that of the RFP as to the financial scoring and the use of the aides rates versus using the supplemental rates and agreed with Robert's concerns.

During the Second Debriefing, Aaron Kimura raised the issue that the DOE *again* used the supplemental rate, and added the aides rate to the daily rate portion contrary to the RFP description in Addendum 3:

> Christian Butt: So you're saying then that we should have just used the supplemental rate… or just the aide rate?
>
> Aaron Kimura: No, the aide rate.
>
> Christian Butt: **So we should have just used the aide rate, that is your position?**
>
> Aaron Kimura: **That's not *our* position, that's what was in the addendum**.
>
> Christian Butt: Well, **that's your interpretation of reading it**…

The language above of Addendum 3 is unambiguous. Even the re-scoring erred on this issue to Robert's detriment. This error is clear and unmistakable. Based on the First Debriefing and the Second Debriefing, it appears the DOE agrees.

C. The Rescoring Shows the Procedure was Arbitrary and Shows Bias

The re-scoring of proposals without any changes to the materials being evaluated effectively created a double-blind study in the flawed and arbitrary nature of the DOE's re-

scoring procedure. This is clear looking at the total scores for Robert's, GTI, and Iosepa (all clusters were scored identically):

ROBERT'S		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	51.00	60.00
Robert Joseph	51.75	48.75
James Kauhi	56.25	54.00
Bruce Ellerman	57.00	57.75

GTI		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	55.50	60.00
Robert Joseph	56.25	57.00
James Kauhi	59.25	53.25
Bruce Ellerman	57.25	58.00

IOSEPA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	54.50	57.25
Robert Joseph	49.75	51.50
James Kauhi	51.25	52.25
Bruce Ellerman	50.00	49.25

AKINA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	48.00	53.25
Robert Joseph	49.50	50.75
James Kauhi	50.00	50.00
Bruce Ellerman	50.75	50.75

This data shows significant changes in scores, despite the fact that *nothing* changed in any of the proposals. This is the very definition of arbitrary. The rescoring also shows that Mr. Joseph's role as Maui TO affected his scoring and contributed to collusion with Mr. Kauhi.

Interestingly, James Kauhi, who had unlimited access to the pricing figures following the first scoring and the First Debriefing, *reduced* Robert's score by 4.00%, while the other scorers *increased* their scores on average of 4.88%. In addition, Robert Joseph also reduced his scoring for Robert's by 6.00%.

When the combined scores by Mr. Joseph and Mr. Kauhi are considered against the other scorers, there is a vast discrepancy of 15 total points, meaning Messrs. Joseph and Kauhi *scored Robert's nearly 15% lower than Ms. Foster and Mr. Ellerman*. During the rescoring, Ms. Foster and Mr. Ellerman awarded Robert's a total of 117.75 points, while Messrs. Kauhi and Joseph awarded a total of just 102.75 points. This shows clear collusion and bias. On this issue, it should be noted that during the rescore, Messrs. Kauhi and Joseph increased or left unchanged scores for other bidders in all but one instance, *yet they both reduced Robert's score significantly*.

Pualani Foster's score for Robert's increased by an astounding 18% to a perfect score of 60 points. This was done despite her making negative comments in the score cards. Somehow, Ms. Foster also increased GTI's score to award the full 60 points, noting in her score cards that questions regarding a child being left behind, and questions regarding facility acquisitions were answered during the interview process.

It is unclear how scoring *identical* proposals could result in such varied scores. Given Mr. Kauhi and Mr. Butt's apparent confidence in the scoring panel, it is difficult to see how the rescoring would result in such drastic revisions when there was no change to the proposals submitted.

During the First Debriefing session, James Kauhi confidently stated that the Evaluation Committee was "hand-selected" and highly qualified. Furthermore, Mr. Butt described the committee members to be "well versed, competent and qualified." However during the Second Debriefing, Mr. Kauhi and Mr. Butt stated that they "didn't have confidence in the veracity of their scoring.." and "I did not have high confidence to decide which of the differing scores were the right ones....not terribly confident in knowing exactly what was my true score." This highlights yet another flaw in the re-scoring procedure employed by the DOE.

D. **The Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

HRS § 103D-101 provides in relevant part:

> (a) **All public employees shall conduct and participate in public procurement in an ethical manner**. In conducting and participating in procurement, **public employees shall**:
>
> (1) Act as a fiduciary and trustee of public moneys;
>
> (2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;
>
> (3) Act only in the public interest;
>
> (4) Abide by the statutes and administrative rules relating to public procurement;
>
> (5) Identify and maximize efficiencies in the public procurement process;
>
> (6) Encourage economic competition by:
>
> (A) **Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment**; and
>
> (B) Researching innovative goods and services to meet the public's needs;
>
> (7) **Avoid the intent and appearance of unethical behavior**;
>
> (8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;
>
> (9) Maintain confidentiality in a manner that ensures a fair procurement process;
>
> (10) **Remain impartial in dealings** with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and
>
> (11) **Identify *and eliminate* any conflicts of interest**.
>
> * * *
>
> (c) **All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith**.

HRS § 103D-101 (emphasis added). Further, HAR § 3-120-1(a) outlines the following purposes of the rules, which are aimed to "promote economy, efficiency, and effectiveness in the procurement of goods and services… for the State and counties":

> (1) Simplifying, clarifying, and modernizing the law governing procurement;
> (2) Requiring the continued development of procurement policies and practices;
> (3) Making the procurement laws of the State and counties as consistent as possible;
> (4) **Ensuring the fair and equitable treatment of all persons who deal with the procurement system of the State and counties**;
> (5) Providing increased economy in procurement activities and **maximizing best value to the fullest extent practicable**;
> (6) **Fostering effective broad-based competition within the free enterprise system**;
> (7) **Providing safeguards for the maintenance of a procurement system of quality and integrity**; and
> (8) **Increasing public confidence in the procedures followed in public procurement**.

HAR § 3-120-1 (emphasis added).

Here, it is clear that there were numerous conflicts of interest. One such conflict of interest involved Robert Joseph. Mr. Joseph was selected as an evaluator by James Kauhi, Manager of the DOE Student Transportation Services Branch. Mr. Kauhi is Robert Joseph's manager. In addition, Mr. Joseph is married to Mr. Kauhi's sister. The result is that two out of four evaluators were directly related, raising serious issues of partiality and conflict. As noted above, this conflict resulted in collusion during the Maui rescoring, made clear by the fact that Mr. Joseph and Mr. Kauhi *scored Robert's nearly 15% lower than Ms. Foster and Mr. Ellerman.* In addition, Messrs. Kauhi and Joseph increased or left unchanged scores for other bidders in all but one instance, *yet they both reduced Robert's score significantly.*

Aside from the direct familial relations between Mr. Kauhi and Mr. Joseph, Mr. Joseph's role as an evaluator is a break from the DOE's past practice of not using on-island TO's to evaluate proposals within their own districts.

In addition, Ms. Foster, the DOE's Kauai Transportation Officer ("TO"), is believed to have approximately 2 years of experience as a TO with the student transportation industry, with that experience being limited to duties on the Island of Kauai, handling "older" contracts for student transportation services. Ms. Foster did not have a thorough knowledge of Robert's infrastructure and capabilities on the Island of Maui. Ms. Foster was not qualified to reasonably evaluate Robert's proposal, and it is highly likely that her evaluation and scores were based on

influences from Mr. Joseph and Mr. Kauhi. In addition, Ms. Foster's drastic change in scoring (an 18% discrepancy for Robert's and an average 10.29% change for all bidders), shows her lack of experience as a significant issue, and that she was not fit to serve as an evaluator.

Further, Mr. Kauhi stated to Robert's that the evaluation of its proposal could be affected if the working relationship between Robert's Maui Operations Manager (Kris Kim) and Joseph (acting as Maui TO) did not improve. Apparently Mr. Kauhi also discussed historical difficulties with Ms. Kim during his tenure as the DOE's Maui TO.

The following table shows Mr. Joseph's scores compared to the average of other evaluators for the Maui and Kauai RFPs:

RFP	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Maui	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	2.50	4.00	2.00	48.75
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	2.75	3.00	4.00	2.00	55.50
Kauai	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	54.00
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	3.00	3.00	4.00	2.00	55.25

The various conflicts of interest present during the scoring process resulted in significant bias against Robert's. This bias was allowed to further permeate the scoring process through the "**one-day collaboration** with all four evaluators" that Mr. Kauhi noted took place while he discussed the scoring process during the First Debriefing (cited above in full). This "collaboration" was in violation of the terms of the RFP, which specifically stated that, "The members of the committee **will evaluate each proposal individually**." See, RFP at p. 9 (emphasis added). It appears Messrs. Kauhi and Joseph used this meeting to influence the other panelists. In Mr. Kauhi's words, this meeting was, "an opportunity to voice their perspectives, their concerns there, interpretations if you will. And whether it had an influence **or whether my interpretation had an influence on another evaluator's interpretation**, same thing **would be entirely up to each individual right…**" Thus, Mr. Kauhi admits the possibility or probability that his interpretation influenced other evaluators, yet he dismisses this improper influence stating the decision on whether to follow his recommendation was "entirely up to each individual". It is for this very reason that the RFP submissions were intended to be evaluated individually, and the scoring clearly shows that Mr. Kauhi's "interpretation" *did* have a strong influence on other evaluators.

Mr. Kauhi also failed to raise important issues during this "collaboration" as to Robert's performance when compared to GTI's in the same market. For example, based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with **21.5 missing assets, compared with GTI's 245***. Mr. Kauhi knew this information, yet was selective in whether to provide it to other scorers or to raise it in the "collaboration" process.

The "collaboration" process also allowed Mr. Joseph to negatively influence the minds of other panel members by raising complaints regarding Robert's Maui Operations Manager. As noted earlier, the scoring panel was "hand-selected" by Mr. Kauhi. It appears Mr. Kauhi selected Mr. Joseph not only because he could exert influence over him, but also because Mr. Kauhi knew that Mr. Joseph would have negative feelings towards Robert's from his position as Maui TO.

The data in both the initial and re-scoring process shows clearly that Mr. Kauhi and Mr. Joseph worked together to influence the process by raising issues that would be detrimental to Robert's, while failing to discuss *actual data* that was known to all and in Robert's favor.

E. Evaluations Were Inconsistent with the Stated Scoring Method

Mr. Kauhi had previously explained to Robert's that a respondent would receive the maximum possible points for each category, if minimum requirements were met. The scores from each evaluator, including Mr. Kauhi, show significant inconsistency for the same categories when Robert's proposal is compared to GTI's proposal. The following table shows the RFP scores by all evaluators, and clearly shows that Mr. Kauhi, and Mr. Joseph did not score according to the stated method:

MAUI	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	***3.00***	***3.00***	***9.00***	***6.00***	***9.00***	***15.00***	***3.00***	***3.00***	***3.00***	***4.00***	***2.00***	***60.00***
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	54.00
Joseph	2.25	2.25	6.75	6.00	6.75	11.25	1.50	3.00	3.00	4.00	2.00	48.75
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	3.00	3.00	4.00	2.00	57.75
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	60.00
AVG	**2.75**	**2.50**	**9.00**	**6.00**	**6.75**	**13.75**	**2.25**	**2.75**	**3.00**	**4.00**	**2.00**	**53.63**
GTI AVG	**2.81**	**3.00**	**8.44**	**6.00**	**8.44**	**14.06**	**3.00**	**3.00**	**2.44**	**4.00**	**1.88**	**57.06**

1. Category 1: Transmittal Letter

One example of inconsistent scoring on this issue is for category 1, dealing with the Transmittal Letter. This section had 3 points possible. In this section, Robert's noted that "RHSB shall pursue Proposal Option A" and further that it was bidding on "(Multiple clusters, unlimited award) for all four (4) Clusters." GTI noted that it was proposing "…for all Maui service clusters…"

Despite Robert's satisfying the requirements of this section, Joseph scored just 2.25 points, stating wrongly that, "A list of the 4 clusters that is being proposed for was not provided." Although GTI also stated it was proposing "…for all Maui service clusters" similar to Robert's, Joseph deducted only because GTI "Exceeded page limit" but did not deduct points otherwise. Other scorers fully recognized that Robert's satisfied all of the requirements of this section.

2. Category 2: Executive Summary

In this category, Robert's highlighted numerous reasons why it is well suited to the State's requirements, including its presence on Maui for over 30 years, its existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 baseyards. Robert's also highlighted its optimal workforce and fleet, which exceeded the requirements of the RFP.

In the scoring, Joseph awarded less than the possible 3 points for the category. Joseph both questioned whether Robert's has three (3) baseyards on Maui. Joseph further questioned the stated capacity of Robert's #3 baseyard (Makawao).

In this category, GTI was awarded the full 3 points, despite the fact that it does not have *any* existing baseyards on Maui. By contrast, Robert's proposal makes clear, and the DOE is well aware, that Robert's has 3 established baseyards on Maui that adequately support its existing fleet, with excess capacity.

Mr. Joseph questioned whether Robert's would have a "turn-key" transition as it claimed because of its existing infrastructure. GTI received maximum points, yet has no existing infrastructure.

3. Category 3: Qualifications & Experience

Despite there being no specific required format, Mr. Joseph scored Robert's with 6.75 out of 9 possible points. Joseph arbitrarily deducted points because "Bullets 3 & 4 were combined into one statement." Joseph's comments indicate that he was not sure whether the cited statistics were for school bus transportation, or for all departments. Mr. Joseph should have clarified this inquiry during the interview session, as the statistics included statewide support personnel for maintenance and dispatching by line item; however, this discounts any cause to deduct points as Robert's workforce far exceeds that of other proposers.

Robert's received the maximum points from other evaluators.

4. Category 4: Reference and Testimonials

This section requires proposers to provide not less than one (1) and no more than three (3) letters of reference. GTI listed 12 quoted testimonials, which clearly violated and exceeded the maximum number of testimonials for the section. GTI received the maximum points for this category despite its violation of a clear term as to the maximum number of references.

5. Category 5: Proponent's Service Approach

Robert's received a score of 6.75 from Kauhi, who commented regarding the level of confident for park-aways. On this issue, Gail Sagiao, for Robert's, responded to an inquiry

during the interview process regarding park-aways and leads. It was Robert's belief that this issue was fully briefed. More importantly, GTI's proposal makes absolutely no mention of park-aways, yet it received the maximum 9 points for the category from all scorers except Kauhi.

Ellerman also scored Robert's with 6.75, stating, "Needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOT, esp. in Sp Ed area." Mr. Ellerman's comment is addressed on page 25: "Prior to rendering daily student..., pre-determined route information is prepared by and received from the DOE STSB. RHSB operations management review the pre-determined routes and informs STSB of any discovery or routing discrepancies....Any discrepancies or valuable information discovered during dry-run will be addressed with the applicable DOE TO..."

6. Category 6: Commitment to Safety

This category had a possible 15 points per evaluator. Joseph awarded 11.25 points, stating, "All responses to related items are generic and does not reflect actual Maui team members performance." In reality, the proposal states, "For at least three days per week, RHSB driver trainers will observe and assist drivers while conducting per/post trip inspections." Drivers are conducting inspections daily. In addition, Gail Sagiao, for Robert's, responded during the interview that driver "leads" conduct daily oversight of inspections by drivers. In addition, it appears Mr. Joseph's comment is not related to the contents of the proposal submitted by Robert's, but rather appears to raise some issue with "actual" performance on unrelated contracts.

By comparison, neither GTI's trainers, nor its management team, conduct daily observation of driver pre/post inspections. GTI's proposal states, "...managers and supervisors conduct random ride along inspections..." It further states, "To make certain that drivers comply with the pre-trip inspection they are randomly monitored by bus supervisors. These random inspections can take place at any time **and are not scheduled**." Mr. Joseph awarded full points to GTI.

It is difficult to understand why Robert's was penalized, when GTI literally admits that it does not schedule inspections.

7. Category 7: Vehicles & Fleet Management

Here is a summary of the relevant portions of Robert's proposal as compared to GTI's proposal:

Robert's:

- RHSB school bus fleet exceeds 550 statewide
- Shall include new school buses in its mix of existing fleet and remain within the minimum avg fleet age of 9 yrs

- Maintain a minimum fleet of spare vehicles at 12% of the total daily route operated
- Committed to include new school buses into its mix of 125 existing buses available on Maui
- Approximate fleet acquisition projections based on 3 clusters: Initial year (6), 2-7 years (75), 3 yr extension (3).
- Bus Type C/D: Up to 90pax, GPS, Video, Two-way Comm
- Bus Type A/B: 10+2/4wc and up to 24 pax (with AC if required)
- 3 established/existing baseyards
- Established/existing maintenance facility

GTI:

- "Our fleet of buses will not exceed an average age of 9 yrs, no bus will be over 15 yrs old, each bus will have two-way voice communication....bus cameras, and Zonar GPS tracking device.
- "GTI will maintain at least an additional 10% spare vehicle capacity above the number of buses needed for contracted cluster/routes."
- GTI lists their vehicle roster for their Oahu operations
- "We will purchase new fleet vehicles to meet the requirements of the cluster that we are awarded."
- "A final listing of vehicles/equipment will be provided to DOE as required."

Robert's provided information regarding its *existing* fleet, yet GTI proposes its future fleet specifications. Even assuming GTI does what it promises, Robert's proposal contains a larger spare vehicle percentage, the same average age, existing baseyards, and existing maintenance facilities. Robert's is also specific as to its vehicle specifications. By comparison, GTI provides no details, simply says it will be in fleet compliance (like Robert's), yet receives maximum scores.

Despite Robert's clearly having an *existing* fleet better than that *proposed* by GTI, Joseph awarded only 1.5 points, stating "Define baseyard, what exactly can we expect from each of these locations operationally." As an initial matter, Joseph, as the DOE Maui TO, is well aware of Robert's existing baseyards and its existing facilities and capacities on Maui. By comparison, GTI has no existing baseyards, and only states it will seek to obtain a baseyard if awarded. Joseph awarded full points to GTI.

The result of the RFP awards will require GTI to establish a baseyard on Maui, become familiar with Maui's geographical elements and institutions, and most importantly recruit and secure at least 48 CDL school bus drivers, 23 Non-CDL drivers and 23 Aides for a total of 71 employees; not including administrative and maintenance personnel.

The DOE appears willing to risk the possibility of a major disruption of services instead of maintaining the least disruption of services through Robert's existing infrastructure that has an existing workforce that exceeds the minimum needed to cover the maximum allowable service clusters. The DOE has always expressed the importance of avoiding any disruption of services due to the negative impact it had experienced when its reformed program backlashed on Oahu for school year 2014-15. Subsequently, DOE revised its strategy for its Big Island reform that resulted in a very successful implementation for school year 2015-16.

To that end, and based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with* ***21.5 missing assets, compared with GTI's 245***. This is a clear indication that even when GTI has an established fleet in place, it does not have the capacity to manage its own existing operations or provide reliable service. Yet, when Robert's has a proven track record, and *existing fleets and baseyards*, it is being scored lower than GTI who has asserted mere statements as to their ability to create a Maui operation from the ground up.

Despite these facts, GTI and Robert's received an average score in this category of 2.63, while GTI somehow received full points for merely making representations about its proposed Maui fleet.

8. Category 10: Financial Stability

Robert's is clearly in a stronger financial position than GTI, yet GTI arbitrarily received the same score.

F. **DOE Did Not Abide by the "Fair and Equal Standard"**

HAR § 3-122-53 requires the fair and equal treatment with respect to discussions and revisions of proposals:

* * *

(d) Priority-listed offerors ***shall*** **be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.**

(1) **Any substantial oral clarification of a proposal shall be reduced to writing** by the priority-listed offeror;

(2) If during discussions there is a need for any substantial clarification or change in the request for proposals, **the request for proposals shall be amended by an addendum to incorporate the clarification or change.**

* * *

Id. (emphasis added). This standard was not followed by the DOE in subsequent discussions with priority listed offerors. During the interview, Mr. Kauhi claimed that GTI made representations to him that convinced the DOE that GTI would be able to set up its operations on Maui, despite the fact that GTI has no infrastructure or experience there. There is nothing provided in the RFP documents that supports GTI's nebulous claims. Robert's also answered numerous questions during its interview, yet it had points deducted.

G. **Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

> **Prior to the preparation of the request for proposals**, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.
>
> (1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;
>
> (2) **Private consultants** may also serve on the committee and shall:
> (A) Have sufficient knowledge to serve on the committee;
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
> (C) **Sign an affidavit**:
>
> (i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
> (ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
> (iii) **Agreeing that their names will become public information** upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;

> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

IV. CONCLUSION

HRS 103D-701(b) allows the DOE to, "settle and resolve a protest concerning the solicitation or award of a contract." This section precludes any further actions taken in furtherance of establishing or completing the contract, but not actions to terminate or cancel the contract. International Display Systems, Inc. v. Okimoto, 2013, 300 P.3d 601, 129 Hawai'i 335. Further, under HAR 3-126-7(d), "...If the protest is sustained, the available remedies include, but are not limited to, those set forth in this section and subchapter 4..." Under HAR 3-126-38 (part of subchapter 4), when there is no bad faith by the contractor, and "[i]f the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated..." HAR § 3-126-38(a)(3) (emphasis added). Please note the use of the term "shall".

It is Robert's sincere desire that the DOE does what is required to correct the errors thus far in the process. Robert's further requests that the DOE take all necessary action ensure that all scoring documents, notes, other electronic materials, and any and all other relevant records be preserved by all panel members and others involved in the procurement process.

Clearly there was and is still time to resolicit bids. Robert's requests that this action be taken to avoid any further prejudice to the proposers.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
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December 23, 2016

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Re: Robert's Hawaii School Bus, Inc.'s HRS § 103D-701 Protest of Request For Proposals No. RFP D17-002 Student Transportation Services on the Island of Kauai for the State of Hawaii Department of Education (DOE)

Dear Superintendent Matayoshi and Mr. Butt:

Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this protest ("Protest") of the award of RFP No. D17-002 ("RFP"), which RFP was published by the State of Hawaii, Department of Education ("DOE") on July 20, 2016. This timely protest is made pursuant to Hawaii Revised Statutes ("HRS") § 103D-701 and HRS § 103D-303, and Hawaii Administrative Rules ("HAR") §§ 3-126-4, and addresses Robert's concerns regarding the award of Cluster 1 (Waimea) to Yamaguchi Bus Service, Inc. ("Yamaguchi") and Clusters 2 and 3 (Kapaa and Kauai respectively) to Akita Enterprises, Limited ("Akita").

I. PROTESTOR INFORMATION

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II. IDENTIFICATION OF THE PROCUREMENT:

RFP No. D17-002 ("RFP") for Student Transportation Services on the Island of Kauai for the State Department of Education (DOE). The following table shows the significance of this procurement to both the DOE, and to Robert's. It is calculated using 2% annual increases in revenue and results in **$41,589,011 total revenue** over the 7yr + 3yr extension term based on the maximum number of clusters that can be awarded:

KAUAI	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	TOTAL
Kapaa	1,928,700	1,967,274	2,006,619	2,046,752	2,087,687	2,129,441	2,172,029	2,215,470	2,259,779	2,304,975	
Aide	124,740	127,235	129,779	132,375	135,023	137,723	140,478	143,287	146,153	149,076	
	2,053,440	***2,094,509***	***2,136,399***	***2,179,127***	***2,222,709***	***2,267,164***	***2,312,507***	***2,358,757***	***2,405,932***	***2,454,051***	***22,484,595***
Kauai	1,620,000	1,652,400	1,685,448	1,719,157	1,753,540	1,788,611	1,824,383	1,860,871	1,898,088	1,936,050	
Aide	124,740	127,235	129,779	132,375	135,023	137,723	140,478	143,287	146,153	149,076	
	1,744,740	***1,779,635***	***1,815,227***	***1,851,532***	***1,888,563***	***1,926,334***	***1,964,861***	***2,004,158***	***2,044,241***	***2,085,126***	***19,104,416***
	3,798,180	**3,874,144**	**3,951,626**	**4,030,659**	**4,111,272**	**4,193,498**	**4,277,368**	**4,362,915**	**4,450,173**	**4,539,177**	**41,589,011**

III. SUMMARY OF PROTEST

A. The Protest is Timely

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). On November 2, 2016, Robert's submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section - requesting debriefing and information ("First Request for Debriefing"). The First Request for Debriefing notes,

> * * *
>
> In addition, it should be noted that the Non-Award Notice states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:
>
> > (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.
> >
> > Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

See, First Request for Debriefing at pps. 1-2 (underline in original). The First Debriefing took place on November 16, 2016 ("First Debriefing"). The First Debriefing was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. The timing of the First Debriefing would generally require a protest be submitted on or before November 23, 2016; however, in a telephone conversation held on November 17, 2016 with Mr. Butt, he indicated that because there were outstanding questions from the debriefing, the five day deadline to file a protest would begin as of November 17th, meaning the deadline to file a protest would be November 24, 2016.

On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals could be submitted. The letter made clear that Robert's believed the awards were issued in violation of law.

On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for REP Dl 7-001 and REP D17-O02 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring**. Upon review, the DOE concurs and **has decided to re score both RFPs**. ***

(emphasis added). Rather than allowing proposers to resubmit proposals, the DOE simply re-scored the original submissions using the same panel of scorers.

The Second Debriefing took place on December 16, 2016, which requires this Protest be submitted on or before December 23, 2016.

B. The DOE Did Not Abide By Its Own Stated Scoring Procedure

The DOE solicited proposals through the RFP, which specifically outlines the scoring method that the DOE represented to Robert's it would employ. Robert's drafted and submitted its proposal relying on the terms of that RFP and the DOE's obligation to score by its stated method. Instead of following its own process, the DOE adapted it mid-stream in an attempt to remedy both mathematical errors and other procedural flaws.

1. The DOE Represented that Cost Evaluation Would Only Take Place AFTER the Completion of the Technical Evaluation

The RFP is clear that the cost portion of the evaluation would take place only "AFTER the technical evaluation is completed..." (CAPS IN ORIGINAL). Presumably the DOE believed it important to segregate the technical evaluation from the cost evaluation, yet completely abandoned the agreed upon scoring method by allowing the same evaluators to score proposals AFTER each knew the pricing figures supplied by each proposer. Rather than amending the RFP to make clear to all proposers that the technical and cost evaluations would no longer be separate (and allowing them to resubmit proposals taking that into consideration), or selecting a new panel of scorers following the initial scoring, the DOE charged forward with its process nonetheless.

The following statements within the RFP make it clear that the bifurcation of the technical evaluation and cost evaluation was important to the fairness of the process. Robert's proposal strategy relied on the following from Section C.2 of the RFP:

This is a value-based procurement... Cost will be a significant factor in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* - * * *

B. *Technical Evaluation* - **An evaluation committee will evaluate the proponent's Technical Proposal**. The members of the committee **will evaluate each proposal individually**. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – **AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The **lowest cost** proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- **This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster**.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below**.

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation**. *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will**. And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are**. So that's generally the process of how it worked…

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking…**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever***. **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

Following the First Debriefing, on November 17, 2016, Mr. Butt called Aaron Kimura and offered to re-score the proposals submitted by all proponents. On November 18, 2016, Robert's sent a letter to the DOE entitled "Request for re-solicitation of proposals", which notes in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * *
>
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders**. However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring**.
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring**.

Id. (emphasis added).

On November 21, 2016, Robert's received the "Notice of Re-score" from the DOE. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it simply stated that the evaluation panel would re-score the existing proposals.

Despite the representations in the RFP (including the requirement that pricing be submitted in a separate and sealed envelope), and also the importance of keeping the pricing evaluation isolated from the technical evaluation as stated above by both Mr. Butt and Mr. Kauhi, the DOE conducted its re-scoring process with the same panel of evaluators, *each of whom knew pricing information from the initial scoring process*. The RFP was never amended. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure. The result is that each evaluator knew the pricing information of each proposer *during the scoring of the technical proposals*.

During the Second Debriefing which took place on December 16th, 2016, the following discussion took place:

> Aaron Kimura: … **the panel now had access to the outcome of the prices… the rates**. **Now that is different from the initial process, right, where it was kept away from them**, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to… **you were the only one who had access to the pricing**…
>
> James Kauhi: **Right**…
>
> Aaron Kimura: **So that's a difference**…
>
> James Kauhi: **Yeah**…
>
> Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing… On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**…
> * * *
> Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind… we just did that as an extra step**. But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores**. ***I don't know if they have a photographic memory or not***, but again, I don't think…
>
> Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing…
>
> James Kauhi: So… let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well… but they were not involved in that process.
>
> Christian Butt: So again… **yeah Chad… they did see it… but no, they didn't have it in front of them when they re-evaluated, so**…

* * *

Charles Hunter (counsel for Robert's): This is Charles Hunter here. Excuse my ignorance here, but **can you tell me why the pricing was done as a separate process?**

James Kauhi: ***That's unfortunate* because this discussion was already had... I was hoping that this debrief would center around those what was not discussed... I apologize**...

Christian Butt: Well... I don't mind answering the question... I mean... **there is nothing under the procurement code or anything that requires that... It was just the way that we chose to do the process. That's all... agency preference**.

Charles Hunter: **Why?**

James Kauhi: **Why not?**

Charles Hunter: **I'm just asking for the logic on why that decision was made**. I just, I don't know.

James Kauhi: I'm sorry... **I think Aaron and Roy and Chad should be able to explain that to you no problem**.

Charles Hunter: They can explain *your* logic as to why...?

James Kauhi: They can explain why the pricing presentations were reevaluated...

Charles Hunter: I don't know that that is true...

As it turns out, Robert's *could* have explained the DOE's logic to Mr. Hunter based upon the First Debriefing, where Mr. Butt stated,

> ...we didn't expose the price to the evaluators **so they are not influenced by that**. So again **they were blind to that**. So again, we didn't want to say oh well, **I'm going to score this guy up because his price was kind of low or whatever**. So again **we try to remove that barrier**. So again you know, that **these guys scored it they don't know how it's going to turn out**...

Yet somehow, during the Second Debriefing the DOE took the positions that, (i) the procurement code does not require the technical and price scoring to be bifurcated, despite the clear language of the RFP, (ii) that the scorers somehow forgot the price rankings because they do not have photographic memories, (iii) that they did not wish to discuss the logic as to why the initial decision was made to keep the technical and price evaluations separate, and (iv) that Robert's should somehow be able to explain the DOE's reasoning behind structuring the RFP in the way it did.

If the DOE preferred to eliminate the pricing-blind process that was stated in the RFP, and which was determined to be an important procedure during the First Debriefing, it should have issued an addendum to the RFP making clear the change in procedure. Further, the DOE should have allowed proposers to resubmit proposals with the new procedure taken into consideration, as specifically requested in Robert's November 18, 2016 letter. Instead, the DOE ignored the importance of that procedure, claimed its evaluation panel somehow forgot the pricing results, and rushed forward with its process.

2. **DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates**

The initial RFP stated that for the pricing score, the proponent's supplemental rates would be used; however, Addendum 3 to the RFP noted that the aides rate would be used in the pricing scores. In fact, the DOE used the supplemental rates, which was misleading as Robert's strategized its bid rates based on what the Addendum stated.

Addendum 3 to the RFP states in part:

> ... This addendum **provides clarification for submission requirements** of the RFP related to the need to provide bus aides for special needs services. **This response is hereby incorporated and made a part of the RFP**.
>
> ... for purposes of developing their response **vendors should plan to provide a bus aide** for all identified special needs buses shown on Attachment B.
>
> ... The **cost of the bus aide should be identified** on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum. [This statement is contained four (4) times in Addendum 3.]
>
> ... **The cost of the bus aide will be used in the evaluation of cost provided by each vendor**.

Id. (emphasis added).

During the First Debriefing, Aaron Kimura stated on behalf of Robert's:

> There were calculation errors in the scores. For the pricing score, **proponents' supplemental rates were used, as stated in the initial RFP documents, but it was mentioned in an addendum that the Aides rate would be used in the pricing scores**; and used by RHSB. In the past two RFP series (Oahu and Big Island), the **RFP documents stated the use of the supplemental rates for pricing scores, but the DOE used the aide rates. This is misleading as RHSB strategized its bid rates based on what the Addendum stated**; regarding use of the Aide rates for scoring. (Summarized).

Christian Butt and James Kauhi both eventually agreed that it was an error to use the supplemental, rather than the aide rates, and this was part of the basis for the re-scoring of the proposals. On November 17, 2016, Mr. Butt telephoned Aaron Kimura and agreed that there was an error on this point. Mr. Butt stated that the language in Addendum 3 was in conflict with that of the RFP as to the financial scoring and the use of the aides rates versus using the supplemental rates and agreed with Robert's concerns.

During the Second Debriefing, Aaron Kimura raised the issue that the DOE *again* used the supplemental rate, and added the aides rate to the daily rate portion contrary to the RFP description in Addendum 3:

> Christian Butt: So you're saying then that we should have just used the supplemental rate… or just the aide rate?
>
> Aaron Kimura: No, the aide rate.
>
> Christian Butt: **So we should have just used the aide rate, that is your position?**
>
> Aaron Kimura: **That's not *our* position, that's what was in the addendum**.
>
> Christian Butt: Well, **that's your interpretation of reading it**…

The language above of Addendum 3 is unambiguous. Even the re-scoring erred on this issue to Robert's detriment. This error is clear and unmistakable. Based on the First Debriefing and the Second Debriefing, it appears the DOE agrees.

C. **The Rescoring Shows the Procedure was Arbitrary and Shows Bias**

The re-scoring of proposals without any changes to the materials being evaluated effectively created a double-blind study in the flawed and arbitrary nature of the DOE's re-scoring procedure. This is clear looking at the total scores for Robert's, Yamaguchi, and Akita (all clusters were scored identically):

ROBERT'S		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	50.25	59.25
Robert Joseph	45.00	50.25
James Kauhi	56.25	54.00
Bruce Ellerman	55.50	56.25

YAMAGUCHI		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	53.75	55.50
Robert Joseph	51.00	54.75
James Kauhi	59.25	54.00
Bruce Ellerman	53.00	53.00

AKITA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	49.75	59.50
Robert Joseph	54.25	54.25
James Kauhi	53.50	53.50

Bruce Ellerman	55.00	55.75

This data shows significant changes in scores, despite the fact that *nothing* changed in any of the proposals. This is the very definition of arbitrary.

Interestingly, James Kauhi, who had unlimited access to the pricing figures following the first scoring and the First Debriefing, *reduced* Robert's score by 4.00%, while *all other scorers increased their scores*, with an average increase of 9.95%. Mr. Kauhi was the only scorer to give a lower score (to any proponent) during the re-scoring process, and that single lower score was to Robert's.

Pualani Foster's score for Robert's increased by an astounding 17.91% to a score of 59.25 points. Ms. Foster also increased Akita's score by 19.60%, awarding 59.50 points.

It is unclear how scoring *identical* proposals could result in such varied scores. Given Mr. Kauhi and Mr. Butt's apparent confidence in the scoring panel, it is difficult to see how the rescoring would result in such drastic revisions when there was no change to the proposals submitted.

During the First Debriefing session, James Kauhi confidently stated that the Evaluation Committee was "hand-selected" and highly qualified. Furthermore, Mr. Butt described the committee members to be "well versed, competent and qualified." However during the Second Debriefing, Mr. Kauhi and Mr. Butt stated that they "didn't have confidence in the veracity of their scoring.." and "I did not have high confidence to decide which of the differing scores were the right ones....not terribly confident in knowing exactly what was my true score." This highlights yet another flaw in the re-scoring procedure employed by the DOE.

D. **The Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

HRS § 103D-101 provides in relevant part:

> (a) **All public employees shall conduct and participate in public procurement in an ethical manner**. In conducting and participating in procurement, **public employees shall**:
>
> (1) Act as a fiduciary and trustee of public moneys;
>
> (2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;
>
> (3) Act only in the public interest;
>
> (4) Abide by the statutes and administrative rules relating to public procurement;

> (5) Identify and maximize efficiencies in the public procurement process;
> (6) Encourage economic competition by:
> (A) **Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment**; and
> (B) Researching innovative goods and services to meet the public's needs;
> (7) **Avoid the intent and appearance of unethical behavior**;
> (8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;
> (9) Maintain confidentiality in a manner that ensures a fair procurement process;
> (10) **Remain impartial in dealings** with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and
> (11) **Identify *and eliminate* any conflicts of interest**.
> * * *
> (c) **All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith**.

HRS § 103D-101 (emphasis added). Further, HAR § 3-120-1(a) outlines the following purposes of the rules, which are aimed to "promote economy, efficiency, and effectiveness in the procurement of goods and services… for the State and counties":

> (1) Simplifying, clarifying, and modernizing the law governing procurement;
> (2) Requiring the continued development of procurement policies and practices;
> (3) Making the procurement laws of the State and counties as consistent as possible;
> (4) **Ensuring the fair and equitable treatment of all persons who deal with the procurement system of the State and counties**;
> (5) Providing increased economy in procurement activities and **maximizing best value to the fullest extent practicable**;
> (6) **Fostering effective broad-based competition within the free enterprise system**;
> (7) **Providing safeguards for the maintenance of a procurement system of quality and integrity**; and
> (8) **Increasing public confidence in the procedures followed in public procurement**.

HAR § 3-120-1 (emphasis added).

Here, it is clear that there were numerous conflicts of interest. One such conflict of interest involved Robert Joseph. Mr. Joseph was selected as an evaluator by James Kauhi, Manager of the DOE Student Transportation Services Branch. Mr. Kauhi is Robert Joseph's manager. In addition, Mr. Joseph is married to Mr. Kauhi's sister. The result is that two out of four evaluators were directly related, raising serious issues of partiality and conflict.

In addition, Ms. Foster, the DOE's Kauai Transportation Officer ("TO"), is believed to have approximately 2 years of experience as a TO with the student transportation industry, with that experience being limited to duties on the Island of Kauai, handling "older" contracts for student transportation services. Ms. Foster was not qualified to reasonably evaluate Robert's proposal, and it is highly likely that her evaluation and scores were based on influences from Mr. Joseph and Mr. Kauhi. Furthermore, Ms. Foster's role as an evaluator is a break from the DOE's past practice of not using on-island TO's to evaluate proposals within their own districts. In addition, Ms. Foster's drastic change in scoring (an 18% discrepancy for Robert's and an average 13.33% change for all bidders), shows her lack of experience as a significant issue, and that she was not fit to serve as an evaluator.

Finally, Mr. Kauhi stated to Robert's that the evaluation of its proposal could be affected if the working relationship between Robert's Maui Operations Manager (Kris Kim) and Joseph (acting as Maui TO) did not improve. Apparently Mr. Kauhi also discussed historical difficulties with Ms. Kim during his tenure as the DOE's Maui TO.

The following table shows Mr. Joseph's scores compared to the average of other evaluators for the Maui and Kauai RFPs:

RFP	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Maui	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	2.50	4.00	2.00	48.75
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	2.75	3.00	4.00	2.00	55.50
Kauai	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	54.00
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	3.00	3.00	4.00	2.00	55.25

The various conflicts of interest present during the scoring process resulted in significant bias against Robert's. This bias was allowed to further permeate the scoring process through the "**one-day collaboration** with all four evaluators" that Mr. Kauhi noted took place while he discussed the scoring process during the First Debriefing (cited above in full). This "collaboration" was in violation of the terms of the RFP, which specifically stated that, "The members of the committee **will evaluate each proposal individually**." See, RFP at p. 9 (emphasis added). It appears Messrs. Kauhi and Joseph used this meeting to influence the other panelists. In Mr. Kauhi's words, this meeting was, "an opportunity to voice their perspectives, their concerns there, interpretations if you will. And whether it had an influence **or whether my**

interpretation had an influence on another evaluator's interpretation, same thing **would be entirely up to each individual right…**" Thus, Mr. Kauhi admits the possibility or probability that his interpretation influenced other evaluators, yet he dismisses this improper influence stating the decision on whether to follow his recommendation was "entirely up to each individual". It is for this very reason that the RFP submissions were intended to be evaluated individually, and the scoring clearly shows that Mr. Kauhi's "interpretation" *did* have a strong influence on other evaluators.

Mr. Kauhi also failed to raise important issues during this "collaboration" as to Robert's performance when compared to others operating within the same market. For example, based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with* ***21.5 missing assets, compared with GTI's 245***. Mr. Kauhi knew this information, yet was selective in whether to provide it to other scorers or to raise it in the "collaboration" process.

The "collaboration" process also allowed Mr. Joseph to negatively influence the minds of other panel members by raising complaints regarding Robert's Maui Operations Manager. As noted earlier, the scoring panel was "hand-selected" by Mr. Kauhi. It appears Mr. Kauhi selected Mr. Joseph not only because he could exert influence over him, but also because Mr. Kauhi knew that Mr. Joseph would have negative feelings towards Robert's from his position as Maui TO.

The data in both the initial and re-scoring process shows clearly that Mr. Kauhi and Mr. Joseph worked together to influence the process by raising issues that would be detrimental to Robert's, while failing to discuss *actual data* that was known to all and in Robert's favor.

E. Evaluations Were Inconsistent with the Stated Scoring Method

Mr. Kauhi had previously explained to Robert's that a respondent would receive the maximum possible points for each category, if minimum requirements were met. The scores from each evaluator, including Mr. Kauhi, show significant inconsistency for the same categories when Robert's proposal is compared to other proposals. The following table shows the RFP scores by all evaluators, and clearly shows that Mr. Kauhi, and Mr. Joseph did not score according to the stated method:

KAUAI	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	**60.00**
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	**54.00**
Joseph	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	**50.25**
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	2.25	2.25	4.00	2.00	**56.25**
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	2.25	4.00	2.00	**59.25**
Avg.	**2.81**	**2.81**	**9.00**	**6.00**	**7.31**	**13.13**	**2.81**	**2.81**	**2.25**	**4.00**	**2.00**	**54.94**
Yam. Avg	3.00	2.63	8.44	6.00	7.88	12.19	3.00	2.44	3.00	3.75	2.00	**54.33**
Akit. Avg	3.00	2.81	9.00	6.00	7.88	13.13	2.81	2.81	2.81	4.00	1.50	**55.75**

1. Category 1: Transmittal Letter

One example of inconsistent scoring on this issue is for category 1, dealing with the Transmittal Letter. This section had 3 points possible. In this section, Robert's noted that "RHSB shall pursue Proposal Option A" and further that it was bidding on "(Multiple clusters, unlimited award) for all three (3) Clusters."

Despite Robert's satisfying the requirements of this section, Joseph scored just 2.25 points, stating wrongly that, "Proponent failed to provide a list of the three clusters they are bidding for." Other scorers fully recognized that Robert's satisfied all of the requirements of this section.

2. Category 2: Executive Summary

In this category, Robert's highlighted numerous reasons why it is well suited to the State's requirements, including its presence on Kauai for over 30 years, its existing fleet of 22 school buses, , 23 certified school bus drivers, 6 maintenance personnel, 7 administrative support personnel, 10 additional bus drivers, and an existing baseyard that is geographically situated to accommodate each services cluster.

In the scoring, Mr. Joseph scored 2.25 points out of the possible 3 points for the category. Similar to the Maui RFP, Mr. Joseph questioned Robert's existing baseyard and asked for reasoning behind Robert's having a north shore baseyard. He further asked the hypothetical question as to whether Robert's would "consider a westside baseyard" if awarded the Waimea cluster. Mr. Joseph made no such comments as to Yamaguchi's proposal, despite the fact that it merely states, "We have base yard [sic] located near schools and near students' homes that makes us familiar with both." A deduction was made to Yamaguchi's score only because the statement that it "has more than 10% spare busses & CDL Drivers" was unclear. Similarly, Mr. Joseph's evaluation of Akita raises serious concerns regarding two recent incidents and "inability to end route cancellation" as stated in the comments, yet Akita is awarded the same score as Robert's.

3. Category 3: Qualifications & Experience

Robert's and Akita both received full points for this category despite the fact that Robert's has significantly more capacity and experience.

4. Category 4: Reference and Testimonials

Mr. Joseph awarded the full 6 points to Akita, despite raising serious concerns in his comments. The comments include disputing a statement that Haiku and Hana contracts were not renewed by the DOE, and that Akita "turned it down due to driver shortage caused by employee dispute." Mr. Joseph also notes that the reference letters provided by Akita did not relate to

home-school-home school bus service. It is unclear why Akita received full points on this section.

5. Category 5: Proponent's Service Approach

Robert's received a score of 6.75 from Mr. Joseph, who commented regarding Robert's "preparedness to acquire a baseyard location on north shore" stating "...so what if Waimea cluster was awarded to RHSB." Yamaguchi received the full 9 points for this category despite the fact that its nearest baseyard to the Waimea cluster is located in Kalaheo. Akita also received full points for this category, with Mr. Joseph stating only that "rank changed to CR" because baseyard concerns were addressed during Akita's interview.

Mr. Kauhi also awarded just 6.75 points to Robert's in this category. Somehow Yamaguchi received an identical score from Mr. Kauhi, despite that he raised serious concerns as to its ability to integrate with the DOE's data systems and also as to Yamaguchi's failure to respond satisfactorily as to protocols for emergency situations.

6. Category 6: Commitment to Safety

This category had a possible 15 points per evaluator. Mr. Joseph awarded just 11.25 points, stating, "Much of this section referred to RHSE's overall practices statewide and one could assume that those values & practices will be taught and practiced there on Kauai, however, very little if any factual data directly related to RHSB's Kauai operations itself was provided..." Yamaguchi received an identical score despite failing to show proper protocol as to accidents and follow up in safety meetings.

Mr. Kauhi also awarded just 11.25 points on this category. He states, "Presentation does not sufficiently [show] how metrics...changed over the years." Robert's proposal outlines the metrics used, by Robert's, and further states that Robert's is "consistently reviewing and improving existing procedures and processes."

7. Category 10: Financial Stability

Robert's is clearly in a stronger financial position than both Yamaguchi and Akita, yet all arbitrarily received the same score.

F. **DOE Did Not Abide by the "Fair and Equal Standard"**

HAR § 3-122-53 requires the fair and equal treatment with respect to discussions and revisions of proposals:

* * *

(d) Priority-listed offerors ***shall*** **be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.**

(1) **Any substantial oral clarification of a proposal shall be reduced to writing** by the priority-listed offeror;

(2) If during discussions there is a need for any substantial clarification or change in the request for proposals, **the request for proposals shall be amended by an addendum to incorporate the clarification or change.**

* * *

Id. (emphasis added). This standard was not followed by the DOE in subsequent discussions with priority listed offerors.

G. **Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file.**

(1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;

(2) **Private consultants** may also serve on the committee and shall:

(A) Have sufficient knowledge to serve on the committee;

> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
>
> (C) **Sign an affidavit**:
>
> > (i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
> > (ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
> > (iii) **Agreeing that their names will become public information** upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
>
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

IV. CONCLUSION

HRS 103D-701(b) allows the DOE to, "settle and resolve a protest concerning the solicitation or award of a contract." This section precludes any further actions taken in furtherance of establishing or completing the contract, but not actions to terminate or cancel the contract. International Display Systems, Inc. v. Okimoto, 2013, 300 P.3d 601, 129 Hawai'i 335. Further, under HAR 3-126-7(d), "...If the protest is sustained, the available remedies include, but are not limited to, those set forth in this section and subchapter 4..." Under HAR 3-126-38 (part of subchapter 4), when there is no bad faith by the contractor, and "[i]f the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated..." HAR § 3-126-38(a)(3) (emphasis added). Please note the use of the term "shall".

It is Robert's sincere desire that the DOE does what is required to correct the errors thus far in the process. Robert's further requests that the DOE take all necessary action ensure that all scoring documents, notes, other electronic materials, and any and all other relevant records be preserved by all panel members and others involved in the procurement process.

Clearly there was and is still time to resolicit bids. Robert's requests that this action be taken to avoid any further prejudice to the proposers.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

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January 18, 2017

Mr. Jonathan S. Moore, Esq. *(via hand delivery)*
Mr. Charles D. Hunter, Esq.
Kobayashi Sugita & Goda LLP
999 Bishop Street, Suite 2600
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s Protest of Award of RFP No. D17-001 and RFP D17-002 -- Rules of Professional Conduct, Rule 4.2 -- Communication With Person Represented by Counsel

Dear Mr. Moore and Mr. Hunter:

The Education Division of the Department of the Attorney General represents the Department of Education (DOE) in the subject matter. I am requesting that our Rules of Professional Conduct, specifically Rule 4.2, be carefully observed in this matter and that any further communications related to this matter be made through this office and not with the DOE, unless a communication is expressly required to be made directly to the DOE by statute or rule.

We are in receipt of your January 18, 2017 e-mail to Superintendent Matayoshi and Mr. Christian Butt. We are reviewing your e-mail and will respond to you shortly.

Very truly yours,

James E. Raymond
Deputy Attorney General
Education Division

c: Client

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January 20, 2017

Mr. Jonathan S. Moore, Esq. *(via hand delivery)*
Mr. Charles D. Hunter, Esq.
Kobayashi Sugita & Goda LLP
999 Bishop Street, Suite 2600
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s Protest of Award of RFP No. D17-001 and RFP D17-002 -- Award of Contract After Receipt of Protest

Dear Mr. Moore and Mr. Hunter:

We are in receipt of your January 18, 2017 e-mail to Superintendent Matayoshi and Mr. Christian Butt. In your e-mail, you cite HRS § 103D-701(f) which imposes a stay on contracting activity when a timely protest has been received by the agency issuing the solicitation unless the chief procurement officer of the agency makes a written determination that award is necessary without delay to protect substantial interests of the State. The DOE has made such a determination and I have attached a copy for your reference. On the basis of the substantial interest determination, the DOE is proceeding to award contracts under the two subject solicitations and is also preparing a response to your protest of those solicitations.

Very truly yours,

James E. Raymond
Deputy Attorney General
Education Division

attachment

c: Client

Received By:_____ Date:_____

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DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

January 11, 2017

TO: Kathryn S. Matayoshi, Superintendent

THROUGH: Dann Carlson, Assistant Superintendent
Office of School Facilities And Support Services

FROM: James Kauhi, Branch Manager
Student Transportation Services Branch

SUBJECT: **Determination of Substantial State Interest in Contracting Activity Relating to Request for Proposals RFP D17-001 and RFP D17-002 for School Bus Services on the Islands of Maui and Kauai**

Your approval is requested for a Determination of Substantial State Interest in continuing solicitation and contracting activity relating to the Subject Projects.

Background

In an effort to address concerns of spiraling cost escalation and in response to recommendations from an August 2012 report by the State Office of the Auditor, and a November 2012 report by Management Partnership Services, Inc. ("MPS"), an independent consultant of the Department of Education ("DOE"), the DOE has undertaken an overhaul of the contracting process for bus service. Requests for Proposals were issued for Bus services on Oahu and the Big Island in previous years, and were recently issued for Maui and Kauai.

In July 2016, the Student Transportation Services Branch (STSB) released the final round of Requests for Proposals to support the transportation reform effort that started in July 2013. The final two islands to be incorporated into the reform process were the islands of Maui and Kauai. RFP D17-001 for Maui and RFP D17-002 for Kauai were issued on July 20, 2016. On November 1, 2016 Notices of Award were first provided to vendors with Cluster 1 awarded to Robert's Hawaii School Bus, Inc. (RHSB) and Clusters 2 through 4 awarded to Ground Transport, Inc. (GTI) for Maui, and Cluster 1 to Yamaguchi Bus Service, Inc. (YBS) and Clusters 2 and 3 to Akita

Enterprises, Ltd. (AEL) for Kauai. Following a debriefing meeting with RHSB on November 16, 2016, notices were distributed to all participating vendors rescinding the initial award in order to allow for a rescoring of the responses. On November 30, 2016 the evaluation committee met to rescore the responses and on December 5, 2016 updated Notices of Award were distributed to the vendors. While there were small adjustments to the individual scores, the awards as previously discussed remained unchanged.

In a letter dated December 23, 2016, RHSB mailed the DOE two formal protests objecting to the award of the solicitations for Maui and Kauai. These protests were received by the DOE on December 27, 2016. RHSB alleges in both its protests that the DOE failed to follow the criteria set forth in the RFP for scoring and that the evaluators were both unqualified and several were biased.

All contracting and procurement activity was suspended pending the resolution of the protest as required by Hawaii Revised Statutes ("HRS") §103D-701(f) which states:

> (f) In the event of a timely protest under subsection (a), no further action shall be taken on the solicitation or the award of the contract ***until the chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the State.*** (emphasis added)

Additionally, Hawaii Administrative Rules ("HAR") §3-126-5, in relevant part states:

> .....no further action shall be taken until the protest has been settled, ***unless the chief procurement officer makes a written determination, after consulting with the head of the purchasing agency, that the award of the contract is necessary to protect the interests of the State.*** (emphasis added)

Substantial Interests of the State

For the following reasons, the Student Transportation Services Branch requests that the Chief Procurement Officer approve this determination that further contracting activity must be undertaken as soon as possible, but no later than January 11, 2017 to protect the substantial interests of the State.

1. The DOE has a mandate to provide compulsory education for students in grades Kindergarten through 12th grade. See Article X of the Hawaii State Constitution. Within this mandate is the authority to transport students safely to and from school. See HRS §302A-406. The resulting contracts from this current solicitation will provide bus service to approximately 10,000 students commencing on the first day of school, which is August 7, 2017. See DOE Official Calendar. If the services to be provided through this solicitation cannot be delivered on August 7, 2017, these students will be without subsidized transportation. Without subsidized transportation, some students will have no other method

to get to school and thus, are less likely to attend school. For those students who are fortunate enough to be able to arrange alternate transportation, attending school will come at other costs that will likely include disruption in their caretakers' arrangements resulting in missed work and other various social and economic impacts such as an increase in the number of cars on the road during rush hour traffic. In addition, some students may resort to walking or taking public transportation which may expose them to a number of other safety concerns. The forgoing adverse impacts will only be compounded for each day transportation services are not provided.

2. In order to have transportation available beginning August 7, 2017, several critical milestones must be accomplished in sequence in order for the vehicles and the supporting infrastructure to be in place for the start of school. The critical events are set forth in reverse chronological order:

   a) Acquisition of fleet assets: GTI indicated they must order buses no later than January 13, 2017 to have them available for the start of the contract as indicated by their letter dated December 14, 2016. AEL indicated they must order buses by January 15, 2017 as stated in their letter dated December 13, 2016. YBS indicated they must order buses no later than January 12, 2017 as indicated in their letter dated December 12, 2016. This contemplates 90 to 120 days for the manufacturer to fill the order, and then allow for the logistical challenge of shipping them to Hawaii. Shippers typically have to book space on transport vessels months prior to the actual shipping event. See State Auditor's Report Aug. 2012, pg. 27. RHSB is the existing vendor on Maui and currently possesses an excess of equipment required to perform the contract on that island for Cluster 1 and does not face the challenge of ordering new equipment. As awarded, RHSB is not scheduled to perform work on Kauai.

   b) Dry runs for all bus routes: This must occur within 10 calendar days of the start of the contract (start of school) which places the latest date for this to occur as July 24, 2017. See RFP Contract Service Specifications 2(f)(i). The purpose of the dry runs is to ensure the planned routes are feasible and allow sufficient time to adjust routes to ensure they run smoothly on the first day of school.

   c) DOE start up meetings with vendors: This must occur prior to the dry runs and must occur no later than the week following the July 4th, 2017 holiday break as we have done over the last two startups for the contracts using the new RFP methodology. The purpose of the meeting is to make all vendors aware of the statutory, regulatory, and procedural requirements for the provision of transportation to Hawaii's students. Vendors must be made aware of these requirements prior to the dry runs to ensure actual simulated conditions during the dry runs in order for the DOE to evaluate and monitor compliance, and make any necessary corrections or adjustments prior to actual transportation of students.

d) Vendor recruitment of drivers, bus aides, and other personnel: Based on previous experience on other islands and the experiences of DOE's transportation management firm, this process will take approximately 3 months and must begin no later than May 1, 2017. The time for this process is further impacted by the requirement to obtain fingerprinting and background checks which often adds delays to this process. This is particularly important for services on the island of Maui where the winning vendor will be required to stand up a new operation supporting 63 percent of all operations without existing facilities on the island.

e) Land/base of operations acquisition: It is estimated that this process will require six months resulting in the date the acquisition activity must begin is on or about January 13, 2017, at the latest. As mentioned, GTI who will be serving the largest portion of operations on Maui will be required to standup a completely new operation. Additionally, the structure of this RFP again disrupts the traditional geography served by current vendors. Consequently, the need for new facilities will impact both current and new vendors. As it is across nearly all islands, commercial land is at a premium on the island of Maui, which will necessitate an extensive search and negotiation process in order to ensure that vendors are able to find and secure the facilities required to provide the transportation services. The DOE's transportation management vendor estimates that this six months is an aggressive but feasible timeline. This estimate was confirmed when the three winning vendors (except for RHSB) were polled to determine what is the latest date of award that would allow them to timely perform the contracts – they all indicated that notice of award would be required by approximately January 13, 2016. RHSB has indicated in its two protests that it believes that, as of Dec. 23, 2016, there was still time to re-solicit the bids, so it was not polled and deemed able to perform if notified along with other winning bidders.

f) Given the chain of events that must occur prior to providing service on the first day of school, the final notice of award must be provided no later than January 13, 2017.

3. There will be a significant economic impact if the 113 affected buses on Maui and the 65 buses on Kauai (RFP D17-001 and D17-002 Attachment B) are not operating for the start of school. The 178 bus driver positions will not be contributing to the local economy, as well as the trickle-down effect of the business generated by this service.
4. Further delay will impact the ability of the State to realize the pricing and operational efficiencies provided for in the RFPs. Total costs are expected to be reduced by approximately $750,000 annually for these two islands or approximately $5.3 million over the seven year term of the contracts. However, these savings will not be realized and service quality would likely be jeopardized if the necessary timelines are not provided for.

Should you have any questions, please contact James Kauhi, Student Transportation Services Branch Administrator, at 586-0170.

☑ APPROVED ☐ DISAPPROVED

FOR KATHRYN S. MATAYOSHI
SUPERINTENDENT

JAN 1 1 2017
DATE

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
ATTORNEY GENERAL

RUSSELL A. SUZUKI
FIRST DEPUTY ATTORNEY GENERAL

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
235 SOUTH BERETANIA STREET, RM. 304
Leiopapa A Kamehameha Building
HONOLULU, HAWAII 96813
EDUCATION DIVISION
TELEPHONE: (808) 586-1255
FACSIMILE: (808) 586-1488

January 20, 2017

Mr. Jonathan S. Moore, Esq. *(via hand delivery)*
Mr. Charles D. Hunter, Esq.
Kobayashi Sugita & Goda LLP
999 Bishop Street, Suite 2600
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s Protest of Award of RFP No. D17-001 and RFP D17-002 -- Award of Contract After Receipt of Protest

Dear Mr. Moore and Mr. Hunter:

We are in receipt of your January 18, 2017 e-mail to Superintendent Matayoshi and Mr. Christian Butt. In your e-mail, you cite HRS § 103D-701(f) which imposes a stay on contracting activity when a timely protest has been received by the agency issuing the solicitation unless the chief procurement officer of the agency makes a written determination that award is necessary without delay to protect substantial interests of the State. The DOE has made such a determination and I have attached a copy for your reference. On the basis of the substantial interest determination, the DOE is proceeding to award contracts under the two subject solicitations and is also preparing a response to your protest of those solicitations.

Very truly yours,

James E. Raymond
Deputy Attorney General
Education Division

attachment

c: Client

Received By: ES Date: 1/20/17

676965_1.DOC

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor

CATHERINE P. AWAKUNI COLÓN
Director

JO ANN M. UCHIDA TAKEUCHI
Deputy Director

OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
MEDICAL INQUIRY AND CONCILIATION PANEL
DESIGN CLAIMS CONCILIATION PANELS
STATE OF HAWAI'I

CRAIG H. UYEHARA
Senior Hearings Officer

RICHARD A. YOUNG
ROWENA A. SOMERVILLE
Administrative Hearings Officers

FAX TRANSMITTAL

March 3, 2017

RFP D17-002 KAGAI
17-05551
EL
JC
RFP D17-001-KAGAI
17-05549
RE
JC

To:	Jonathan S. Moore, Esq. Charles D. Hunter, Esq.
Fax Number:	535-5799
To:	James E. Raymond, Esq.
Fax Number:	586-1488
From:	Carlie, Legal Clerk
Telephone:	586-2828
Fax Number:	586-3097

Number of Pages (including cover): 7

Comments: **Robert's Hawaii School Bus, Inc. v. Kathryn S. Matayoshi, Department of Education**
PDH-2017-001 & PDH-2017-002

Notices of Hearing and Pre-Hearing Conference

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2017 MAR -3 P 3:39

HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH-2017-001 NOTICE OF HEARING AND PRE-HEARING CONFERENCE Senior Hearings Officer: Craig H. Uyehara

NOTICE OF HEARING AND
PRE-HEARING CONFERENCE

JONATHAN S. MOORE
CHARLES D. HUNTER
999 BISHOP ST., STE. 2600
HONOLULU, HI 96813
(Attorneys for Petitioner)

JAMES E. RAYMOND, ESQ.
DEPUTY ATTORNEY GENERAL
STATE OF HAWAII, DEPARTMENT OF ATTORNEY GENERAL
EDUCATION DIVISION
235 S BERETANIA ST., RM 304
HONOLULU, HI 96813
(Attorney for Respondent)

YOU ARE HEREBY NOTIFIED that a request for a hearing in the above-captioned matter, has been filed with the Department of Commerce and Consumer Affairs, State of Hawaii ("DCCA").

YOU ARE ALSO NOTIFIED that pursuant to Hawaii Revised Statutes Chapter 103D, and Hawaii Administrative Rules, Title 3, Chapter 126, a pre-hearing conference and a hearing in this case, have been scheduled before a DCCA Hearings Officer as follows:

Parties are requested to check the posting of the hearing room assignments at Suite 100 on the day of the scheduled proceedings.

PRE-HEARING CONFERENCE		HEARING	
Date	March 8, 2017	Date:	March 15, 2017
Time:	11:30 a.m.	Time:	9:00 a.m.
Place:	Department of Commerce & Consumer Affairs 335 Merchant Street Honolulu, Hawaii	Place:	Department of Commerce & Consumer Affairs 335 Merchant Street Honolulu, Hawaii

The purpose of the pre-hearing conference is to exchange witness and exhibit lists, and to the extent possible, clarify the issues, facts, and matters of procedure in order to facilitate and expedite the hearing.

All parties have the right to retain, and be represented by legal counsel at every stage of these proceedings. Any party may appear in person and/or through legal counsel. A partnership may be represented by a partner, and a corporation, trust, or association may be represented by an officer or authorized employee of the corporation, trust, or association.

All parties will have the opportunity to present evidence and argument on the matters at issue. However, the failure of any party to appear at the hearing shall not prevent the hearing from proceeding as scheduled, and will not prevent adverse action from being taken against the non-appearing party based upon the evidence presented at the hearing.

Pursuant to Hawaii Administrative Rules § 3-126-62, the Respondent shall file a written response prior to the date set for the pre-hearing conference, which substantively addresses the issue(s) raised in the request for hearing. Please direct all further communications on this matter to the undersigned Hearings Officer. ***Documents and pleadings should identify the undersigned Hearings Officer on the right-hand side of document/pleading,*** and may be filed by mail, or directly at the Office of Administrative Hearings, Department of Commerce and Consumer Affairs ("OAH"), 335 Merchant Street, Suite 100, Honolulu, Hawaii 96813 (telephone: 586-2828).

THE PARTIES ARE HEREBY ORDERED to redact and exclude from exhibits/documents filed with OAH an individual's personal information such as social security numbers, driver's license numbers, Hawaii identification card numbers, and/or account numbers, credit or debit card numbers, access codes, or passwords that would permit access to an individual's financial account.

This notice can be made available for individuals with special needs in Braille, large print, or audio tape. Individuals who may require special accommodations for the hearing (e.g., sign language interpreter, large print, taped materials, etc.), are invited to call the Office of Administrative Hearings at 586-2828 at least two (2) days in advance of the hearing.

DATED: Honolulu, Hawaii, MAR 0 3 2017.

CRAIG H. UYEHARA
Senior Hearings Officer
Department of Commerce
and Consumer Affairs

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2017 MAR -3 P 3:39

HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH-2017-002 NOTICE OF HEARING AND PRE-HEARING CONFERENCE Senior Hearings Officer: Craig H. Uyehara

NOTICE OF HEARING AND
PRE-HEARING CONFERENCE

JONATHAN S. MOORE
CHARLES D. HUNTER
999 BISHOP ST., STE. 2600
HONOLULU, HI 96813
(Attorneys for Petitioner)

JAMES E. RAYMOND, ESQ.
DEPUTY ATTORNEY GENERAL
STATE OF HAWAII, DEPARTMENT OF ATTORNEY GENERAL
EDUCATION DIVISION
235 S BERETANIA ST., RM 304
HONOLULU, HI 96813
(Attorney for Respondent)

YOU ARE HEREBY NOTIFIED that a request for a hearing in the above-captioned matter, has been filed with the Department of Commerce and Consumer Affairs, State of Hawaii ("DCCA").

YOU ARE ALSO NOTIFIED that pursuant to Hawaii Revised Statutes Chapter 103D, and Hawaii Administrative Rules, Title 3, Chapter 126, a pre-hearing conference and a hearing in this case, have been scheduled before a DCCA Hearings Officer as follows:

Parties are requested to check the posting of the hearing room assignments at Suite 100 on the day of the scheduled proceedings.

PRE-HEARING CONFERENCE		HEARING	
Date	March 8, 2017	Date:	March 15, 2017
Time:	11:30 a.m.	Time:	9:00 a.m.
Place:	Department of Commerce & Consumer Affairs 335 Merchant Street Honolulu, Hawaii	Place:	Department of Commerce & Consumer Affairs 335 Merchant Street Honolulu, Hawaii

The purpose of the pre-hearing conference is to exchange witness and exhibit lists, and to the extent possible, clarify the issues, facts, and matters of procedure in order to facilitate and expedite the hearing.

All parties have the right to retain, and be represented by legal counsel at every stage of these proceedings. Any party may appear in person and/or through legal counsel. A partnership may be represented by a partner, and a corporation, trust, or association may be represented by an officer or authorized employee of the corporation, trust, or association.

All parties will have the opportunity to present evidence and argument on the matters at issue. However, the failure of any party to appear at the hearing shall not prevent the hearing from proceeding as scheduled, and will not prevent adverse action from being taken against the non-appearing party based upon the evidence presented at the hearing.

Pursuant to Hawaii Administrative Rules § 3-126-62, the Respondent shall file a written response prior to the date set for the pre-hearing conference, which substantively addresses the issue(s) raised in the request for hearing. Please direct all further communications on this matter to the undersigned Hearings Officer. ***Documents and pleadings should identify the undersigned Hearings Officer on the right-hand side of document/pleading,*** and may be filed by mail, or directly at the Office of Administrative Hearings, Department of Commerce and Consumer Affairs ("OAH"), 335 Merchant Street, Suite 100, Honolulu, Hawaii 96813 (telephone: 586-2828).

THE PARTIES ARE HEREBY ORDERED to redact and exclude from exhibits/documents filed with OAH an individual's personal information such as social security numbers, driver's license numbers, Hawaii identification card numbers, and/or account numbers, credit or debit card numbers, access codes, or passwords that would permit access to an individual's financial account.

This notice can be made available for individuals with special needs in Braille, large print, or audio tape. Individuals who may require special accommodations for the hearing (e.g., sign language interpreter, large print, taped materials, etc.), are invited to call the Office of Administrative Hearings at 586-2828 at least two (2) days in advance of the hearing.

DATED: Honolulu, Hawaii, MAR 0 3 2017.

CRAIG H. UYEHARA
Senior Hearings Officer
Department of Commerce
and Consumer Affairs

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2017 MAR 20 A 8:26

HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAI'I

In the Matter of:	)	PDH-2017-001
	)	PDH-2017-002
ROBERT'S HAWAII SCHOOL BUS, INC.,	)	[Consolidated]
	)	
Petitioner,	)	ORDER DENYING PETITIONER'S
vs.	)	MOTION FOR RECONSIDERATION
	)	
KATHRYN S. MATAYOSHI, in her capacity as Superintendent/Chief Procurement Officer, DEPARTMENT OF EDUCATION, STATE OF HAWAII,	)	
	)	
Respondent,	)	
	)	
and	)	
	)	
GROUND TRANSPORT, INC.	)	
	)	
Intervenor.	)	
	)	

ORDER DENYING PETITIONER'S
MOTION FOR RECONSIDERATION

Petitioner Robert's Hawaii School Bus, Inc. ("Petitioner"), having filed a Motion For Reconsideration herein on March 17, 2017, and the Hearings Officer having considered the motion and memorandum attached thereto; along with the records and files herein;

It is ordered that Petitioner's motion is denied.

DATED: Honolulu, Hawaii, MAR 20 2017

CRAIG H. UYEHARA
Senior Hearings Officer
Department of Commerce
and Consumer Affairs

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2017 MAR 15 A 8:17

HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAI'I

In the Matter of: ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as Superintendent/Chief Procurement Officer, DEPARTMENT OF EDUCATION, STATE OF HAWAII, Respondent. and GROUND TRANSPORT, INC. Intervenor.	PDH-2017-001 PDH-2017-002 [Consolidated] ORDER GRANTING IN PART AND DENYING IN PART RESPONDENT'S MOTION FOR SUMMARY JUDGMENT

ORDER GRANTING IN PART AND DENYING IN
PART RESPONDENT'S MOTION FOR SUMMARY JUDGMENT

Respondent Kathryn S. Matayoshi, in her capacity as Superintendent/Chief Procurement Officer, Department of Education, State of Hawaii's ("Respondent"), motion for summary judgment, having come on for hearing before the undersigned Hearings Officer on March 14, 2017, Craig K. Shikuma, Esq., Jonathan S. Moore, Esq. and Charles D. Hunter, Esq. appearing for Petitioner Robert's Hawaii School Bus, Inc.; Gary S. Suganuma, Esq. and Anne T. Horiuchi, Esq. appearing for Respondent; and Arsima Muller, Esq. appearing for

Intervenor Ground Transport, Inc.; and the Hearings Officer, having heard the argument of counsel and having considered the motion, memoranda, exhibits and declarations attached thereto; along with the records and files herein, orders as follows:

1. Respondent's motion is granted with respect to Petitioner's challenge of Respondent's substantial interest determination as a separate claim; and

2. Respondent's motion is denied as to all other claims.

DATED: Honolulu, Hawaii. MAR 15 2017

CRAIG H. UYEHARA
Senior Hearings Officer
Department of Commerce
and Consumer Affairs

DOUGLAS S. CHIN 6465
Attorney General
State of Hawaii

GARY S. SUGANUMA 6960
ANNE T. HORIUCHI 7116
HOLLY T. SHIKADA 4017
Deputy Attorneys General
Education Division
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Telephone: (808) 586-1255
Facsimile: (808) 586-1488
Email: Gary.S.Suganuma@hawaii.gov

Attorneys for Respondent
KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2017 MAR -8 P 1:41

HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH 2017-001 RESPONDENT KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION'S WITNESS LIST AND EXHIBIT LIST; CERTIFICATE OF SERVICE Pre-Hearing Date: March 8, 2017 Pre-Hearing Time: 11:30 a.m. Senior Hearings Officer: Craig H. Uyehara

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAI`I

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH 2017-001 RESPONDENT'S WITNESS LIST

RESPONDENT'S WITNESS LIST

Respondent respectfully submits her witness list, disclosing and identifying witnesses who may be called at the hearing in this matter.

1. Christian Butt and/or representative of Department of Education Office of Student Facilities and Support Services
   c/o Gary S. Suganuma
   Deputy Attorney General
   Education Division
   Department of Attorney General, State of Hawaii
   235 South Beretania Street, Room 304
   Honolulu, Hawaii 96813
   (808) 586-1255

2. James Kauhi
   Manager, Department of Education Student Transportation Services Branch
   1042 Young Street
   Honolulu, Hawaii 96814
   Phone: (808) 586-0170

3. Robert Joseph
Transportation Officer, Department of Education Student Transportation Services Branch
54 South High Street, Room 410
Wailuku, Hawaii 96793
Phone: (808) 243-1171

4. Pualani Foster
Transportation Officer, Department of Education Student Transportation Services Branch
3060 Eiwa Street, Room 305
Lihue, Hawaii 96766
Phone: (808) 241-7120

5. Bruce Ellerman
Trans Par Group, Inc.
18 South West 3rd Street, Suite 200
Lee's Summit, Missouri 64063
Phone: (808) 420-6203

6. Louis Gomes and/or representative of Ground Transportation Inc.
c/o Gerald A. Sumida, Esq.
Carlsmith Ball LLP
American Savings Bank Tower
1001 Bishop Street, Suite 2100
Honolulu, Hawaii 96813

7. Any and all witnesses listed by any other party in their witness lists or HAR § 3-126-63 disclosure.

8. Any other witness discovered by Respondent to have material knowledge relevant to the proceeding.

9. Any witness needed for rebuttal or impeachment purposes.

10. Any witness needed to authenticate a document relevant to the proceeding.

11. Any witness whose testimony is determined relevant or necessary based on Petitioner's request for hearing or discovery in this matter.

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAI`I

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH 2017-001 RESPONDENT'S EXHIBIT LIST

RESPONDENT'S EXHIBIT LIST

Respondent, pursuant to the Pre-hearing Conference, hereby submits the following exhibits for the hearing scheduled in this matter for March 8, 2017.

EXH NO.	DATE	DESCRIPTION	PG. NO.	ADMIT
1		Request For Proposal ("RFP") No. D17-001 Maui Bus Services + Addendum 1-3		
2		Notice of Award Oahu RFP RHSB		
3		Notice of Award Oahu RFP GTI		
4		Appointment of Evaluation Committee Oahu RFP		
5		Notice of Award Big Island RFP RHSB		
6		Notice of Award Big Island RFP GTI		
7		Declarations for Evaluation Committee Big Island RFP		
8		Summary Score Sheet For RFP D17-001 initial evaluation		
9		Summary Score Sheet For RFP D17-001 re-evaluation		

10		Substantial State Interest Determination		

Respondent incorporates by reference any and all exhibits of Petitioner.
Respondent reserves the right to submit exhibits as sur-rebuttal evidence.

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH 2017-001 CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of Respondent's Witness List and Exhibit List was served upon the following via hand-delivery on March 8, 2017:

JONATHAN S. MOORE
CHARLES D. HUNTER
KOBAYASHI, SUGITA & GODA
999 Bishop Street, Suite 2600
Honolulu, Hawaii 96813

Attorneys for Petitioner

DATED: Honolulu, Hawaii, March 8, 2017.

GARY S. SUGANUMA
Deputy Attorney General
Attorney for Respondent

DOUGLAS S. CHIN 6465
Attorney General
State of Hawaii

GARY S. SUGANUMA 6960
ANNE T. HORIUCHI 7116
HOLLY T. SHIKADA 4017
Deputy Attorneys General
Education Division
Dept. of Attorney General
235 So. Beretania Street, Rm. 304
Honolulu, Hawaii 96813
Telephone: (808) 586-1255
Facsimile: (808) 586-1488
Email: Gary.S.Suganuma@hawaii.gov

Attorneys for Respondent
KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2017 MAR -8 P 1:41

HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH 2017-002 RESPONDENT KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION'S WITNESS LIST AND EXHIBIT LIST; CERTIFICATE OF SERVICE Pre-Hearing Date: March 8, 2017 Pre-Hearing Time: 11:30 a.m. Senior Hearings Officer: Craig H. Uyehara

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAI`I

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH 2017-002 DEPARTMENT OF EDUCATION, STATE OF HAWAI`I'S WITNESS LIST

RESPONDENT'S WITNESS LIST

Respondent respectfully submits her witness list, disclosing and identifying witnesses who may be called at the hearing in this matter.

1. Christian Butt and/or representative of Department of Education Office of Student Facilities and Support Services
   c/o Gary S. Suganuma
   Deputy Attorney General
   Education Division
   Department of Attorney General, State of Hawaii
   235 South Beretania Street, Room 304
   Honolulu, Hawaii 96813
   Phone: (808) 586-1255

2. James Kauhi
   Manager, Department of Education Student Transportation Services Branch
   1042 Young Street
   Honolulu, Hawaii 96814
   Phone: (808) 586-0170

3. Robert Joseph
Transportation Officer, Department of Education Student Transportation Services Branch
54 South High Street, Room 410
Wailuku, Hawaii 96793
Phone: (808) 243-1171

4. Pualani Foster
Transportation Officer, Department of Education Student Transportation Services Branch
3060 Eiwa Street, Room 305
Lihue, Hawaii 96766
Phone: (808) 241-7120

5. Bruce Ellerman
Trans Par Group, Inc.
18 South West 3rd Street, Suite 200
Lee's Summit, Missouri 64063
Phone: (808) 420-6203

6. Wendy Akita and/or representative of Akita Enterprises, Ltd.
2960 Aukele Street
Lihue, Hawaii 96766
Phone: (808) 254-5344

7. Howard Yamaguchi and/or representative of Yamaguchi Bus Service, Inc.
P. O. Box 1127
Kilauea, Hawaii 96754
Phone: (808) 828-1726

8. Any and all witnesses listed by any other party in their witness lists or HAR § 3-126-63 disclosure.

9. Any other witness discovered by Respondent to have material knowledge relevant to the proceeding.

10. Any witness needed for rebuttal or impeachment purposes.

11. Any witness needed to authenticate a document relevant to the proceeding.

12. Any witness whose testimony is determined relevant or necessary based on Petitioner's request for hearing or discovery in this matter.

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAI`I

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH 2017-002 DEPARTMENT OF EDUCATION, STATE OF HAWAI`I'S EXHIBIT LIST

DEPARTMENT OF EDUCATION, STATE OF HAWAI`I' EXHIBIT LIST

Respondent, pursuant to the Pre-hearing Conference, hereby submits the following exhibits for the hearing scheduled in this matter for March 8 2017.

EXH NO.	DATE	DESCRIPTION	PG. NO.	ADMIT
1		Request For Proposal ("RFP") No. D17-002 Kauai Bus Services + Addendum 1-3		
2		Notice of Award Oahu RFP RHSB		
3		Notice of Award Oahu RFP GTI		
4		Appointment of Evaluation Committee Oahu RFP		
5		Notice of Award Big Island RFP RHSB		
6		Notice of Award Big Island RFP GTI		
7		Declarations for Evaluation Committee Big Island RFP		

8		Summary Score Sheet For RFP D17-002 initial evaluation		
9		Summary Score Sheet For RFP D17-002 re-evaluation		
10	12/13/16	Letter from Akita Enterprises Re: timing of award		
11	12/14/16	Letter from GTI Re: timing of award		
12	12/12/16	Letter from Yamaguchi Bus Service Re: timing of award		
13	01/11/17	Substantial State Interest Determination		

Respondent incorporates by reference any and all exhibits of Petitioners.
Respondent reserves the right to submit exhibits as sur-rebuttal evidence.

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH 2017-002 CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of Respondent's Witness List and Exhibit List was served upon the following via hand-delivery on March 8, 2017:

JONATHAN S. MOORE
CHARLES D. HUNTER
KOBAYASHI, SUGITA & GODA
999 Bishop Street, Suite 2600
Honolulu, Hawaii 96813

Attorneys for Petitioner

DATED: Honolulu, Hawaii, March 8, 2017.

GARY S. SUGANUMA
Deputy Attorney General
Attorney for Respondent

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2017 APR 13 P 1:28

HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAI'I

In the Matter of:	PDH-2017-001 PDH-2017-002
ROBERT'S HAWAII SCHOOL BUS, INC.,	[Consolidated]
Petitioner,	HEARINGS OFFICER'S
vs.	FINDINGS OF FACT,
	CONCLUSIONS OF LAW,
KATHRYN S. MATAYOSHI, in her capacity as Superintendent/Chief Procurement Officer, DEPARTMENT OF EDUCATION, STATE OF HAWAII,	AND DECISION
Respondent,	
and	
GROUND TRANSPORT, INC.,	
Intervenor.	

HEARINGS OFFICER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION

I. INTRODUCTION

On March 3, 2017, Robert's Hawaii School Bus, Inc. ("Petitioner") filed requests for administrative review of Kathryn S. Matayoshi, in her capacity as Superintendent/Chief Procurement Officer for the Department of Education, State of Hawaii's ("Respondent") February 24, 2017 denials of Petitioner's December 23, 2016

I HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE IN THE DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS.

protests. These matters were designated as PDH-2017-001 and PDH-2017-002 and set for hearing. Notices of Hearing and Pre-Hearing Conference were duly served on the parties.

On March 8, 2017, Ground Transport Inc. ("Intervenor'), requested leave to intervene in PDH-2017-001. By agreement of the parties, the request was granted, and PDH-2017-001 and PDH-2017-002 were consolidated for hearing.

On March 10, 2017, Petitioner filed motions for partial summary judgment on the issues of separation of technical and pricing evaluations, and evaluation committee documentation; and Respondent filed a motion for summary judgment on all claims. Following oral argument and upon due consideration, Petitioner's motions were denied and Respondent's motion with respect to Petitioner's challenge of Respondent's substantial interest determination as a separate claim, was granted. In all other respects, Respondent's motion was denied. On March 17, 2017, Petitioner moved the Hearings Officer to reconsider his order partially granting Respondent's motion for summary judgment. On March 20, 2017, Petitioner's motion for reconsideration was denied.

On March 15, 2017, these matters came on for hearing before the undersigned Hearings Officer in accordance with the provisions of HRS Chapter 103D. Craig K. Shikuma, Esq. and Charles D. Hunter, Esq. appeared for Petitioner; Gary S. Suganuma, Esq. and Anne T. Horiuchi, Esq. appeared for Respondent, and Arsima Muller, Esq. appeared for Intervenor. The hearing continued on March 16 and 20, 2017 and was completed on March 21, 2017.

At the conclusion of the hearing, the Hearings Officer directed the parties to submit written closing arguments. Accordingly, on March 31, 2017, closing briefs were submitted by the parties.

Having reviewed and considered the evidence and arguments presented by the parties, together with the entire record of this proceeding, the Hearings Officer hereby renders the following findings of fact, conclusions of law and decision.

II. FINDINGS OF FACT

1. On or about July 20, 2016, Respondent issued two requests for proposals ("RFPs") for Student Transportation Services on the Islands of Maui ("RFP D17-001") and Kauai ("RFP D17-002"). The RFPs were written, in part, to address the Legislature's concern over the lack of competition in connection with the procurement of student transportation services.

2. The RFPs generally sought proposals to provide school bus transportation services on the Islands of Maui and Kauai for regularly scheduled service to and from school for regular and special education students. The RFPs sought to award contracts for an initial period of 7 years beginning on August 1, 2017. By mutual agreement, the contracts could be extended for up to 3 one-year periods.

3. The RFPs allocated the required transportation services on each island to a number of "clusters" based on geographic, logistical, and volume considerations. On Maui, the 4 clusters were designated as the Makawao, Baldwin, Lahaina, and Maui clusters. On Kauai, the 3 clusters were designated as the Waimea, Kapaa, and Kauai clusters.

4. Pursuant to the terms of the RFPs, an Offeror could win a maximum of 3 clusters on Maui and 2 on Kauai.

5. Section C.2 of the RFPs entitled, "Proposal Evaluation & Vendor Selection Process", provided in relevant part:

> This is a value-based procurement. The successful proponents must have the demonstrable experience and qualification, staffing, and financial resources to deliver the required services for the entire term of the contract. *Cost will be a significant factor in the evaluation process. However, cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experiences, wherewithal, and proposed approach to delivering the required services and resources. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:*

A. *Determination of Proposal Qualification*

* * * *

B. *Technical Evaluation - An evaluation committee will evaluate the proponents' Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.*

C. *Cost Evaluation - AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated services volume in each identified category on Attachment B to this RFP (pricing forms).* Points will be assigned by formula in accordance with the following criteria:

•The lowest cost proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the maximum available points.

•Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.

•This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

D. *Determination of Preferred Vendor(s)* - The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three

service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – After reviewing the result of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. *The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal.* The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

F. *Notice of Award* - the final results will be shared with the preferred vendors and with the next highest scoring vendor in each service cluster.

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirement section below.

(Emphasis added).

6. Pursuant to the terms of the RFPs, the technical evaluation was to be completed before the scoring of the Pricing Proposals. The Technical Proposal scores from each evaluator would then be averaged to arrive at a final Technical Proposal score for each Offeror. This score was then combined with the Offeror's score of the Pricing Proposal to determine the Offeror's Total Score.

7. The RFPs were administered by the Project Control Section of Respondent. The Section Administrator was Christian Butt.

8. Pursuant to the terms of the RFPs, offers in response to the RFPs were due by October 5, 2016.

9. The RFPs called for an Evaluation Committee to conduct the technical evaluation of each offer submitted in response to the RFPs.

10. James Kauhi, the Student Transportation Services Branch Manager for Respondent, was appointed as the Chair of the Evaluation Committee.

11. As Chair of the Evaluation Committee, Kauhi appointed the other members of the committee which included Pualani Foster, Robert Joseph, and Bruce Ellerman.

12. Memos For Record, approving of the appointments of Kauhi, Foster, Joseph, and Ellerman to serve on the Evaluation Committee for RFP D17-001 and RFP D17-002, were signed by Respondent's Assistant Superintendent, Dann Carlson. The memos were undated.

13. Joseph and Foster are employed by Respondent as the transportation officers on Maui and Kauai, respectively. Their immediate supervisor is Kauhi.

14. Foster has been employed by Respondent since 2011. In 2013, she became the transportation officer for the Island of Kauai. Joseph has been the transportation officer for Maui for approximately 9 years.

15. In their capacity as transportation officers, Joseph and Foster are generally responsible for setting up and maintaining transportation services for public school regular and special education students on Maui and Kauai. Their duties include making sure the bus routes are running efficiently, the bus companies are complying with the contract, and complaints involving the transportation services are addressed.

16. Kauhi is the brother-in-law of Joseph and both are neighbors on Maui. Joseph has known Kauhi for over 40 years.

17. At the time of his appointment to the Evaluation Committee, Ellerman was an employee of Management Partner Services, a private consultant hired by Respondent for assistance in developing the RFPs.

18. None of the members of the Evaluation Committee were compensated specifically for their work on the committee by Respondent. During their evaluation of the Technical Proposals, the members were paid their normal compensation earned as a result of their employment with their respective employers.

19. Section D.1.D of the RFPs provides that "Proposals must be submitted using the instruction in this RFP".

20. Section D.2. of the RFPs explained the method by which the Technical Proposals would be scored by the Evaluation Committee:

* * * *

2. Technical Proposals - 60 Points Available

Each section of the proposal will be evaluated based on the number of points identified for each respective tab described below. The evaluation process will include each proposal being reviewed by an appointed evaluation committee. Those proposals that are determined to be responsive (those that offer all of the basic requirements requested in the RFP and contain all of the required information and forms properly completed) will be further reviewed using the comparative criteria outlined in this section.

The committee will use the comparative criterion for each separate rating area, and based upon these criteria, will assign an overall rating to each tab. Each of the tabs will be rated based on the following guidelines:

- Complete response with no omissions will receive 100% of available points
- Minor omissions will receive 75% of available points
- Many minor omissions or a major omission will receive 50% of available points
- Many major omissions or major deficiency will receive 2% of available points
- Incomplete or missing response will receive 0 points

* * * *

21. The Technical Proposals were evaluated and scored based on a "deductive evaluation" process. Points would be deducted from the maximum number of points available for each of the 11 areas or "Tabs". The Tabs consisted of the following categories: Transmittal Letter, Executive Summary, Qualifications & Experience, References and Testimonials, Proponent's Service Approach, Proponent's Commitment to Safety, Vehicles & Fleet Management, Proponent's Staff, Transition Plan, Financial Stability, and Appendix.

22. Section D.3. of the RFPs stated:

> **Cost Proposal - 40 Points Available**
>
> A total of 36 points will be applied to the home-to-school service pricing. *A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in* ***Attachment B.***
>
> No pricing information is to be included in the proposal. One hard copy of **Attachment B** or an exact replica, in its entirely, with all required information must be included in a separate, marked, sealed envelope as part of the proponent's submission.
>
> * * * *

(Emphasis added).

23. On or about August 23, 2016, Kristine Kim, Petitioner's Maui manager, emailed Joseph to determine whether one of Petitioner's drivers could adjust his route. After an exchange of emails on the subject, Joseph replied:

> Kris,
> So am I to understand that 43 Puu Kukui Elementary students went out to Waikapu Gardens then approximately 20 or 50% of them had to stay on the bus and return to Iao Intermediate with the driver before finally being taken back out to Waiolani & Waikapu to be dropped off.
>
> Imagine being the parent of one of these students, sitting at the dinner table tonight, and your child tells you about the extra long bus ride they had today and that the bus driver

> thinks this is a better way to operate the route because it saves him 20 minutes a day 5 days a week. Yet on the other hand, each of these 20+ kids will have to endure an additional 15 to 20 minutes per days 5 days a week if this bus driver has his way.
>
> Even if I factored in the fact that the 17 to 21 Iao students would get home approximately 10 minutes earlier daily, it still equates to being a benefit for the driver and RHSB at the expense of time sacrificed by the Puu Kukui **ELEMENTARY** Students, not to mention that the Iao Students probably are enjoying the time spent with their friends while waiting for the bus.
>
> Sorry but it just does not make any sense to me.
>
> **PLEASE** instruct this driver as well as all other drivers, To follow the schedules we have issued to them which are the exact same as those posted at our schools. Remind them that I am always open to suggestions from them on better ways to do routes, **BUT** their suggestions need to be brought to you and me in writing first so we can discuss and agree upon before actually implementing any changes to the already set schedules. No driver has the authority to change anything on their assigned Route Schedule on their own unless imminent danger exist. Please have them follow our protocols.

24. On the same date, August 23, 2016, Kauhi forwarded the emails between Joseph and Kim to Aaron Kimura, Petitioner's vice-president, and said:

> Aaron, this is what I've been trying to tell you about Kris and her local practices. It concerns me deeply. Please note that this stuff is going to come up during evaluations of the RFP proposals.

25. Joseph testified that he works closely with Kim on Maui and considers her to be his "right hand." According to Joseph, he has learned a lot from Kim and that Kim was very knowledgeable. Joseph acknowledged that he has had at least 2 disagreements with Kim in the past but described their relationship as "brother-sister".

26. Gayle Sagiao, Petitioner's operations director, testified that Joseph could be harsh and stubborn at times but was always straight with her.

27. On or about September 22, 2016, Respondent issued Addendum 3 to the RFPs. Addendum 3 provides in relevant part:

* * * *

> This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. *This response is hereby incorporated and made a part of the RFP.*
>
> 1. Are we required to provide aides for each special education vehicle?
>
> A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.
>
> * * * *
>
> 6. What will the cost per hour for bus aide be used for?
>
> A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

(Emphasis added).

28. Addendum 3 also stated that the "cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form included [sic] with this Addendum".

29. Petitioner did not seek clarification on any of the matters addressed by Addendum 3.

30. In response to the RFPs, offers were submitted by the following providers: In RFP D17-001 – Petitioner, Intervenor, Akina Enterprises, LLC ("Akina"), and Iosepa

Transportation ("Iosepa"). In RFP D17-002 – Yamaguchi Bus Service, Inc. ("Yamaguchi"), Petitioner, Iosepa and Akita Enterprises, Limited ("Akita").

31. The offers for both RFPs were received by the Project Control Section and secured in a safe place until the Evaluation Committee could convene. Pursuant to the instructions in the RFPs, each offer consisted of a Technical Proposal and a Pricing Proposal which were submitted in separate, sealed envelopes.

32. On or about October 7, 2016 the Evaluation Committee received information from the Project Control Section regarding the RFPs. The information included the Technical Proposals that had been submitted in response to the RFPs along with scoring sheet forms the members were to use in determining the scores for each Technical Proposal. The Evaluation Committee was not given information on the Pricing Proposals.

33. Prior to receiving the Technical Proposals, each member of the Evaluation Committee received instructions from staff of the Project Control Section and Kauhi regarding the scoring of the proposals. The members were generally instructed to keep an open mind, to be fair in their scoring of the proposals, and to base their scoring only on the criteria provided in the RFPs rather than on outside information on the Offerors. They were also given a deadline to complete their scoring of the proposals.

34. Prior to receiving the Technical Proposals, each member of the Evaluation Committee was also provided with a form of Declaration which they were required to sign and return to the Project Control Section. The form required each Evaluation Committee member to certify and affirm the following with respect to the RFPs:

> 1) I have no conflict of interest with [the RFP] or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
> 2) I will not disclose any information regarding [the RFP] including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
> 3) I will not discuss the information presented, or provide

any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

35. The Declaration forms did not provide a space for the date to be filled in by the declarant.

36. The Declarations were signed by each member of the Evaluation Committee and returned to the Project Control Section. No potential conflicts of interest were disclosed to Kauhi by any of the other members of the committee.

37. Joseph and Foster testified that they probably signed and returned the Declaration to the Project Control Section prior to beginning their scoring of the Technical Proposals. Ellerman and Kauhi testified that they signed and returned the Declarations in October 2016.

38. Only after the scores for the Technical Proposals were completed by the Evaluation Committee were the Pricing Proposals opened and scored. The scoring of the Pricing Proposals was not done by the Evaluation Committee. Rather, the scoring was done by the Project Control Section according to the formula set forth in the RFPs.

39. For RFP D17-001, the Evaluation Committee's individual scores for the Technical Proposals for all clusters were as follows:

	Petitioner	Intervenor	Iosepa	Akina
Foster	51.00	55.50	54.50	48.00
Joseph	51.75	56.25	49.75	49.50
Kauhi	56.25	59.25	51.25	50.00
Ellerman	57.00	57.25	50.00	50.75

40. For each of the 4 clusters in RFP D17-001, Petitioner offered an hourly rate for bus aide of $33.00 while Intervenor offered an hourly rate of $22.75.

41. For RFP D17-002, the Evaluation Committee's individual scores for the Technical Proposals for all clusters were as follows:

	Petitioner	Yamaguchi	Akita	Iosepa
Foster	50.25	53.75	49.75	54.50
Joseph	45.00	51.00	52.00	49.75
Kauhi	56.25	59.25	53.50	51.25
Ellerman	55.50	53.00	55.00	52.25

42. For each of the 3 clusters in RFP D17-002, Petitioner offered an hourly rate for bus aide of $33.00 while Akita's rate was $21.50, and Yamaguchi's rate was $26.00.

43. The Offerors' Pricing Proposals were scored using only the supplemental hourly rate provided in the proposals. Two prior solicitations in 2013 involving school bus transportation services for the Islands of Oahu and Hawaii utilized only the aide rate in the scoring of the Pricing Proposals.

44. The supplemental hourly rate required by the RFPs were bus rates relating to charter services for such activities as field trips and athletic events. These rates were not related to any of the services required by the RFPs and, instead, were managed and scheduled by the individual school sites. Supplemental rates were required by the RFPs in order to cap the hourly rate for these charters for the benefit of the individual schools.

45. Following the completion of the scoring of the Technical and Pricing Proposals, the members of the Evaluation Committee and a representative from the Project Control Section met by way of conference call to discuss the results and to tabulate the scores.

46. During the conference call, the members of the committee discussed, among other things, their reasons for certain point deductions from their scoring of the Technical Proposals. That discussion led other members to consider and assess similar deductions in their scoring of some of the Technical Proposals.

47. During the conference call, the scores for the Technical Proposals were announced by each member of the Evaluation Committee and recorded by staff of the Project Control Section.

48. After the scores of the Technical and Pricing Proposals were tabulated, the various offers were ranked according to their Total Score.

49. In accordance with the terms of the RFPs, the 2 highest-ranked Offerors for each RFP were interviewed by the Evaluation Committee.

50. The 2 highest-ranked Offerors for Maui were Intervenor and Petitioner. Yamaguchi and Akita were the 2 highest-ranked Offerors in Kauai.

51. The interviews took place in or around October 19-20, 2016.

52. Prior to the interviews, the members of the Evaluation Committee had the opportunity to submit questions to Kauhi to be posed to the Offerors at their interviews in order to clarify and expand upon their offers. The members were not provided with the summary of the scores. Instead, they were provided with their score sheets and a list of the previously submitted questions.

53. The interviews were the first time the identities of the Evaluation Committee members were made known to any of the Offerors.

54. Following the interviews, the members of the Evaluation Committee met by way of conference call with staff from the Project Control Section to tabulate their scores.

55. By letter dated November 1, 2016, Respondent notified Petitioner that Petitioner would be awarded the Makawao cluster and Intervenor would be awarded the Baldwin, Lahaina and Maui clusters in RFP D17-001. By letter of the same date, Respondent notified Petitioner that Yamaguchi would be awarded the Waimea cluster and Akita would be awarded the Kapaa and Kauai clusters in RFP D17-002.

56. The Makawao cluster is the largest of the 4 clusters designated in RFP D17-001.

57. By letters to Respondent, both dated November 2, 2017, Petitioner requested a debriefing in each of the two solicitations.

58. The debriefing was held on November 16, 2016.

59. During the November 16, 2016 debriefing, Butt, the administrator for the Project Control Section, stated in part:

* * * *

First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so . . . you want to get it started Jimmy? You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference.

* * * *

One thing to that like I said, I was just looking . . . actually price was the determinant. But one of the things, again I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price. And we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that. So again, we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever. So again we try to remove that barrier. So again you know, that these guys scored it they don't know how it's going to turn out.

* * * *

60. During the debriefing, Kauhi explained how the Evaluation Committee arrived at their final scores;

Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation . . . on Kauai that seems to be the big difference. Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation.

* * * *

> I thought the evaluation team did a terrific job. We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns, their interpretations if you will. And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but that was the time where we weigh in on all of the different components of the technical presentation and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are. So that's generally the process of how it worked.

* * * *

61. During the debriefing, a representative of Petitioner commented that Intervenor's offer "contained nebulous information" and that Petitioner lost points for "having an existing infrastructure, but not [Intervenor]". Kauhi responded:

> I can tell you that they [Intervenor] weren't nebulous in their interview. I understand where you're going with this and which is why you have an interview. Interview questions were right along the lines of every bullet point you've raised so far. Did we not question you about baseyards? Did we not question you about workforce and the way you utilized between the different components of your highly diversified company? What I'm saying is the technical score sheets that you saw from each individual was to evaluate your presentation on the merit of your presentation. But then we also had an interview and during that interview you were asked questions and they were clarified. Now, whether that's going to make a difference, as I said before, to the individual evaluators as to whether they're going to change their score or not change their

> scores, is entirely up to them. The purpose of the interview was to get clarification for questions about components of your presentation.

62. Following the debriefing, Butt became aware that some of the scores of the individual evaluators did not match the scores reflected in the summary and that there were mathematical errors in averaging some of the scores for the Technical Proposals.

63. By letters dated November 18, 2016 to Butt, Petitioner requested that Respondent rescind the awards in both RFPs and reissue the RFPs to allow new proposals to be submitted. Petitioner alleged that the awards had been made in violation of the law:

> This letter is being sent to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, rescission of the award and cancellation of the awarded contracts is required.
>
> * * * *
>
> It is clear at this point, based on our conversation and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * * *
>
> Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders. However, we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit

> entirely new proposals, RHSB reserves all of its right to protest the result of the re-scoring.
>
> Finally RHSB believes that regardless of whether the DOE reissues a new RFP or re-scores the existing proposals, the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring.

* * * *

64. After consulting with Kauhi, Butt determined that there was no need to cancel the RFPs and resolicit offers. Instead, Butt determined that having the same Evaluation Committee rescore the Technical Proposals would sufficiently address the deficiencies found in the proposals. Among other things, Butt was concerned that resoliciting offers after prices had been exposed might be prejudicial to the Offerors.

65. Following the debriefing, Butt called Kimura and offered to rescind the awards and rescore the Technical Proposals.

66. On November 21, 2016, Petitioner received a Notice of Re-score from Respondent as to both RFPs. The Notice of Re-score acknowledged discrepancies in the solicitations:

> You are being notified that the awards for RFP D17-001 and RFP D17-002 are being rescinded. It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring. Upon review, the DOE concurs and has decided to re-score both RFPs.

* * * *

67. In preparation for the rescoring process, the Evaluation Committee was given their scoring sheets from the initial scoring of the Technical Proposals, their notes from the interviews, and the Technical Proposals.

68. In rescoring the Technical Proposals, the members of the Evaluation Committee reviewed and reread all of the proposals. As a result of this review, some of the

members of the Evaluation Committee became aware of concerns they did not see in their initial review that affected their scoring.

69. For RFP D17-0001, the Evaluation Committee's revised scores for the Technical Proposals for all clusters were as follows:

	Petitioner	Intervenor	Iosepa	Akina
Foster	60.00	60.00	57.25	53.25
Joseph	48.75	57.00	51.50	50.75
Kauhi	54.00	53.25	52.25	50.00
Ellerman	57.75	58.00	49.25	50.75

70. For RFP D17-002, the Evaluation Committee's revised scores for the Technical Proposals for all clusters were as follows:

	Petitioner	Yamaguchi	Akita	Iosepa
Foster	59.25	55.50	59.50	57.25
Joseph	50.25	54.75	54.25	49.75
Kauhi	54.00	54.00	53.50	50.75
Ellerman	56.25	53.00	55.75	52.25

71. The following are the Evaluation Committee members' revised technical scores for Petitioner for Maui:

MAUI	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**Total**
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00.	2.00	60.00
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	54.68
Joseph	2.25	2.25	6.75	6.00	6.75	11.25	1.50	3.00	3.00	4.00	2.00	48.75
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	3.00	3.00	4.00	2.00	57.75
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	60.00

72. The following are the Evaluation Committee members' revised technical scores for Intervenor for Maui:

MAUI	1	2	3	4	5	6	7	8	9	10	11	Total
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00.	2.00	60.00
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	2.25	4.00	2.00	53.25
Joseph	2.25	3.00	6.75	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	57.00
Ellerman	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	1.50	4.00	1.50	58.00
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	60.00

73. The following are Petitioner's revised Total Scores for Maui:

Cluster	Technical	Price	Total
Makawao	55.13	39.46	94.58
Baldwin	55.13	36.61	91.74
Lahaina	55.13	36.46	91.59
Maui	55.13	35.72	90.84

74. The following are Intervenor's revised Total Scores for Maui:

Cluster	Technical	Price	Total
Makawao	57.06	40.00	97.06
Baldwin	57.06	40.00	97.06
Lahaina	57.06	40.00	97.06
Maui	57.06	40.00	97.06

75. The following are the Evaluation Committee members' revised technical scores for Petitioner for Kauai:

KAUAI	1	2	3	4	5	6	7	8	9	10	11	Total
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00.	2.00	60.00
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	54.00
Joseph	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	50.25
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	2.25	2.25	4.00	2.00	56.25
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	2.25	4.00	2.00	59.25

76. The following are Petitioner's revised Total Scores for Kauai:

Cluster	Technical	Price	Total
Waimea	54.94	27.25	82.18
Kapaa	54.94	32.10	87.03
Kauai	54.94	32.27	87.21

77. The following are Akita's revised Total Scores for Kauai:

Cluster	Technical	Price	Total	Rank
Waimea	55.75	39.07	94.82	1
Kapaa	55.75	40.00	95.75	1
Kauai	55.75	40.00	95.75	1

78. The following are Yamaguchi's revised Total Scores for Kauai:

Cluster	Technical	Price	Total	Rank
Waimea	54.31	38.26	92.57	2
Kapaa	54.31	33.87	88.18	2
Kauai	54.31	37.09	91.40	2

79. At the time the Technical Proposals were rescored, at least some of the members of the Evaluation Committee had seen the Offeror's Total Scores.

80. Joseph testified that he has never seen the pricing even following the awarding of the contracts and that he had no interest in the pricing information.

81. Ellerman testified that he was sure that he saw the combined technical and price scores although he did not have a specific recollection of it.

82. Kauhi testified that shortly after the conference call to tally the initial scores, he received the lump sum combined technical and price scores by email. The price scores were not provided to the other evaluators at that time because there was no need for them to have that information.

83. Foster testified that she only saw totals of the technical and pricing scores contained in the award letters following the initial scoring.

84. Tab 1 of the RFPs concerned the Transmittal Letter. Petitioner received a score of 2.25 points out of a maximum of 3.00 points from Joseph. Joseph noted in his score sheets for RFP D17-001 that a "list of the 4 clusters that is being proposed for was not provided", and for RFP D17-002, that Petitioner "had failed to provide a list of the three clusters they are bidding for. Petitioner's offers, however, stated that, Petitioner "shall pursue Proposal Option A (Multiple clusters, unlimited award) for all four (4) Clusters" in RFP D17-001 and that Petitioner "shall pursue Proposal Option A (Multiple clusters, unlimited award) for all three (3) Clusters" in RFP D17-002. In Tab 1 of its Technical Proposal, Intervenor stated, "We are submitting for Proposal Option A for all Maui service clusters: Cluster 1-Makawao (Haiku, Makawao, Pukalani, Kula, Paia); Cluster 2-Baldwin (Wailuku); Cluster 3-Lahaina; and Cluster 4-Maui (Kahului and Kihei)." Joseph awarded Intervenor a score of 2.25 and apparently deducted .75 points because Intervenor had "exceeded page limit".

85. Tab 2 concerned the Executive Summary of each RFP. Joseph awarded Petitioner 2.25 out of a maximum 3.00 points in both RFPs and had the following comments on his score sheet for RFP D17-001:

> *Conflicting statements pertaining to the number of strategically placed base yards in bullets # 1 & 3.
>
> *Capacity & Functionality of Makawao Baseyard questionable-define the term "baseyard" and explain what the DOE could expect from each of these locations.
>
> *Turn key statement-current fleet would not meet average age requirements if awarded 85% of clusters.

86. Joseph's comments regarding Tab 2 were based on knowledge he acquired from his work with Petitioner on the current Maui bus contract. From that experience, it was Joseph's belief that Petitioner did not maintain what he considered to be a "baseyard" in Makawao or Lahaina, and that Petitioner's current fleet of buses would not meet the age

requirements because he believed from his experience as the Maui transportation officer in charge of the current contracts that Petitioner had outdated buses.

87. Joseph awarded the maximum 3.00 points to Intervenor for Tab 2 despite the fact that Intervenor had no presently existing baseyards on Maui.

88. Tab 3 concerned the Offeror's Qualifications and Experience. Joseph awarded Petitioner 6.75 out of the maximum 9.00 points in RFP D17-001 and included the following comments:

> *44 Dispatchers Statewide-Are they school bus department or DOEs it include tour & public transit personnel as well?
>
> *Bullets 3&4 were combined into one statement

89. In its Technical Proposal for both RFPs, Petitioner addressed the requirements for Tab 3, in pertinent part, as follows:

> **Comparable and Currently Active Service Delivery Contracts**
> As the largest student transportation services provider in the State of Hawaii, Robert's Hawaii School Bus, Inc. (RHSB) currently (as of the development period for this proposal) has a total of *thirty-nine* (22) active DOE student transportation services contracts throughout four (4) major Hawaiian Islands; Hawaii, Maui, Oahu, and Kauai. Three (3) contracts for the Island of Hawaii, one (1) contract for the Island of Kauai, fourteen (14) contracts for the Island of Maui, and four (4) contracts for Island of Oahu.

(Emphasis added).

90. Petitioner's Technical Proposals displayed a table showing the 22 active contracts it had on each island by clusters.

91. Joseph's comments regarding Tab 3 were based on knowledge he acquired from his work with Petitioner on the current Maui bus contract. From that experience, it was Joseph's belief that Petitioner had only 22 active service delivery contracts rather than the 39 contracts "claimed" in Petitioner's Technical Proposal - even though the proposal accurately represented the total as 22 in other sections of Petitioner's response to Tab 3.

92. Tab 4 of the RFPs concerned Reference and Testimonials. Tab 4 required Offerors to provide not less than one and no more than 3 letters of reference. Intervenor listed 3 references and 12 customer testimonials.

93. Tab 5 of of the RFPs concerned the Proponent's Service Approach. Joseph, Kauhi and Ellerman awarded Petitioner 6.75 points out of the maximum of 9.00 points in both RFPs.

94. Joseph testified that his deduction of points for Petitioner's response to Tab 5 was based on the fact that Petitioner's offer did not identify who was responsible for ensuring that drivers were conducting the required pre-trip inspections for safety and cleaning and did not provide steps that Petitioner would take to check route schedule compliance.

95. In his scoring sheet for Petitioner in RFP D17-001, Kauhi entered the following comment for Tab 5:

> Response to "Reliability" bullet is insufficient. It fails to include details on policies relating to internal communication protocols for emergencies such as driver no shows and particularly for park-aways.

96. In his scoring sheet for Intervenor, Kauhi commented on Intervenor's response to Tab 5:

> The response to the question of "Reliability" is insufficient. No information is provided on internal communication protocols for emergencies, such as driver no shows particularly for park-aways. Described procedures is insufficient.

97. In his scoring sheet for Petitioner in RFP D17-001, Ellerman entered the following comment for Tab 5:

> Needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOE, esp. in SpEd area

98. Tab 6 of the RFPs concerned the Offerors' Commitment to Safety. Joseph and Kauhi awarded Petitioner 11.25 point of the maximum 15.00 points in both RFPs. In his

scoring sheet for Petitioner in RFP D17-001, Joseph noted, "All responses to bulleted items are generic and does not reflect actual Maui team members performance." In his testimony, Joseph explained that he was looking for actual safety performance and that Petitioner's response lacked specifics.

99. In his scoring sheet for Petitioner in RFP D17-001, Kauhi commented in Tab 6:

> Response to how has safety metrics changed is insufficient. The presentation's response to the question of how is safety measured indicated two metrics: Accident/1,000 driving hours, and student injuries/1000 driving hours. Response to how these two metrics changed speaks to partnering with third party experts and enhancing communications instead of pointing to specific metrics that enables the overall effectiveness of the safety program.

100. Tab 7 of the RFPs concerned Vehicle & Fleet Management. Joseph awarded Petitioner 1.5 points of the maximum 3.00 points in RFP D17-001. Joseph noted in his scoring sheet:

> *Descriptions of Baseyards referred to in Tab 9 are not accurate.
>
> Define Baseyard, what exactly can we expect from each of these locations operationally?

101. The Offerors' Pricing Proposals were rescored using both the supplemental and aide rate provided in their proposals.

102. By letter dated December 5, 2016 from Respondent, Petitioner was notified that it would be awarded the Makawao cluster and that the remaining clusters would be awarded to Intervenor:

> Your response received the second highest score in all four clusters, with Ground Transport Incorporated (GTI) being the top scoring vendor in all four clusters. However, due to the award limit stated in the RFP, GTI was awarded Clusters 2, 3, and 4.

103. By letter dated December 5, 2016 from Respondent, Petitioner was notified that it would not be awarded any of the contracts for the 3 clusters in Kauai. Although Akita had the highest score for all 3 clusters, it was limited to an award of 2 clusters under the terms of RFP D17-002. Accordingly, the Waimea cluster was awarded to Yamaguchi since it was the Offeror with the second highest Total Score for that cluster.

104. No interviews were conducted following or in connection with the rescoring of the offers.

105. Aaron Kimura, Petitioner's vice-president for contracts management, testified that the prices Petitioner included in its Pricing Proposal was based on the understanding that the costs would not be disclosed to the evaluators until after the Technical Proposals had been scored. Kimura testified that because they usually receive high technical scores, they are able to offer moderate prices; however, had they known that the costs would be made known to the evaluators prior to the scoring or rescoring of the technical proposals, they would have adjusted their prices. Kimura also testified that an interview following the rescoring would have provided them with the opportunity to clarify and reiterate the extent of their existing infrastructure on Maui.

106. A second debriefing with Petitioner and Respondent was held on December 16, 2016.

107. By letter dated December 12, 2016, Yamaguchi informed Respondent that, "[s]ome school bus vendors that we are working with have indicated that they still will be able to supply new school buses to Kauai by July 1, 2017 if the order is received by January 13, 2017."

108. By letter dated December 13, 2016, Akita informed Respondent that the "drop dead deadline for ordering buses is January 15, 2017", and explained that, "that is the absolute lead time the manufacturer needs to build the bus and have it shipped to Kauai by July 1, 2017."

109. By letter dated December 14, 2016, Intervenor informed Respondent that because of the lead time required to build and ship the required vehicles to Maui, the deadline for ordering the buses is January 13, 2017.

110. At the December 16, 2016 debriefing, Butt, Kauhi, and Chad Iwamoto and Aaron Kimura of Petitioner had the following exchange on the claim that the rescoring of the Technical Proposals should have been done without the evaluators' knowledge of the results of the Pricing Proposals:

> Kimura: . . . the panel now had access to the outcome of the prices . . . the rates. Now that is different from the initial process, right, where it was kept away from them, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to . . . you were the only one who had access to the pricing . . .
>
> Kauhi: Right . . .
>
> * * * *
>
> Iwamoto: Isn't that contrary to the ways that the RFP was put out? That's what you told us on our first debriefing . . . On the first debriefing, you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was. . .
>
> Butt: OK, that's different, but there's nothing in the procurement code that requires that to be blind . . . we just did that as an extra step. But in any case, yes, they saw it but they did not have access to the score sheet when they rescored. Again, we kept that and they didn't do the price evaluation so, yeah they might have had a peek of the scores. I don't know if they have a photographic memory or not, but again I don't think . . . .
>
> * * * *
>
> Iwamoto: Well Jimmy [Kauhi] had the scores with him at the first debriefing . . .
>
> Kauhi: So, let me say this. The evaluators were asked to re-score the technical presentations, and that's all they did. While your point is well taken in the sense that they had general information on who, on what the price

presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well . . . but they were not involved in that process.

Butt: So again . . . yeah Chad . . . they did see it . . . but no, they didn't have it in front of them when they re-evaluated, so . . .

* * * *

111. On December 23, 2016, Petitioner protested the awards made in RFP D17-001 and RFP D17-002.

112. Petitioner currently operates the majority of the school bus routes on Maui.

113. Ellerman testified that during his work as a consultant for Respondent, he never sensed any animosity by Respondent against Petitioner.

114. On January 11, 2017, Respondent made a written determination that the award of the contracts resulting from the RFPs without delay was necessary to protect the substantial interests of the State pursuant to HRS §103D-701(f)("Substantial Interest Determination").

115. Contracts were awarded to Intervenor and Petitioner for RFP D17-001 and to Yamaguchi and Akita for RFP D17-002.

116. By letter dated January 20, 2017, Respondent informed Petitioner for the first time of its January 11, 2017 Substantial Interest Determination.

117. On January 25, 2017, Joseph went to Petitioner's Maui baseyard apparently to speak to Kim in her office. Upon leaving the office, Joseph ran into 2 drivers, Jim and Jancene Shields. Jancene Shields inquired "what was happening with DOE". According to Shields, Joseph replied that a new contract had been awarded and that Petitioner's appeal had been denied. Joseph testified that he informed the Shields that the contracts had been awarded but that nothing was set in stone because of the pending protests and that anything could happen. Jancene Shields asked how the new contractor was going to have a new facility up and running by the beginning of the new school year and Joseph,

according to Shields, suggested that they visit Intervenor's facility on Oahu and commented that Intervenor's facility was so clean they could do surgery there.

118. Following their January 25, 2017 conversation with Joseph, the Shields were asked about the conversation by Kim and asked to document the substance of the conversation. Consequently, on January 26, 2017, Jim Shields emailed Kim about his recollections of the conversation. Shield's email was forwarded by Kim to Sagiao with an indication from Kim that the description of the conversation in Shield's email did not exactly match the description the Shield's verbally related to Kim. There was no indication in the record as to what portion of the description had been inconsistent.

119. A few days after their January 25, 2017 conversation at Petitioner's Kahului baseyard, Joseph and Jancene Shields spoke again when they ran into each other at Maui High School. According to Shields, Joseph told her that Petitioner had previously attempted to block Respondent from hiring him because of his relationship to Kauhi. This led to an investigation which resulted in a delay in his hiring.

120. By letter dated February 6, 2017 to Respondent's attorney, Petitioner's attorney stated in relevant part:

> This letter is a follow up on our letter dated January 27, 2017 regarding interference with Robert's Maui operations by Mr. Robert Joseph, and also to address the inexcusable delay by the DOE in responding to Robert's Protest, while simultaneously pushing forward on unlawfully awarded contracts.
>
> * * * *
>
> IV. **Robert's Disputes the Determination of Substantial State Interests**
>
> * * * *
>
> VI. **Robert's Is Prepared to Discuss Resolution Prior to Taking Further Action**
>
> As you know, HRS §103D-701 allows the chief procurement officer or a designee to settle and resolve a

protest concerning the solicitation or award of a contract, prior to the commencement of an administrative proceeding. There has been no effort on the DOE's part to settle and resolve the Protests; however, Robert's is still willing to engage in those negotiations.

To that end, Robert's is prepared to post a bond for the full $750,000.00 claimed by the DOE as its "savings' from operational efficiencies during the first year, if the DOE will halt any further action towards pursuing the protested contracts until the Protests have been resolved. Robert's is also willing to stipulate to an extension of its existing contracts so that there will be no interruption to services if a new vendor is not in place by August 7, 2017. These two concessions on Robert's part should allow the DOE to step back and follow the proper procedure contemplated by the Procurement Code. Robert's believes the option of resolving the Protests will not be available once it commences other legal proceedings. Thus, time is of the essence as Robert's will take immediate action following the above stated February 9th deadline.

* * * *

121. By letters dated February 24, 2017, Respondent notified Petitioner that it was denying Petitioner's December 23, 2017 protests in both RFPs.

122. On March 3, 2017, Petitioner filed the instant requests for administrative review and posted the requisite bonds pursuant to HRS §103D-709(e).

III. CONCLUSIONS OF LAW

If any of the following conclusions of law shall be deemed to be findings of fact, the Hearings Officer intends that every such conclusion of law shall be construed as a finding of fact.

Hawaii Revised Statutes ("HRS") §103D-709(a) extends jurisdiction to the Hearings Officer to review and determine *de novo* any request from any bidder, offeror, contractor or governmental body aggrieved by a determination of the chief procurement officer, head of a purchasing agency, or a designee of either officer made pursuant to HRS

§§103D-310, 103D-701 or 103D-702. The Hearings Officer is charged with the task of deciding whether those determinations were in accordance with the Constitution, statutes, regulations, and the terms and conditions of the solicitation or contract. HRS §103D-709(f). And, having initiated this action, Petitioner has the burden of proving each of the alleged violations by a preponderance of the evidence. *103D-709(c).*

1. Compliance with Evaluation Criteria.

Petitioner alleges that in evaluating the Technical Proposals, the Evaluation Committee failed to follow the criteria set forth in the RFPs. Among other claims, Petitioner alleges that Respondent's decision to have the Technical Proposals rescored by the same Evaluation Committee violated HRS §103D-303. That section provides in relevant part:

> (a) Competitive sealed proposals may be used to procure goods, services, or construction that are either not practicable or not advantageous to the State to procure by competitive sealed bidding.
>
> * * * *
>
> (f) Discussions may be conducted with responsible offerors who submit proposals determined to be reasonably likely to be selected for a contract award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.
> (g) Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous, taking into consideration price and the evaluation factors set forth in the request for proposals. *No other factors or criteria shall be used in the evaluation.* The contract file shall contain the basis on which the award is made.
>
> * * * *

(Emphasis added).

Similarly, Hawaii Administrative Rule §3-122-52 provides in relevant part:

> (a) *Evaluation factors shall be set out in the request for proposals and the evaluation shall be based only on the evaluation factors. Evaluation factors not specified in the request for proposals may not be considered.*
>
> * * * *

(Emphasis added).

The RFPs at issue here expressly provided that although cost "will be a significant factor in the evaluation process", "cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach . . ." The RFPs also provided:

> Cost Evaluation - AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms).
>
> * * * *
>
> Proposals must be submitted using the instructions in this RFP.
>
> * * * *
>
> No pricing information is to be included in the proposal. One hard copy of Attachment B or an exact replica, in its entirety, with all required information must be included in a separate, marked, sealed envelope as part of the proponent's submission.
>
> * * * *

Contrary to Respondent's and Intervenor's assertion that there is nothing in HRS Chapter 103D ("Procurement Code") that requires the completion of the technical evaluation before the Pricing Proposals are scored, the terms of the RFPs make clear that the

Evaluation Committee's scoring of the Technical Proposals was to have been completed without knowledge of the Pricing Proposals or the results of the scoring of those proposals. Indeed, at the November 16, 2016 debriefing with Petitioner, Respondent acknowledged that knowledge of an Offeror's pricing could influence the scoring of the Technical Proposal. Having included this requirement in the RFPs, Respondent was obligated to comply with that criteria. And because the RFPs did not specifically address the method of scoring in the event that a rescoring of the offers became necessary, it stands to reason that the same criteria applies. Any other conclusion would allow the procuring agency to circumvent the criteria set forth in the RFPs and undermine the integrity of the evaluation process.

There is no dispute here that the same evaluators who performed the initial technical evaluation also did the rescoring of those proposals. The record, however, was not altogether clear as to whether or to what extent the evaluators were exposed to the Pricing Proposals or the scores for those proposals. This was evident from the fact that while Respondent claims that the testimony established that the evaluators were sent only the combined technical and pricing scores, Petitioner argues that the evaluators were actually provided with the total scoring information including the scores for the price/cost portions of the proposals. Nevertheless, it was clear that if the evaluators were exposed to the Offerors' Total Scores, those scores alone would not have been sufficient to reveal which Offeror had submitted the lowest Pricing Proposal. This was because according to the RFPs, the Technical Proposal accounted for 60% of the Total Score and the Pricing Proposal accounted for the remaining 40% of the total. As such, the Offeror with the highest Total Score would not necessarily have the lowest pricing since a high technical score could compensate for a low pricing score. Moreover, even if the evaluators had been exposed to the scores for the Pricing Proposals from the initial evaluation, those scores would only reveal which Offeror had offered the best overall pricing under the original tabulation. Unlike the rescoring of the Pricing Proposals which was based on both the supplemental and the aide rate, the initial tabulation of those proposals was based solely on the supplemental rate for the 4-point component of the overall Pricing Proposal score. Based on this record, the Hearings Officer

concludes that the evidence was insufficient to prove that the rescoring of the Technical Proposals violated the requirement in the RFPs that those proposals be evaluated without knowledge of the Pricing Proposals.

On the other hand, it was made clear from the evidence that one evaluator went beyond the criteria provided in the RFPs by relying on his knowledge of Petitioner's work on the current contract in Maui to rescore Petitioner's proposal. In his rescoring of Petitioner's responses to Tabs 2, 3, and 7, Joseph questioned and apparently deducted points based on his prior knowledge of Petitioner's "baseyards" and his own understanding of what comprised a "baseyard", as well as knowledge of the number of active contracts Petitioner currently had. In going beyond the criteria provided by the RFPs, Joseph placed Petitioner at a disadvantage over the other Offerors, including Intervenor, who had no history of operating school buses in Maui. The record also established that in rescoring the Technical Proposals, the members of the Evaluation Committee reread the proposals which admittedly led to concerns they had overlooked during the initial scoring process. Notwithstanding that, no interviews were scheduled following the rescoring even though such interviews were required by the RFPs as a part of the evaluation process. There was evidence that an interview would have aided Petitioner in clarifying some of the concerns raised by the committee. For these reasons, the Hearings Officer concludes that the rescoring of the Technical Proposals did not comply with HRS §103D-303(g).

Additionally, Petitioner contends that following the completion of the technical evaluation, the members of the Evaluation Committee participated in a conference call during which members discussed their scoring of the Technical Proposals, including the reasons for certain deductions. According to Petitioner, this amounted to an improper attempt to influence the other members of the committee. The record, however, was devoid of any basis for this claim. Rather, the evidence made clear that although the discussion did cause members to consider issues they had not previously considered, the ultimate decision to make any resulting deduction was their decision alone. In *Kiewit Infrastructure West Co. v. Dept. of Transportation, PCX-2009-2 (June 6, 2011)*, the Hearings Officer cited *Bean*

Stuyvesant, LLC v. U.S., 48 Fed Cl. 303 (Ct. Fed. Claims 2000) at 326, with approval. There, the court recognized that, "[e]valuators may meet to discuss the relative strengths and weaknesses of a proposal, as such discussions can operate to correct mistakes or misperceptions in individual evaluations". And, in allowing consensus scoring, the Hearings Officer in *Kiewit* said:

> Where, as here, the RFP covers a wide range of technical matters, consensus scoring would be desirable, it not preferable, because individual evaluators would not be expected to have extensive experience and insight/expertise on all the technical matters.
>
> * * * *
>
> Kiewit appears to argue that the regulation requires an independent evaluation by each member of the evaluation committee. However, each individual member of the committee can independently come to the conclusion that the consensus score is appropriate. (Averaging, in contract, would not be an independent evaluation.)

Petitioner also complains that in rescoring the Pricing Proposals, Respondent incorrectly applied the supplemental rate in conjunction with the aide rate. According to Petitioner, Addendum 3 clearly established that the aide rate, rather than the supplemental rate, was to be used in the application of the 4 points available for supplemental services. Section D.3. of the RFPs explained how the supplemental services were to be scored:

> A total of 36 points will be applied to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in Attachment B.

In response to questions received after the RFPs were issued, Respondent issued Addendum 3 to clarify how the Pricing Proposals would be evaluated and to revise Attachment B, the Pricing Form by adding a place for Offerors to include a separate "Hourly Rate for Bus Aide." Addendum 3 provided in part:

This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

* * * *

6. What will the cost per hour for bus aide be used for?

A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

A plain reading of Section D.3 of the RFPs together with Addendum 3, however, does not support the argument that Addendum 3 replaced the supplemental rate with the aide rate. On the contrary, those provisions, read together, unambiguously establish that the bus aide rate was to be used in conjunction with the supplemental services rate to determine a rate for the application of the 4 points in the scoring of the Pricing Proposals. Nowhere in Addendum 3 does it provide that the bus aide rate is to be used in place of the supplemental services rate. Moreover, even if the aide rate was used alone in the rescoring, Petitioner's position would not have changed. In RFP D17-001, Petitioner's aide rate was $33.00/hour for all clusters while Intervenor's aide rate was $22.75/hour. In RFP D17-002, Petitioner's aide rate was $33.00/hour while Akita's aide rate was $21.50/hour and Yamaguchi's rate was $26.00/hour for the same clusters.[1]

[1] Because Petitioner's pricing for its supplemental services was more competitive than its aide rate, the initial score for Petitioner's Pricing Proposal was higher than after the rescoring which was based on the supplemental and aide rate. Use of the aide rate alone would actually lower Petitioner's Total Score.

2. *Evaluation Committee's Bias and Conflicts of Interest.*

Petitioner next asserts that the rescoring of the Technical Proposals was tainted by the biases and conflicts of some members of the Evaluation Committee. In particular, Petitioner contends that Kauhi and Joseph had a conflict of interest and were biased against Petitioner because Kauhi is Joseph's brother-in-law, supervisor and neighbor, and both have known each other for over 40 years. Petitioner, however, does not point to, and the Hearings Officer cannot find, any authority precluding Kauhi or Joseph from serving on the committee under these circumstances alone. Generally, the selection of an evaluation committee member is a matter falling primarily within the discretion of the procuring agency and will not be questioned absent evidence of actual bias or other improprieties. Petitioner also argues that because Foster had only about 3 years of experience as a transportation officer, she was, in all likelihood, unduly influenced by Kauhi and Joseph. The evidence, however, was insufficient to prove that any such influence actually occurred.

In support of their claim of bias, Petitioner points primarily to the relationship between Kim, their Maui manager, and Joseph. Although Kim did not testify, there was evidence that Joseph and Kim had periodic disagreements over the Maui school bus operations. Sagiao, Petitioner's operations director, described Joseph as harsh and stubborn at times, although she acknowledged that he was straight with her. The Hearings Officer credits her testimony. Joseph, who was equally credible, testified that he works closely with Kim on Maui on the current bus contract and considers her to be his "right hand" and that he has learned a lot from her. While it was clear from the testimonies that there was an occasional personality conflict between the two, nothing in the record sufficiently established that the relationship resulted in any bias against Petitioner in these solicitations.

Evidence was also presented that Joseph believed that Petitioner had attempted to block his rehiring as the Maui transportation officer in or after 2010 and may have still been upset about that. Jancene Shields, one of Petitioner's drivers, testified that she had a conversation with Joseph in 2017 during which he expressed anger at Petitioner's attempt to block his hire. Shields also recalled an earlier conversation she had with Joseph

when Joseph told her that Petitioner had lost the contract and that she should visit Intervenor's baseyard on Oahu. According to Petitioner, these conversations exhibit Joseph's animosity toward and bias against Petitioner. The evidence, however, indicated that Joseph had been on Petitioner's baseyard to meet with Kim in the office and only ran into the Shields when he was leaving. Moreover, many of Joseph's statements to Shields during this conversation were made in response to questions initiated by Shields. Placed in this context, it appears less likely that Joseph was deliberately trying to sabotage Petitioner's operation. Joseph, for his part, testified that he was not upset at Petitioner's questioning of his rehire as he was already employed and Petitioner's inquiry only resulted in a short delay of his hiring.[2] Thus, while there was a possibility that Joseph might have been upset at Petitioner's earlier attempt to interfere with his employment with Respondent, no objective evidence was presented to establish that any such animosity actually led Joseph to improperly rescore Petitioner's Technical Proposal.

Additionally, Petitioner asserts that the scores it received from the rescoring of its Technical Proposals by certain members of the Evaluation Committee was unjustified and further demonstrates bias against Petitioner. In that regard, the Hearings Officer is mindful that the evaluation of technical factors requires the exercise of discretion and judgment which is necessarily subjective. Thus, the determination of the relative technical merits of offers is a matter primarily left to the procuring agency and is entitled to great weight. The agency is in the best position to determine which technical proposal best meets its needs and must bear the burden for any difficulties incurred by a defective evaluation. The role of the Hearings Officer is therefore not to substitute his judgment for that of the agency. Rather, the Hearings Officer will determine whether a reasonable basis exists for the conclusions reached or whether the conclusions are instead shown to be unreasonable, arbitrary, capricious, or contrary to law. Mere disagreement with the decision of the evaluators is insufficient to show that the evaluation of proposals is unreasonable or the result of bias.

For Tab 1 of the RFPs, Petitioner received a score of 2.25 points out of a maximum of 3.00 points from Joseph. Joseph noted in his score sheets for RFP D17-001 that

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[2] Petitioner also presented an unsworn statement from another bus driver, Vicki Perreira, who wrote, among other things, that Joseph told her that he scored Petitioner the way he did because "Roberts got sloppy and cheap." The Hearings Officer finds this evidence to be largely irrelevant and, given the fact that Perreira, who was an employee of Petitioner, did not testify and her statement was unsworn, assigns little weight to her statement.

a "list of the 4 clusters that is being proposed for was not provided", and for RFP D17-002, that Petitioner "had failed to provide a list of the three clusters they are bidding for. Petitioner's offers, however, stated that, Petitioner "shall pursue Proposal Option A (Multiple clusters, unlimited award) for all four (4) Clusters" in RFP D17-001 and that Petitioner "shall pursue Proposal Option A (Multiple clusters, unlimited award) for all three (3) Clusters" in RFP D17-002. In contrast, Intervenor stated in its response, "We are submitting for Proposal Option A for all Maui service clusters: Cluster 1-Makawao (Haiku, Makawao, Pukalani, Kula, Paia); Cluster 2-Baldwin (Wailuku); Cluster 3-Lahaina; and Cluster 4-Maui (Kahului and Kihei)." Joseph awarded Intervenor a score of 2.25 but apparently deducted .75 points only because Intervenor had "exceeded page limit". While Joseph's deduction of points from Petitioner's response to Tab 1 for failing to provide a list of the clusters that was being proposed for was extremely technical in nature, it was nevertheless consistent with the Evaluation Description provided for Tab 1 which required Offerors to "[i]nclude a definitive statement as to the Proposal Option being submitted and a list of the clusters on which you are proposing".

Tab 4 of the RFPs was entitled, References and Testimonials and required Offerors to provide not less than 1 and no more than 3 letters of reference. Petitioner alleges that Intervenor exceeded the maximum 3 references by including 12 quoted testimonials. In fact, Intervenor listed 3 references and 12 customer testimonials. Given the title of Tab 4, the inclusion of the testimonials along with the required references was not unreasonable.

Tab 5 of the RFPs concerned the Proponent's Service Approach. Joseph, Kauhi and Ellerman each awarded Petitioner 6.75 points out of the maximum of 9.00 points in both RFPs. Joseph testified that his deduction of points for Petitioner's response was based on the fact that Petitioner's offer did not identify who was responsible for ensuring that drivers were conducting the required pre-trip inspections for safety and cleaning and did not provide the steps that Petitioner would take to check route schedule compliance.

In his scoring sheet for Petitioner in RFP D17-001, Kauhi commented:

> Response to "Reliability" bullet is insufficient. It fails to include details on policies relating to internal communication protocols for emergencies such as driver no shows and particularly for park-aways.

And in his scoring sheet for Intervenor, Kauhi similarly commented on Intervenor's response to Tab 5:

> The response to the question of "Reliability" is insufficient. No information is provided on internal communication protocols for emergencies, such as driver no shows particularly for park-aways. Described procedures is insufficient.

Evaluation Committee member Ellerman entered the following comment in his scoring of Petitioner's response to Tab 5 in RFP D17-001:

> Needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOE, esp. in SpEd area

Tab 6 of the RFPs addressed the Offerors' Commitment to Safety. Joseph and Kauhi awarded Petitioner 11.25 point of the maximum 15.00 points in both RFPs. In his scoring sheet for Petitioner in RFP D17-001, Joseph noted, "All responses to bulleted items are generic and does not reflect actual Maui team members' performance." In his testimony, Joseph explained that he was looking for actual safety performance and that Petitioner's response lacked specifics.

In his scoring sheet for Petitioner in RFP D17-001, Kauhi commented in Tab 6:

> Response to how has safety metrics changed is insufficient. The presentation's response to the question of how is safety measured indicated two metrics: Accident/1,000 driving hours, and student injuries/1000 driving hours. Response to how these two metrics changed speaks to partnering with third party experts and enhancing communications instead of pointing to specific metrics that enables the overall effectiveness of the safety program.

A careful review of the foregoing, the testimonies of the members of the Evaluation Committee, and an assessment of their credibility, leads the Hearings Officer to conclude that these scores were reasonably justified and not the result of actual bias[3]. Bias will not be attributed to the members of the Evaluation Committee based on inference, speculation, or supposition but rather, must be demonstrated to exist by substantive hard facts or evidence.

On the other hand, for Tabs 2, 3 and 7 in RFP D17-001, Joseph apparently deducted points from Petitioner's Technical Proposal based primarily on knowledge he acquired from his work with Petitioner on the current contracts on Maui. As discussed above, the application of that knowledge to the scoring of Petitioner's Technical Proposal, exceeded the criteria provided in the RFPs and should not have been used as a basis for scoring the proposal. Joseph's application of this knowledge despite having been instructed to keep an open mind and to base his scoring only on the criteria provided in the RFPs rather than on outside information on the Offerors, resulted in preconceived beliefs by Joseph as to the subject matters covered by these tabs. These preconceived beliefs are tantamount to bias in the scoring of these 3 tabs.

3. Documentation Regarding the Evaluation Committee.

Petitioner contends that, contrary to HAR §3-122-45.01, certain required documents were not contained in the contract file prior to the issuance of the RFPs, and that Ellerman did not sign the requisite affidavit. That rule provides:

> §3-122-45.01 Evaluation committee. Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. A copy of the document identifying any committee members and any subsequent changes thereto shall be placed in the contract file.
>
> (1) The evaluation committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services, or construction to be procured;

[3] Joseph and Kauhi also served on the evaluation committee in connection with an RFP for similar services on the Big Island. In that solicitation, Petitioner was the top scoring offeror and had no issue with Joseph's or Kauhi's participation on the committee.

(2) Private consultants may also serve on the committee and shall:

(A) Have sufficient knowledge to serve on the committee;
(B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
(C) Sign an affidavit:

(i) Attesting to having no personal, business, or any other relationship that will influence their decision in the evaluation process;
(ii) Agreeing not to disclose any information on the evaluation process to other than an employee of a governmental body; and
(iii) Agreeing that their names will become public information upon award of the contract;

(3) The contract administrator shall serve as a member of the committee;
(4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

Petitioner argues that the rule required that the Declarations signed by the members of the Evaluation Committee and the Memoranda for Record evidencing Respondent's approval of the appointments of the members of the Evaluation Committee, must be placed in the contract file prior to the preparation of the RFPs. Respondent, on the other hand, asserts that the rule only requires that a determination be made by the chief procurement officer that the chief procurement officer or an evaluation committee will evaluate the proposals prior to the preparation of the request for proposals[4]. Even assuming that the rule also required "a copy of the document identifying any committee members" to be placed in the contract file *prior to the preparation of the RFPs*, there was no evidence proving that the Memoranda of Record was *not* placed in the file prior to the preparation of the RFPs. The rule simply requires that a "copy of the document identifying any committee

[4] Respondent points out that the RFPs themselves state that the technical proposals will be evaluated by a committee.

members" be placed in the file. There is no additional requirement that *all* such documents be included in the contract file.

Petitioner further contends that Ellerman, as a private consultant, was required by HAR §3-122-45.01(2) to sign an affidavit agreeing that his name will become public information upon award of the contract, but failed to do so. Petitioner also complains that Ellerman received compensation while serving as a member of the Evaluation Committee but no written justification for his compensation was prepared by the head of the procuring agency as required by the rule.

At the outset, the Hearings Officer considers a declaration as a substantial equivalent of an affidavit for purposes of HAR §3-122-45.01. *See generally, Greenpath Technologies, Inc. v. Dept. of Finance, County of Maui, et al., PDH-2014-002 (March 20, 2014)(holding that declarations are the substantial equivalent of affidavits for administrative hearings as they are in Circuit Court litigation).* Petitioner has not pointed to, and the Hearings Officer, can find no authority, identifying any meaningful distinction between an affidavit and a declaration justifying a different conclusion here. Contrary to the rule, however, Ellerman's Declaration did not include an agreement that his name will become public information upon the award of the contracts, and that he had no personal, business, or any other relationship that will influence his decision in the evaluation process. With respect to the latter requirement, Ellerman's Declaration certified, among other things, that "I have no conflict of interest . . . or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation." The Hearings Officer finds that Ellerman's representation substantially complied with this requirement. Furthermore, construing HAR §3-122-45.01(2)(C) as a whole, the Hearings Officer determines that the requirement that Ellerman agree in his Declaration that his name will become public information upon the award of the contracts is directory rather than mandatory. While the word "shall" is generally regarded as mandatory, in certain situations, it may be given a directory meaning. In analogous situations, courts look to the essence of the particular requirement and, where no substantial rights depend on strict compliance, have

considered the requirement to be directory in nature. *Big Island Recycling & Rubbish v. County of Hawaii, PCH 99-12 (December 17, 1999); Jas. W. Glover, Ltd. v. Board of Water Supply, PCH-2001-002 (August 7, 2001).* Here, there is nothing in the record or the rule to show that a substantial right of the Offerors depended on a declaration by Ellerman that he agreed to the public disclosure of his name following the award of the contract. *See e.g., Big Island Recycling & Rubbish, supra (the requirement in HAR § 3-126-3(c) which states that protests shall include supporting exhibits, evidence, or documents appears to be one which was promulgated with a view to the proper and orderly conduct of business concerning convenience rather than substance and therefore can be regarded as directory).*

Finally, a plain reading of HAR §3-122-45.01 leads the Hearings Officer to conclude that the rule requiring a written determination that compensation for a consultant is justified, is only applicable where the consultant is specifically compensated by the procuring agency for his service on an evaluation committee. The Hearings Officer can find no reason why a private consultant should be forced to forego the compensation he normally receives from his employer, particularly when the rule does not preclude government employees from continuing to receive their normal compensation while they serve on such committees.[5] Petitioner's interpretation of HAR §3-122-45.01(2)(B) would lead to an absurd result and diminish the State's ability to recruit well-qualified consultants to serve on technical evaluation committees.

Petitioner has also suggested that Evaluation Committee member Foster was unqualified to serve as a member of the committee. HAR §3-122-45.01 merely requires that government employee-members have "sufficient qualifications in the area of the goods, services, or construction to be procured". The evidence did establish that Foster had been the transportation officer on Kauai for several years and, in that capacity, was responsible for the overall school bus operations on that island. Moreover, as discussed above, the selection of an evaluation committee member is a matter falling primarily within the discretion of the procuring agency and will not be questioned absent evidence of actual bias or other

[5] Of course, the consultant would still be required to disclose any potential conflict of interest.

improprieties[6]. Based on all of these considerations, the Hearings Officer concludes that Petitioner has not proven any violation of HAR §3-122-45.01.

4. Fair and Equal Standard.

In its protests, Petitioner included a claim that during the November 16, 2016 interviews, Intervenor allegedly made substantial oral clarifications that were never reduced to writing or were the subject of an addendum to the RFPs as required by HAR §3-122-53(d). Therefore, according to this theory, Petitioner was not accorded fair and equal treatment as required by the rule. This claim is apparently based on Petitioner's assertion that Ellerman noted in his scoring that Intervenor's offer gave no indication of how staffing and driver/aides would be recruited, and when the issue was raised during the interview, Kauhi commented that Intervenor made representations to him that convinced Respondent that Intervenor would be able to set up its operations on Maui despite the fact that Intervenor had no infrastructure or experience there. Yet, according to Petitioner, there is nothing in the RFP documents that supports Intervenor's "nebulous" claims. These allegations, even if accurate, are speculative and insufficient to prove any violation of HAR §3-122-53(d). There was little direct evidence to establish what representations were actually made by Intervenor during its interview with Respondent that may have amounted to a "substantial" clarification, or the context in which they were made that may have prevented Petitioner from receiving fair and equal treatment. The Hearings Officer finds this claim to be based on speculation and is without merit.

5. Substantial Interest Determination.

On March 15, 2017, the Hearings Officer granted Respondent's motion for summary judgment as to Petitioner's challenge of Respondent's January 11, 2017 substantial interest determination, and subsequently denied Petitioner's motion for reconsideration of that ruling on March 20, 2017.

HRS §103D-701(a) authorizes an offeror who is aggrieved in connection with a solicitation or award of a contract to file a protest "within five working days after the aggrieved person knows or should have known of the facts giving rise" to the protest. Under

[6] Contrary to Petitioner's contention, there is no specific requirement that the members of an evaluation committee have prior experience in procurements or in serving on an evaluation committee.

HRS §103D-701(b), once a protest is filed and prior to the commencement of an administrative proceeding, the chief procurement officer has an opportunity to settle and resolve the protest. Otherwise, the chief procurement officer "shall promptly issue a decision in writing to uphold or deny the protest." HRS §103D-701(c). Thereafter, upon the filing of a timely appeal to the Office of Administrative Hearings by an aggrieved offeror, HRS §103D-709 authorizes the Hearings Officer to review the agency's determinations of the matters raised in the protest and to issue a decision within 45 days. This process underscores the importance the Legislature placed on the expeditious processing of protests through an efficient and effective procurement system so as to minimize the disruption to procurements and contract performance. *GTE Hawaiian Telephone Co., Inc. v. County of Maui, PCH 98-6 (December 9, 1998).*

In this case, it was undisputed that Petitioner learned of the substantial interest determination by January 20, 2017. Pursuant to HRS §103D-701(a), Petitioner had 5 working days to protest that determination. It did not do so. And although Petitioner wrote to Petitioner on January 23, 2017 and, again on February 6, 2017, to dispute the substantial interest determination, the letters were clearly not intended as "Protests" under HRS §103D-701. Rather, the January 23, 2017 letter merely pointed out that "moving forward with this procurement will create substantial liability for the State of Hawaii", that the bus orders "will involve placements of deposits, shipping expenses, and other significant expenses for which these entities must be compensated if the particular contract is terminated", and that Petitioner will "seek damages if Respondent proceeds with the awards despite the protests." Nor was the February 6, 2017 letter intended as a protest. Instead, it was a follow-up to a prior letter:

> This letter is a follow up on our letter dated January 27, 2017 regarding interference with Robert's Maui operations by Mr. Robert Joseph, and also to address the inexcusable delay by the DOE in responding to Robert's Protests, while simultaneously pushing forward on unlawfully awarded contracts.

> Robert's requires immediate action by the Department of Education ("DOE"), or it will be forced to initiate further legal proceedings as outlined below.
>
> * * * *
>
> At this point in time, Robert's has submitted its Protests and has had no response from the DOE for over a month.
>
> * * * *
>
> "The overall framework of the Hawai'i Public Procurement Code indicates that the Legislature intended to create an expeditious process for resolving disputes over the awarding of contracts. See CARL Corp. v. State, 85 Hawai'i 431, 453, 946 P.2d 1, 24 (1997)(emphasis added)("the [Procurement] Code both shortens deadlines for filing protests and applications for review and expedites the administrative hearings process"). By delaying any response to Robert's Protests while moving simultaneously forward with the unlawfully awarded contracts, DOE is working in direct contravention to the legislative intent of the Procurement Code. It does not seem consistent with this intent that Robert's should be forced to submit its Protests within five working days of its debriefings, so that the DOE can delay any response for nearly two months.
>
> * * * *

Indeed, in opposing Respondent's motion for summary judgment, Petitioner stopped short of claiming that the January 23, 2017 or the February 6, 2017[7] letters were intended as protests.

By failing to timely protest the substantial interest determination, Petitioner effectively denied Respondent the opportunity to expeditiously address and, possibly "settle and resolve", any alleged defects in that determination earlier on in the process so that any delays in the solicitations could be minimized or avoided altogether. The failure to protest essentially allowed the very situation Petitioner warned Respondent of in its January 23, 2017 letter: "placements of deposits [for bus orders], shipping expenses, and other significant expenses for which these entities must be compensated if the particular contract is

[7] Of course, if the February 6, 2017 letter was deemed to be a protest of the substantial interest determination, it would have been untimely under HRS §103D-701(a).

terminated". Having failed to protest the issue, Petitioner is not entitled to pursue this claim in this proceeding.[8] *See, Cushnie Construction v. Dept. of Finance, County of Kauai, PCH-2008-18 (December 11, 2008)(because Petitioner's letter to Respondent was a request for clarification and not a protest, HRS §103D-701 does not apply and the Hearings Officer lacks jurisdiction under HRS §103D-709). See also, Maui Master Builders, Inc. v. Dept. of Public Works, County of Maui, et al., PDH-2014-014 (December 9, 2014), citing Greenpath Technologies, Inc. v. Dept. of Finance, County of Maui, et al., PDH-2014-002 (March 20, 2014)(because issue of the protestor's lack of standing due to alleged defects in the protestor's own proposal was not raised in a timely protest and therefore not the subject of a determination by the chief procurement officer, the Hearings Officer does not have jurisdiction to address the issue).*

6. Post-Award Remedies.

Having concluded that that the rescoring of the Technical Proposals violated HRS §103D-303 and that one evaluator's scoring of Tabs 2, 3, and 7 of Petitioner's Technical Proposal was the subject of bias, the Hearings Officer must now determine an appropriate remedy. The parties acknowledge that because the contracts have been awarded in both solicitations, HRS §103D-707 controls. That provision provides in relevant part:

> **§103D-707 Remedies after an award.** If after an award it is determined that a solicitation or award of a contract is in violation of law, then:
> (1) If the person awarded the contract has not acted fraudulently or in bad faith[9]:
> (A) The contract may be ratified and affirmed, or modified; provided it is determined that doing so is in the best interests of the State; or
> (B) The contract may be terminated and the person awarded the contract shall be compensated for the actual expenses, other than attorney's fees, reasonably incurred under the contract, plus a reasonable profit, with such expenses and profit calculated not for the entire term of the contract but only to the point of termination;

[8] Petitioner also seems to suggest that it was not required to file a separate protest in connection with Respondent's substantial interest determination and, instead, was allowed to immediately seek administrative review of that determination directly with the Office of Administrative Hearings. Even if true, Petitioner would have been required to request an administrative review within 7 calendar days under HRS §103D-712(a). Petitioner's appeals, however, were not filed until March 3, 2017.

[9] There has been no allegation made, or evidence presented, of any bad faith by Intervenor, Akita or Yamaguchi.

Furthermore, the rule implementing the foregoing provision provides:

§3-126-38 Remedies after an award. (a) When there is no fraud or bad faith by a contractor:
(1) Upon finding after award that a state or county employee has made an unauthorized award of a contract or that a solicitation or contract award is otherwise in violation of law where there is no finding of fraud or bad faith, the chief procurement officer or designee may ratify and affirm, modify, or terminate the contract in accordance with this section after consultation with the respective attorney general or corporation counsel, as applicable.
(2) If the violation can be waived without prejudice to the State or other bidders or offerors, the preferred action is to ratify and affirm the contract.
(3) If the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated. If there is no time for resoliciting bids or offers, the contract may be amended appropriately, ratified, and affirmed.
(4) If the violation cannot be waived without prejudice to the State or other bidders or offerors and if performance has begun, the chief procurement officer or designee shall determine in writing whether it is in the best interest of the State to terminate or to amend, ratify, and affirm the contract. Termination is the preferred remedy. The following factors are among those pertinent in determining the State's best interest:
(A) The costs to the State in terminating and resoliciting;
(B) The possibility of returning goods delivered under the contract and thus decreasing the costs of termination;
(C) The progress made toward performing the whole contract; and
(D) The possibility of obtaining a more advantageous contract by resoliciting.
(5) Contracts based on awards or solicitations that were in violation of law shall be terminated at no cost to the State, if possible, unless the determination required under paragraphs (2) through (4) is made.

* * * *

Petitioner argues that the violations require termination of the contracts "to give meaning to the underlying principles of the Procurement Code". In support of its position, Petitioner cites to *Carl Corp. v. DOE, 85 Hawaii 431 (1997)* for the proposition that the integrity of the Procurement Code cannot be ignored - an economical and efficient system of procurement directly benefits taxpayers and it is in the public interest that the state abide by the procurement rules it has set for itself. *Id. at 455-56.* Petitioner also points out that performance has not yet begun and the current bus contracts on both Maui and Kauai can be extended for up to 180 days. *See also, Access Service Corp. v. City and County, PCX-2009-3 (11/16/2009).*

On the other hand, Respondent urges the Hearings Officer to ratify the contracts already awarded in both RFPs as such action will be in the State's best interest given the additional cost and time Respondent would incur in resoliciting and the time required for the acquisition of buses. Respondent also points out that the Offerors' pricing information has already been made public and would therefore unfairly provide Petitioner with an opportunity to submit a new offer based on its competitors' pricing.

Additionally, Respondent contends that Petitioner did not suffer any prejudice because any error that may have occurred in the rescoring of the Technical Proposals had no effect on Petitioner's chances of obtaining any of the contracts. In support of this argument, Respondent cites *PGBA, LLC v. United States, 60 Fed. Cl. 196, 203 (2004)* where the court held that in order to prevail in a bid protest, a disappointed offeror must show both significant error in the procurement process and prejudice to its posture in the process - in effect, the plaintiff must show that there is a substantial chance that it would have received the award but for the faulty evaluation. And, in *Advanced Data Concepts, Incorporated v. United States, 216 F.3d 1054,* the court concluded that in order to prevail on appeal, a protestor must show not only that significant errors occurred in the procurement process, but also that the errors were prejudicial – in other words, that had the procuring agency made no errors, there was a reasonable likelihood that the protestor would have been awarded the contract. Respondent's argument finds support in HAR §3-126-38(a)(2) which provides that "[i]f a

violation can be waived without prejudice to the State or other bidders or offerors, the preferred action is to ratify and affirm the contract." The rule recognizes that not all violations of the Procurement Code should result in termination of the contract. Rather, in order to justify termination, the protestor must have suffered or will suffer some prejudice or have had a reasonable chance of receiving the contract had the agency made no errors. This conclusion is consistent with the intent underlying the Procurement Code to allow flexibility and the use of common sense by purchasing officials to implement the law in a manner that will be economical and efficient and will benefit the people of the State." *The Systemcenter, Inc. v. State Dept. of Transportation, PCH 98-9 (December 10, 1998).* It is also consistent with HRS §103D-701 which limits standing to bring a protest to any actual or prospective offeror who is *aggrieved* in connection with the solicitation or award of a contract. *See, Hawaii Newspaper Agency, et. a l., v. State Dept. of Accounting & General Services, et al. and Milici Valenti Ng Pack v. State Dept. of Accounting & General Services, et al, PCH 99-2 and PCH 99-3 (consolidated) (April 16, 1999)(because Milici no longer had any realistic expectation of submitting a proposal and being awarded the contract, it was not an "aggrieved" party when the contract was subsequently awarded to RFD. See also Construction Material Agents and Supply LLC, et al. v. State Dept. of Accounting & General Services, et al., PCH-2000-11 (September 17, 2001); Ohana Flooring v. Dep't of Transportation, PCH-2011-12 (Nov. 18, 2011).*

In this case, the undisputed evidence established that even if Petitioner had received the maximum number of points (60) on its Technical Proposals, the results would have been the same because Petitioner's pricing was too high. In RFP D17-001, Petitioner's Total Score would still have been lower than Intervenor's score for the Baldwin, Lahaina and Maui clusters[10]. For the Baldwin cluster, a perfect score would have given Petitioner a Total Score of 96.61. Intervenor's Total Score was higher at 97.06. For the Lahaina cluster, Petitioner would have had a Total Score of 96.46 which would still have been less than Intervenor's total of 97.06. And for the Maui cluster, Petitioner's Total Score would have been 95.72 as compared to Intervenor's score of 97.06. Similarly, in RFP D17-002, for the

[10] If Petitioner received the maximum Total Score of 60 for the Makawao cluster, it would have been the highest-ranked Offeror for that cluster. Petitioner was nevertheless awarded the contract for the Makawao cluster because Intervenor had been awarded the maximum 3 clusters under RFP D17-001. Therefore, Petitioner would have been and was awarded the Makawao contract notwithstanding the errors found in the technical evaluation.

Waimea cluster, a perfect technical score for Petitioner would have resulted in a Total Score of 87.25 which would have been less than Akita's Total Score of 94.82 and Yamaguchi's Total Score of 92.57. For the Kapaa cluster, Petitioner would have had a Total Score of 92.10 which would have been less than Akita's Total Score of 95.75. And for the Kauai cluster, a perfect technical score would have given Petitioner a Total Score of 92.27 which would have been less than Akita's Total Score of 95.75. The record is clear that Petitioner would not have been the highest-ranked Offeror for any additional clusters on Maui and Kauai regardless of the rescoring errors found in the technical evaluation[11].

To the extent that Petitioner alleges that Intervenor's, Akita's or Yamaguchi's technical evaluation rescores were improperly inflated as a result of biases by the Evaluation Committee, the Hearings Officer finds such a claim to purely speculative and unsupported by the credible and objective evidence. For instance, Petitioner complained that Joseph awarded the maximum 3.00 points to Intervenor for Tab 2 (Executive Summary) despite the fact that Intervenor had no presently existing baseyards on Maui. The Evaluation Description for Tab 2, however, only required the Offeror to address three specific questions under separate headings in 5 pages or less: "What makes your company, and your proposal, uniquely well suited to the State's requirements?"; "What specific elements of your proposal do you believe will exceed the State's service requirements?"; and, "What factors differentiate your company's approach to service delivery from that of your competitors?" Petitioner did not allege, let alone prove, that Intervenor's response did not fulfill the requirements of Tab 2.

Based on all of these considerations, the Hearings Officer concludes that, despite Respondent's violation[12] of HRS §103D-303 and Joseph's tainted scoring of Petitioner's responses to Tabs 2, 3, and 7 in RFP D17-001, Petitioner suffered no prejudice as it would not have been the highest-ranked Offeror for any additional clusters on Maui and Kauai[13] even without those errors. That, along with the additional cost and time Respondent

---

[11] Nor would Petitioner have become the second highest-ranked Offeror for the cluster awarded to Yamaguchi (Waimea) after Akita was awarded the maximum 2 clusters in RFP D17-002. A Total Score of 60 on Petitioner's Technical Proposal for the Waimea cluster would still have been less than the Total Scores of both Akita and Yamaguchi.

[12] These violations were based solely on errors in the rescoring of the Technical Proposals and did not affect the scoring of the Pricing Proposals.

[13] Additionally, Joseph's improper use of his prior knowledge of Petitioner's operations in Maui in his technical evaluation of Tabs 2, 3 and 7, was limited to RFP D17-001. And, even though Respondent failed to conduct interviews in conjunction with the rescoring of the Technical Proposals, Petitioner, as the third-ranked Offeror in RFP D17-002, would not been entitled to an interview.

would incur in resoliciting, the time required for the acquisition of buses, the commitments made by the contractors in preparing to perform the contracts[14], and the fact that the Offerors' pricing information has already been made public, leads the Hearings Officer to conclude that ratification of the contracts is preferable to termination and would be in the State's best interest.

V. DECISION

Based upon the foregoing findings and conclusions, the Hearings Officer orders as follows:

1. The contracts awarded in RFP D17-001 and RFP D17-002 are hereby ratified and affirmed pursuant to HRS §103D-707(1)(A);

2. Respondent's Appeals of Denials of Protests in these consolidated matters are hereby dismissed;

3. Each party shall bear its own attorneys' fees and costs; and

4. Petitioner's cash protest bonds posted in PDH-2017-001 and PDH-2017-002 shall be deposited into the general fund pursuant to HRS §103D-709(e).

Dated at Honolulu, Hawaii: APR 13 2017

CRAIG H. UYEHARA
Senior Hearings Officer
Department of Commerce
and Consumer Affairs

[14] These commitments were made after Respondent determined that the award of the contracts without delay was necessary to protect substantial interests of the State and Petitioner failed to file a timely challenge to that determination.

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

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OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH 2017-001 RESPONDENT KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION'S RESPONSE TO PETITIONER'S APPEAL OF DENIAL OF PROTEST OF AWARDS FOR REQUEST FOR PROPOSAL NO. RFP D17-001; CERTIFICATE OF SERVICE Hearing Date: March 15, 2017 Hearing Time: 9:00 a.m. Senior Hearings Officer: Craig H. Uyehara

RESPONDENT KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION'S RESPONSE TO PETITIONER'S APPEAL OF DENIAL OF PROTEST OF AWARDS FOR REQUEST FOR PROPOSAL NO. RFP D17-001

Respondent KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION ("DOE"), by and through her undersigned attorney, hereby submits her Response to Petitioner's Appeal of Denial of Protest of Awards for Request for Proposal No. D17-001 pursuant to the Office of Administrative Hearings' ("OAH") Notice of Hearing and Pre-Hearing Conference issued on March 3, 2017 and Hawaii Administrative Rules ("HAR") § 3-126-62.

I. BACKGROUND AND ISSUES RAISED BY PETITIONER

On March 3, 2017, Robert's Hawaii School Bus, Inc. ("RHSB" or "Petitioner") filed its Appeal of Denial of Protest of Awards for Request for Proposal No. D17-001 ("Appeal"). The Appeal was filed in response to the DOE's denial of RHSB's December 23, 2016 protest ("Protest") related to the Request for Proposal D17-001 ("RFP"). The Protest claimed flaws in the DOE's evaluation of the proposal submitted by RHSB in response to the DOE's RFP. In the Protest, RHSB requested that the RFP be resolicited. On February 24, 2017, the DOE issued its response ("Protest Response"), denying RHSB's protest. On March 3, 2017, RHSB filed the instant Appeal and raised the following issues:

A. RHSB Claims the DOE Did Not Abide By Its Own Stated Scoring Procedure

1. RHSB Claims the DOE Should Not Have Reviewed Technical Evaluations After the Evaluation Committee Members Had Seen the Price Proposals

2. RHSB Claims the DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than the Aides Rates

B. RHSB Claims the Rescoring Shows the Procedure was Arbitrary and Shows Bias

C. RHSB Claims the Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1

D. RHSB Claims Other Conduct by the DOE Showing Bias Resulting from Conflicts of Interest

E. RHSB Disputes the Determination of Substantial State Interests

F. RHSB Claims Evaluations Were Inconsistent with the Stated Scoring Method

G. RHSB Claims that the DOE Did Not Abide by the "Fair and Equal Standard"

H. RHSB Claims that Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed

In the Conclusion of their Appeal, RHSB requests that (1) the hearings officer reverse the DOE's final decision denying the Protest; (2) the DOE be ordered to rescind all awards made under the RFP; and (3) the DOE be ordered to implement a new RFP process with a new panel of unbiased scorers.

The DOE now responds to the issues raised by RHSB in its Appeal.

II. DOE's RESPONSE TO RHSB's CLAIMS

A. RHSB Claims the DOE Did Not Abide By Its Own Stated Scoring Procedure

1. RHSB Claims the DOE Should Not Have Reviewed Technical Evaluations After the Evaluation Committee Members Had Seen the Price Proposals

RHSB takes exception to the fact that the DOE rescored proposals after the evaluators were exposed to the pricing data during the initial evaluation. RHSB cites section C.2 of the RFP in support of their assertion that the isolation of the pricing information was integral to the scoring methodology. RHSB argues that failure to keep the evaluation committee isolated from

the pricing data in the subsequent re-scoring of proposals violated the terms of the RFP, thus nullifying the process. The relevant portion of section C.2 states:

> .....Cost will be a significant factor in the evaluation process. However, cost will be a factor only after the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources.
>
> ....C. Cost Evaluation – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the cost analyzed.....
>
> RFP D17-001 at p. 9.

The DOE acknowledges the pricing information was requested separately from the response; however it takes exception to RHSB's argument that the DOE was not permitted to accommodate the re-scoring process as it did. The DOE's position is supported on the basis of the following:

The Hawaii Public Procurement Code ("Procurement Code") does not require that the evaluation committee make a final evaluation of the technical proposals prior to viewing the price proposals (what we will refer to as "blind" evaluation of the technical proposals). The two primary rules relating to how RFPs are to be structured and how proposals are to be evaluated are Hawaii Administrative Rules ("HAR") § 3-122-46, Preparing a Request for Proposals, and HAR § 3-122-52, Evaluations of Proposals. They contain no provisions requiring that evaluators be isolated from price proposals when evaluating technical proposals. The only requirement is that the award be based on price and the evaluation factors set forth in the RFP (*see* Hawaii Revised Statutes ("HRS") § 103D-303(g); HAR § 3-122-57).

As RHSB points out in the Appeal, the DOE feels it is a good practice, but also explains that the RFP provisions relating to evaluating price proposals were included as an extra, but not required step (*see* statements attributed to Chris Butt on p. 9 and 11 of the Appeal). In fact, the DOE followed this process until the discovery of minor errors in the evaluation process

necessitated a re-evaluation after the prices had become known to the members of the evaluation committee. This was not anticipated and no express provision of the RFP covered this circumstance, but it was not prohibited by the Procurement Code or by the RFP.

In a decision reversing an agency's inflexible adherence to procedural minutia, leading to the rejection of a low bid, a Hearings Officer concluded that the Procurement Code allowed for reasonable flexibility and quoted a Senate Committee Report on the bill creating the Procurement Code:

> This bill lays the foundation and sets the standards for the way government purchases will be made, but allows for flexibility and the use of common sense by purchasing officials to implement the law in a manner that will be economical and efficient and will benefit the people of the State.
>
> *S. Comm. Rep. SS-93, Spec. Sess., Senate Journal* at page 39 (1993) as quoted in: *The Systemcenter, Inc. v. State Dept. of Transportation,* p. 8, PCH 98-9 (December 10, 1998).

Another Office of Administrative Hearings decision, *Fletcher Pacific Construction Co., Ltd., v. State Dept. of Transportation*, PCH 98-2 (May 19, 1998), addresses an issue that arose during a flawed evaluation process for a construction solicitation. The central issue was whether or not the pre-award or post-award remedies should apply. After considering the options, the Hearings Officer adopted the remedy of ordering the re-evaluation of the solicitation rather than cancelling the solicitation and starting over again. By doing so, the Hearings Officer avoided the more serious problem of requiring bidders to submit bids for a new solicitation **after** the original bid prices had been disclosed:

> In view of the findings and conclusions resulting from this hearing, it would appear that a fair, equitable, and expeditious resolution would be to remand the matter to the Respondent with instructions to: 1) withdraw its January 12, 1998 notification letter to Murphy stating that it was awarded the contract; 2) make a specific determination as to whether Murphy met the DBE good faith efforts goal [Disadvantaged Business Enterprise, a procurement preference], and if so; 3) make a specific determination as to whether allowing Murphy to add a licensed subcontractor to meet the soil treatment requirements after bid opening would be

in the best interests of the State. **In other words, to fully and correctly perform (and document) the bid evaluation process as it should have been done, but without rebidding the project.** The Respondent could then proceed with an award - to either Murphy or such other responsive low bidder as might properly be selected from the remaining four bids.

*****

Furthermore, the advantages such a remedy would include: minimizing the impact of the Respondent's errors on Murphy, on Fletcher, and on the other bidders; eliminating the substantial costs inevitably associated with the issuance of a new invitation for bids; protecting current bidders from the potential misuse of their now disclosed bid costs by other competitors; reducing further loss of time on initiating the underlying project; and, enhancing public confidence in the procurement code by its application in a manner consistent with the elements of common sense and legislative intent.

Fletcher Pacific, at p. 22 (emphasis added).

In *Fletcher Pacific*, the Hearings Officer, when confronted with a flawed evaluation process, determined that the best way forward was to have the state agency re-perform the evaluation process and adjust the award accordingly. This was much preferred over the alternative of re-bidding the whole project, which would result in greater harm to the field of bidders – especially the potential misuse of the now disclosed bid costs. Obviously, there are many differences in the facts and context that generated the *Fletcher Pacific* decision, but it clearly shows that re-evaluation is not only allowed, but preferable in circumstances where the alternative is to re-bid once pricing has been disclosed. This is precisely the situation that the DOE was confronted with after the first debriefing and the resulting determination that the original evaluation of the technical proposals had some minor errors. And, like the Hearings Officer in *Fletcher Pacific*, the DOE made a carefully weighed judgment call and opted to re-evaluate. The minor impact of having to forgo "blind" evaluation of the technical proposals was outweighed by the benefits of avoiding the much more harmful impact of potential misuse of disclosed pricing information that would result from a re-bidding.

RHSB stated that their "proposal strategy" relied on "blind" evaluation of the technical proposals as described in the RFP (*see* p. 6 of Appeal). However, the only reason for the DOE to take the "extra step" of structuring the RFP for "blind" evaluation was to add the extra measure of isolation from any possible influence that a proposer's pricing might have when evaluating the technical proposals – a belt and suspenders approach. RHSB did not state how their "proposal strategy" would be influenced or in any way be different if the RFP did not provide for "blind" evaluations. The DOE can find no basis that would cause a proposer to alter their "proposal strategy" by the inclusion or non-inclusion of a structural element to isolate evaluators from any potential bias – or how an additional safeguard against bias changed the way a technical proposal or pricing proposal was written.

Another factor that bears on the issue of "blind" evaluation of the technical proposals is that the evaluators were in fact exposed to the pricing information before scores were finalized. The RFP states in Section C.2(D and E):

> *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score.** The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. **The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.**
>
> RFP at p. 10 (emphasis added).

So by the express process detailed in the solicitation, the evaluators were privy to the pricing information while still evaluating responses and before scores on the technical proposals were finalized. Therefore, RHSB's argument that the evaluators were barred from seeing the pricing data, as set forth under the terms of the solicitation, holds no validity. RHSB was a participant in the interview for the Maui award, and did not object to the evaluators revising their scores after having been exposed to the pricing information to determine the preferred vendors. The pricing scores were revised as part of the re-scoring based on a concern raised by RHSB, and so the evaluation committee awarded their points before they knew the revised pricing scores.

RHSB raised a concern in their first debriefing that the DOE did not follow the information in Addendum 3 by considering the bus aide rate in the price evaluation. The DOE, as part of its efforts to ensure fairness to all vendors, subsequently re-calculated the points to be awarded to each vendor through the cost proposals. This recalculation did not change any overall results regarding contract awards. Consequently, the previous price scores the committee was exposed to were no longer valid. The re-scoring process for the cost portion of the proposals was performed without providing these results to the committee while they were re-scoring the technical portion of the proposals. Ergo, despite there being no prohibition to the committee knowing the results of the cost portion scoring, re-scoring was performed without committee knowledge of the changes to the cost scores.

2. RHSB Claims the DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than the Aides Rates

RHSB claims that the DOE erred by not using just the bus aide rate to calculate the four points available for supplemental services. In response to questions received after the RFP was issued, the DOE issued Addendum 3 to clarify how cost proposals would be evaluated and

revised Attachment B, the Pricing Form by adding a place for contractors to include a separate "Hourly Rate for Bus Aide." *See* Addendum 3, p. 4, 6, 8, and 10.

Section D.3 of the RFP explained how the supplemental services were to be scored by stating:

> A total of 36 points will be applied to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in **Attachment B.**
>
> RFP at p. 15.

Furthermore, Addendum 3 explained the requirement for bus aides and how the added element of "Hourly Rate for Bus Aide" was to be scored:

> 1. Are we required to provide aides for each special education vehicle?
>
> A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.
>
> ****
>
> 6. What will the cost per hour for bus aide be used for?
>
> **A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.**
>
> RFP, Addendum 3 (emphasis added).

As Section D.3 of the RFP was not deleted or replaced, its provisions still governed the scoring of the four available points for supplemental services. Addendum 3 is clear that the bus aide rate was to be used in conjunction with the supplemental services rate to derive a price for evaluation of the four point component – nowhere in the Addendum does it state that the bus aide rate is to replace the supplemental services rate. RHSB's position that the bus aide rate alone was to be used is not consistent with the express language of the RFP. Furthermore, whether the bus aide rate was used alone or in conjunction with the supplemental service rate,

the overall results of the award would not change. RHSB claims that "Robert's strategized its bid rates based on what the Addendum stated." (*See* Appeal at p.13.) With this claim, RHSB indicates that its bid was based on using only the bus aide rate and leaving out the supplemental services rate. However, this is inconsistent with the fact that when calculated using RHSB's method, RHSB's score goes down. As the scoring shows, the DOE did not harm RHSB by using the bus aide rate in conjunction with the supplemental services rate as called for in Addendum 3.

B. RHSB Claims the Rescoring Shows the Procedure was Arbitrary and Shows Bias

RHSB argues that since the scores changed from the first evaluation to the second, without any input or changes from RHSB, the process was either flawed or arbitrary. However, this position fails to consider the DOE's determination to re-score the proposals in the first place: RHSB took exception to the discrepancy between the evaluator's notes and the final scores. Upon review, the DOE discovered the evaluators did not go back and adjust their notes resulting from adjustments arising from the interviews and simply reflected their changes in the scoring tally sheet. Rather than proceeding with a discrepancy between the evaluators' notes and the total sheet, the DOE, in an abundance of caution and giving RHSB the benefit of the doubt, chose to have the evaluators re-score the responses. This was after the benefit of the interviews, and so RHSB's assertion that no changes or new information was available to the evaluators is not accurate. Given the benefit of the interview, it is foreseeable that scores could change.

Additionally, evaluation of technical proposals by committee members is, by definition, to some extent subjective and the only thing that would be truly "astounding," to use the characterization in the Appeal, would be that all evaluators gave precisely the same score as each other, or that the scores were identical from the first to second evaluation. If this were not the case, the Procurement Code would not require a minimum of three members so that averaging

will minimize the subjective element inherent in the process (*see* HAR § 3-122-45.01). Despite the characterization of "astounding" attributed to the difference of one committee member's first and second score, when the scoring is viewed as a whole, the variations are remarkably consistent and certainly within the bounds of normal variation – it is also relevant that the second re-scoring did not change the overall results with respect to contract awards.

C. RHSB Claims the Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1

RHSB takes exception to the fact that two of the evaluators are related by marriage. Specifically, Robert Joseph is married to the Student Transportation Services Branch ("STSB") manager, James Kauhi's sister. This relationship, coupled with a perceived correlation in scoring, is the proof offered by RHSB as evidence of a conflict of interest and collusion. However, HRS § 84-14 as it pertains to governmental employees states in relevant part:

> Conflicts of interests. (a) No employee shall take any official action directly affecting:
>
> (1) A business or other undertaking in which the employee has a substantial financial interest; . . .
>
> HRS § 84-14.

In making its allegation, RHSB does not claim that the Procurement Code or other state law precludes either Mr. Kauhi or Mr. Joseph from serving on the evaluation committee. RHSB claims that the very existence of the relationship raises "serious issues of partiality and conflict." (*See* Appeal at p. 19.)

RHSB fails to offer anything linking Mr. Kauhi or Mr. Joseph to any financial interest with any of the bus contractors submitting proposals to this solicitation – the familial relationship is only to each other. All members of the evaluation committee signed declarations that they have no conflicts of interest. RHSB's argument does not distinguish the fact that both Mr. Kauhi

and Mr. Joseph are employed by the DOE, and work for STSB. Determining the winning vendor pursuant to the terms of legally solicited procurement, subject to a fair degree of cooperation and interaction, is both natural, routine, and in and of itself does not provide any basis for the unsupported allegation of collusion RHSB seeks to level. As such, the relationship between Mr. Kauhi and Mr. Joseph is irrelevant.

RHSB also cites the changes by Mr. Kauhi and Mr. Joseph in their re-score as evidence of improper conduct, claiming that there was collusion. This accusation of misconduct is baseless. As noted above, the two gentlemen are colleagues. There is no prohibition from evaluators discussing a proposal during evaluation. The Hearings Officer in *Kiewit Infrastructure West Co. v. Department of Transportation, State of Hawaii*, PCX-2011-001 (June 6, 2011) found that consensus scoring of proposals was acceptable and in light of that ruling, it is illogical to assert that evaluators are barred from discussing an ongoing evaluation. It is the DOE's position that the change in scores from Mr. Kauhi and Mr. Joseph is not dispositive of any improper conduct in the absence of any other evidence. Of further note is the fact that Mr. Joseph's and Mr. Kauhi's scores for Ground Transport, Inc. ("GTI") diverged in the re-scoring process and Mr. Kauhi's nominal and percentage score change was notably greater than the change to RHSB. It should be noted Mr. Joseph served on the evaluation committee for RFP D14-012 for similar services on the Island of Hawaii. In that solicitation, RHSB was the top scoring response, and RHSB had no issue with Mr. Joseph or Mr. Kauhi at that time. It appears RHSB objects to the outcome as opposed to the composition of the committee.

RHSB objects to the qualification of Ms. Pualani Foster as she has no experience with the island of Maui and only 2 years of experience as a TO (*see* Appeal at pp. 19-20). The duties of a TO involve monitoring and overseeing the delivery of transportation services in the various

districts the DOE services; exactly the services this solicitation seeks to purchase. The DOE finds that the fact that Ms. Foster qualified for her position as a TO under the civil service laws is sufficient to determine she is qualified to serve on the committee. Her inclusion was subject to review and approval by the Chief Procurement Officer's delegee.

D. RHSB Claims Other Conduct by the DOE Showing Bias Resulting from Conflict of Interest

RHSB alleges improper communications with RHSB employees by some DOE employees. (*See* Appeal at pp. 22 - 24.) The RHSB allegations indicate that all of these communications took place after the December 23, 2016 Protest. The DOE maintains that because they allegedly occurred after the Protest that they are not properly before this tribunal. The Procurement Code limits jurisdiction of the hearings officers in HRS § 103D-709 as follows:

> (a) The several hearings officers appointed by the director of the department of commerce and consumer affairs pursuant to section 26-9(f) shall have jurisdiction to review and determine de novo, any request from any bidder, offeror, contractor, or person aggrieved under section 103D-106, or governmental body aggrieved by a determination of the chief procurement officer, head of a purchasing agency, or a designee of either officer under section 103D-310, 103D-701, or 103D-702.
>
> HRS § 103D-709.

Therefore, the Hearings Officer only has jurisdiction over matters where RHSB has been aggrieved by a determination of the chief procurement officer (or designee) under HRS § 103D-701. Since these alleged incidents occurred after the DOE issued its determination, they are not properly before the Hearings Officer. Additionally, the DOE is still investigating these allegations and cannot respond to them at this time.

E. RHSB Disputes the Determination of Substantial State Interests ("DSSI")

In the Appeal, RHSB states that they "became aware of the DOE's Determination of Substantial State Interests" only after receiving an e-mail from DOE's counsel on January 20,

2017. (*See* Appeal at p. 24.) RHSB also states that they disputed the DSSI in a letter dated February 6, 2017. (*See* Appeal at p. 4.)

If RHSB wanted to protest the DSSI, it should have submitted a protest under HRS § 103D-701(a), which requires that the protest "shall be submitted in writing within five working days after the aggrieved person knows or should have known of the facts giving rise thereto . . ." HRS § 103D-701(a). Even if RHSB's February 6, 2017 letter was deemed a sufficient protest (which the DOE does not concede), it was untimely.

Alternatively, if the matter of the DSSI is deemed properly before the Hearings Officer (which the DOE does not concede), the DOE responds to RHSB's claims as follows:

The merits of a protest are not to be considered when determining the validity of a DSSI, and the burden of proof lies with the Petitioner:

> To the extent that the substantial interest determination was based on an assessment of the merits of CARL's protest, we hold that it was improper and did not satisfy HRS § 103D–701(f). To the extent that Unebasami relied on the interests cited in Kane's February 6 memo, we hold that CARL met its burden of proving by a preponderance of the evidence that continued performance on the contract pending resolution of its protest was not necessary to protect substantial State interests.
>
> *CARL Corp. v. State, Dept. of Educ.*, 85 Hawaii 431, 454, 946 P.2d 1, 24 (1997).

RHSB asserts that "[t]he Procurement Code is already designed to accommodate expedited review and that review would have been completed in a timely manner if the DOE had not delayed addressing the Protest by over a month." (Appeal at p. 25.) However, when a Hearings Officer addressed the issue of whether the expedited review mandated by the Procurement Code was sufficient, in and of itself, to negate any need for a DSSI, he responded as follows:

> The DOE's written determination sets forth the prejudice to the DOE if there is any further delay in the procurement process because of the time table necessary for putting any new contract in place before the beginning of the next school year.

> Robert's has not challenged the substance of that written determination. It would be a strained, and unacceptable, interpretation of HRS § 103D-709(g) if the State's hands were completely tied for 45 days -- over six (6) weeks -- even when a justifiable state of emergency exists with respect to the procurement in question. The Hearings Officer does not believe that the Legislature intended such an interpretation.
>
> *Robert's Hawaii School Bus, Inc. vs. Kathryn Matayoshi et. al.*, PDH-2013-009 (October 29, 2013), Order Denying Robert's Hawaii School Bus, Inc.'s Motion for Partial Summary Judgment on HRS § 103D-709(g) Stay, Exhibit B at p. 7-8.

So even if the DOE had issued its response to the Protest in one day, the relatively short delay inherent in the review process is not sufficiently short so as to preclude the DOE from issuing a DSSI when that delay could jeopardize the substantial interest of putting competitively solicited contracts in place before the beginning of the next school year.

RHSB alleges the "timing problems are the direct result of the DOE selecting GTI [Ground Transport, Inc.] on Maui, a vendor with no current operations on the island." (Appeal at p. 26.) RHSB claims "[e]xtensions of Robert's contracts would have solved this problem." (Appeal at p. 25.) The DOE maintains that it has a substantial interest in promoting competition among bus service providers and is under extreme pressure from the legislature to show cost reductions to avoid the shortfalls in funding and the elimination of some bus service that has occurred in previous years. The legislature has made it clear that it may refuse to fund certain bus services if costs are not controlled – thus the rollout of the new contracting structure as evidenced in the RFP and execution according to plan is essential to maintaining uninterrupted school bus service. The legislature's previous refusal to fund full bus service raises the cost issue from one of merely saving some money to being critical to providing bus service.

The primary impetus of the RFP approach to bus service contracting was to effectively respond to the legislature's demand that the DOE do something to increase competition for bus service contracts. The unreasonable cost increases were believed to be directly related to the fact

that most, if not all bus contracts in the years during the price increases had only one bidder: the contractor that currently held the routes. So nurturing competition became a substantial state interest and the DOE responded with the RFP approach and the related goal of encouraging competition and removing barriers to entry into the RFP process by new vendors, and eliminating obstacles to existing vendors to compete for bus contracts. When assessing the instant RFP and the RFP concurrently challenged by RHSB in PDH 2017-002, three of the four winning bidders required contract award by Jan. 13, 2017 or they would be unable to enter the contracts they had won – this would have left RHSB as the only vendor able to perform if the award date were delayed any further. This would have seriously harmed the DOE's interest in fostering competition. This would be in direct conflict with the Procurement Code's stated requirement that:

> "(a) . . . public employees shall:
> . . .
> (5) Identify and maximize efficiencies in the public procurement process;
> (6) Encourage economic competition by:
> (A) Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment; and
> (B) Researching innovative goods and services to meet the public's needs . . .
> HRS § 103D-101

The statute requires public employees to maximize efficiencies – extending inefficient contracts (existing contracts relied on contracting for routes rather than buses) to allow for more delay is not consistent with this goal. Eliminating three winning vendors by allowing additional delays is not consistent with this goal. And delaying innovative services is also inconsistent with these goals (the RFP approach innovates by contracting for buses rather than routes and takes factors other than short-term prices into account).

A number of administrative hearings decisions also emphasize the importance of competition:

> In enacting HRS Chapter 103D, the Legislature sought to establish a comprehensive code that would:
>
> (1) Provide for fair and equitable treatment of all persons dealing with the government procurement system;
>
> (2) **Foster broad-based competition among vendors** while ensuring accountability, fiscal responsibility, and efficiency in the procurement process; and
>
> (3) Increase public confidence in the integrity of the system.
>
> Standing Committee Report No. S8-93, 1993 Senate Journal, at 39.
>
> These goals can only be accomplished when parties who are bidding against each other are placed on the same footing. **Moreover, the realization of these goals is infinitely more in the public interest than obtaining a pecuniary advantage in an individual case by permitting practices that are inconsistent with the spirit, purpose and principles of the Code.**
>
> *Hawaiian Dredging Construction Co. v. City & County of Honolulu*, PCH 99 -6 (August 9, 1999) (emphasis added) (*See also, Wheelabrator Clean Water Systems, Inc. v. City & County of Honolulu*, PCH 94-1 (November 4, 1994); *Fletcher Pacific Construction Co., Ltd. v. State Dept. of Transportation,* PCH 98-2 (May 19, 1998).

The above makes it clear that the value of fostering broad-based competition is significantly more aligned with the public interest than facilitating the pecuniary advantage of a single contractor. If the DOE did not allow time for the three winning contractors to order buses and establish operations, competition would be eliminated and the DOE would be forced to revert back to relying on a single contractor – the very context that led to runaway price increases and finally resulted in the legislature refusing to fund full bus service. Extending existing contracts only prolongs the problems engendered by the old system and could also force other contractors to abandon the market.

In consideration of the above, the DOE maintains that RHSB's "protest" of the DSSI is untimely; or in the alternative, RHSB has not, and cannot meet its burden of proving that the DSSI was not necessary to protect a substantial state interest.

F. RHSB Claims Evaluations Were Inconsistent with the Stated Scoring Method

RHSB asserts that the inconsistency among individual evaluators and the divergence between scores demonstrates that the evaluators did not follow the scoring criteria. However, there is a distinction between disagreeing with the evaluator's interpretation of the **content** of the response, as opposed to claiming the evaluator did not follow the criteria set forth in the RFP. RHSB claims that differences between RHSB's scoring and the scoring of other proposers (most notably Ground Transportation, Inc.) are proof that the evaluators failed to follow the evaluation criteria. In supporting this allegation, RHSB brings up numerous instances where points were deducted from RHSB's response. However, the DOE maintains that those deductions were based on the **content** of RHSB's response and that RHSB fails to show anything to support the claim that the evaluation criteria were not followed. RHSB also claims the deductions were made in error because RHSB felt they addressed the issue in the interview and that on that basis, the deductions should have been removed. RHSB contends that another proposer failed to address the same issue and yet received no deductions. The Procurement Code addresses the issue of how evaluations are to be conducted. HAR § 3-122-52(a) states:

> (a) Evaluation factors shall be set out in the request for proposals and the evaluation shall be based only on the evaluation factors. Evaluation factors not specified in the request for proposals may not be considered.
>
> HAR § 3-122-52(a).

In this case, RHSB's objections do not relate to whether the criteria were in fact followed, rather the objections focus on the **content** of the finding and a disagreement with the

interpretation of their proposal by the evaluators. The DOE does not find sufficient evidence presented that the scores awarded did not correspond to the criteria set forth in the solicitation. All evaluators documented supporting reasoning for any point deducted, and all deductions were according to Section D of the RFP. The DOE does not find the level of divergence among committee members' scores to be dispositive of a failure to follow the scoring criteria; rather it is a natural consequence of having multiple points of view among the committee members. This is the rationale behind having multiple members on the evaluation committee in the first place.

G. RHSB Claims that DOE Did Not Abide by the "Fair and Equal Standard"

RHSB claims the DOE did not adhere to HAR § 3-122-53(d) which states:

> (d) Priority-listed offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.
>
> (1) Any substantial oral clarification of a proposal shall be reduced to writing by the priority-listed offeror;
>
> (2) If, during discussions there is a need for any substantial clarification or change in the request for proposals, the request for proposals shall be amended by an addendum to incorporate the clarification or change.

HAR § 3-122-53(d).

RHSB asserts that representations made by Ground Transportation, Inc. during their interview (conducted as set forth in the RFP Section C.2(E.)) were both substantial and subject to submission in writing as provided for in the rule. The DOE disagrees with this interpretation. As stated in the RFP, the interview allows for clarifications and it is the DOE's position that the clarifications raised during the interview were not substantial. Both RHSB and GTI were afforded equal opportunity to clarify their responses. RHSB did not submit any of their clarifications from their interview in writing. The DOE maintains that it adhered to the provisions of the subject rule and that all parties were treated fairly and equally.

H. RHSB Claims that Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed

RHSB "believes that there were numerous violations of HAR § 3-122-45.01." (Appeal at p. 35.) RHSB asserts that documentation selecting the evaluation committee members and their declarations were not in the procurement file. RHSB further claims that Mr. Bruce Ellerman was a paid consultant and that the rules governing his participation were not followed by the DOE.

HAR § 3-122-45.01 states:

> Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. A copy of the document identifying any committee members and any subsequent changes thereto shall be placed in the contract file.
>
> (1) The evaluation committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services, or construction to be procured;
>
> (2) Private consultants may also serve on the committee and shall:
>
> (A) Have sufficient knowledge to serve on the committee;
>
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
>
> (C) Sign an affidavit:
>
> (i) Attesting to having no personal, business, or any other relationship that will influence their decision in the evaluation process;
>
> (ii) Agreeing not to disclose any information on the evaluation process to other than an employee of a governmental body; and
>
> (iii) Agreeing that their names will become public information upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
>
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.
>
> HAR § 3-122-45.01

The documentation selecting the evaluation committee members and their declarations was in the procurement file. Due to an oversight, these documents were not initially provided to RHSB as part of their document request. However, the documents were subsequently transmitted to Mr.

Aaron Kimura via e-mail on January 25, 2017. These documents clearly show that the DOE observed all the requirements of the rule and that if there are any deviations (such as the use of a declaration rather than an affidavit), they are only technical requirements and not the basis for requesting a re-solicitation. The Hearings Officer in *Standard Electric, Inc., vs. City & County of Honolulu, et. al*, PCH 97-7, January 2, 1998, provides helpful guidance in assigning the proper role of technical requirements:

> A savings of $21,000 of public funds would do more to foster public confidence in the integrity of the procurement system than would a strict adherence to a largely technical requirement. The requirement of HAR § 3-122-108(a) was not meant to cost public bodies thousands of dollars by requiring acceptance of higher bids for mere technical violations.
>
> *Standard Electric, Inc., vs. City & County of Honolulu, et. al*, PCH 97-7 at p. 9, January 2, 1998).

Based on the facts and events that transpired, it is clear that the DOE fulfilled the essential requirements of the rule.

III. CONCLUSION

Based upon the foregoing, the DOE respectfully submits that RHSB's Appeal should be dismissed.

DATED: Honolulu, Hawaii, March 8, 2017

GARY S. SUGANUMA
Deputy Attorney General

Attorney for Respondent

KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDANT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION, Respondent.	PDH 2017-001 CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of Respondent KATHRYN S. MATAYOSHI, in her capacity as Superintendent/Chief Procurement Officer, State Of Hawaii Department of Education's Response to Petitioner's Appeal of Denial of Protest of Awards for Request for Proposals No. D17-001 will be served, after filing, upon the following via hand delivery, on March 8, 2017:

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OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Respondents. GROUND TRANSPORTION INC., Intervenor.	PDH-2017-001 CERTIFICATE OF SERVICE [RE: REQUEST TO AMEND EXHIBIT LIST – PDH2017-001 AND PDH2017-002 dated March 10, 2017] Hearing: Date: March 15, 16, 20, 2017 Time: 9:00 am Senior Hearings Officer: Craig H. Uyehara

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date, a true and correct copy of the REQUEST TO AMEND EXHIBIT LIST – PDH2017-001 AND PDH2017-002 dated March 10, 2017 was duly served upon the following individuals via HAND DELIVERY his/her last known addresses:

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DATED: Honolulu, Hawai'i, MAR 10 2017.

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March 10, 2017

VIA HAND DELIVERY

Office of Administrative Hearings
Department of Commerce and Consumer Affairs
State of Hawaii
Senior Hearings Officer: Craig H. Uyehara

Re: Request to Amend Exhibit List – PDH2017-001 and PDH2017-002

Mr. Uyehara :

On behalf of Robert's Hawaii School Bus, Inc. ("Robert's"), we request leave to amend Robert's Exhibit List filed on Wednesday, March 8, 2017. If acceptable to the Hearings Officer, a revised Exhibit List will be filed by Robert's and served on the parties when exhibits are exchanged on Monday, March 13, 2017.

Counsel for Robert's communicated by telephone with counsel for the DOE and counsel for GTI today, and none of the parties has any objection to the others amending their Exhibit Lists prior to the exchange of exhibits on Monday, March 13, 2017.

Very truly yours,

CRAIG K. SHIKUMA
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

Cc:
Arsima A. Muller – for Ground Transportation Inc.
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OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Respondents. GROUND TRANSPORTION INC., Intervenor.	PDH-2017-001 PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S MOTION FOR PARTIAL SUMMARY JUDGMENT ON THE ISSUE OF EVALUATION COMMITTEE DOCUMENTATION; DECLARATION OF CHARLES D. HUNTER; EXHIBITS "A" – "I"; CERTIFICATE OF SERVICE Hearing: Date: March 15, 16, 20, 2017 Time: 9:00 am Senior Hearings Officer: Craig H. Uyehara

PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S MOTION FOR PARTIAL SUMMARY JUDGMENT ON THE ISSUE OF EVALUATION COMMITTEE DOCUMENTATION

Petitioner Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this Motion for Partial Summary Judgment on the Issue of Evaluation Committee Documentation (hereinafter "Motion") in relation to Robert's appeal of the State of Hawaii, Department of Education's (hereinafter "DOE") denial of Robert's protest of the awards of the DOE's Request for Proposals No. RFP D17-001 for Student Transportation Services on the Island of Maui (hereinafter "RFP 001"), and the DOE's Request for Proposals No. RFP D17-002 for Student Transportation Services on the Island of Kauai (hereinafter "RFP 002"). RFP 001 and RFP 002 will be collectively referred to as the "RFPs".

I. RELEVANT AND MATERIAL FACTS

A. THE RFPs AND PROTESTS

1. On July 20, 2016, DOE issued RFP 001 and RFP 002. See Exhibit "A".

2. On November 1, 2016, the DOE sent a letter to Robert's announcing that Ground Transport Inc. ("GTI") was selected as the winning bidder for three clusters under RFP 001, including Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). See Exhibit "B".

3. Also on November 1, 2016, the DOE sent a letter to Robert's announcing that Yamaguchi was selected as the winning bidder for Cluster 1 (Waimea) under RFP 002, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). See Exhibit "C".

4. On November 2, 2016, Roberts submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section – Requesting debriefing and information ("First Request for Debriefing"). See, Exhibit "D".

5. The First Debriefing took place on November 16, 2016 ("First Debriefing") and was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's.

6. On November 17, 2016, in a telephone conversation between Robert's and the DOE, Mr. Butt indicated that because there were outstanding questions from the First Debriefing, the deadline to file a protest would be November 24, 2016.

7. On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals could be submitted. See, Exhibit "E". That letter states in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * *
>
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders**. However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring**.
>
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new**

> **scoring panel composed of entirely different members to reduce the possibility of bias in the scoring**.

See, Exhibit "E" (emphasis added).

8. On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for RFP D17-001 and RFP D17-002 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring**. Upon review, the DOE concurs and **has decided to re score both RFPs. *** Any kind of protest or action is tolled until the new awards are issued, at which time the process may be initiated**.

See, Exhibit "F" (emphasis added).

9. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it stated that the evaluation panel would re-score the existing proposals.

10. The DOE re-scored the original submissions using the same panel of scorers, rather than a new panel as requested in the alternative by Roberts, and selected the same proposers for the contract awards.

11. On December 16, 2016 the DOE conducted a second debriefing ("Second Debriefing").

12. On December 23, 2016, Robert's submitted its Protests to the RFPs to the DOE. See, Exhibit "G".

13. On January 25, 2017, Aaron Kimura of Robert's received an email from Kelsey Soma Turek of the DOE stating as follows and attaching forms required for the appointments of the scoring committee:

> Hi Aaron,

> **In the rush to produce the documents requested for RFP D17-001 and RFP D17-002, these documents were overlooked**. We apologize for the inconvenience. Please find attached the committee appointments and declaration forms for RFP D17-001 and RFP D17-002.
>
> (See attached file: Committee Appointments RFP D17-001 and -002.pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Bruce Ellerman).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (James Kauhi).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Pualani Foster).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Robert Joseph).pdf)
>
> Thank you,
>
> Kelsey Soma Turek
> ***

See, Exhibit "H" (emphasis added).

14. The documents attached to Ms. Turek's email included (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "H".

15. Only two pages attached to Ms. Turek's email were dated. The Declarations of Bruce Ellerman are both initialed and dated October 12, 2016. Id.

16. On February 24, 2017, the DOE sent a letter to Robert's counsel denying the Protests under Hawaii Revised Statutes ("HRS") § 103D-701(c), further stating that the decisions were final. See, Exhibit "I".

II. RELEVANT LAW

A. SUMMARY JUDGMENT

Summary judgment is appropriate if the record shows that there is no issue as to any material fact and that the moving parties are entitled to judgment as a matter of law. A fact is material if proof of that fact would have the effect of establishing or refuting one of the essential

elements of a cause of action or defense asserted by the parties. The evidence, and all reasonable inferences must be viewed in the light most favorable to the non-moving party. See Koga Engineering & Construction, Inc. v. State, 122 Hawaii 60, 78, 222 P.3d 979, 997 (2010).

B. HAWAII ADMINISTRATIVE RULES

Hawaii Administrative Rules ("HAR") § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

> **Prior to the preparation of the request for proposals**, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.
>
> (1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;
>
> (2) **Private consultants** may also serve on the committee and shall:
> (A) Have sufficient knowledge to serve on the committee;
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
> (C) **Sign an affidavit**:
>
> (i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
> (ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
> (iii) **Agreeing that their names will become public information** upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

III. DISCUSSION

A. REQUIRED DOCUMENTS WERE NOT IN THE CONTRACT FILE

The RFPs were issued on July 20, 2016. It is unclear on what date the preparation of the RFPs began; however, that date could not have occurred after the date of issuance of the RFPs.

On January 25, 2017, Robert's received an email from Kelsey Soma Turek, State of Hawaii DOE transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "G" (email and attached documents). The Memoranda of Record notes that Bruce Ellerman is a "Consultant".

Robert's believes that none of the documents contained in Exhibit "G" were contained in the contract file prior to the issuance of the RFPs. It is clear, at a minimum, that Bruce Ellerman's Declarations (which should have been sworn affidavits) were not in the contract files *until nearly three months after the RFPs were made public*. Mr. Ellerman's Declarations are **both initialed and dated October 12, 2016**.

HAR § 3-122-45.01 requires certain documents to be within the contract file prior to the issuance of an RFP. HAR uses of the phrase "*Prior* to the preparation of the request for proposals", and further requires that a copy of the document identifying any committee members "*shall* be placed in the contract file." The reasoning for this requirement is that the record must be clear that all evaluation committee members are qualified, unbiased, and that there are no conflicts of interest in relation to the RFP. The rule uses the term "shall" in this context.

The DOE's Response to Robert's Protests completely skirts the issue and offers no explanation or evidence as to why Mr. Ellerman's Declarations are dated long after they should

have been in the contract file. The DOE merely asserts that these documents were in the procurement file, and that only the transmission of the documents to Robert's was delayed.

B. BRUCE ELLERMAN SHOULD HAVE SIGNED AN AFFIDAVIT

The Memoranda of Record notes that Bruce Ellerman is a "Consultant". See, Exhibit "G". HAR § 3-122-45.01 has a separate requirement for private consultants because such individuals are not public servants. The rule provides in part:

> (2) **Private consultants** may also serve on the committee and shall:
> (A) Have sufficient knowledge to serve on the committee;
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
> (C) **Sign an affidavit**:
>
> > (i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
> > (ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
> > (iii) **Agreeing that their names will become public information** upon award of the contract.

Id. (emphasis added). This requirement is clear and unambiguous. To ignore entirely the separate requirements for private consultants was a significant error by the DOE.

Mr. Ellerman's Declarations do not suffice. As a private consultant, Mr. Ellerman should have signed "an affidavit" rather than a simple declaration. His statements are not notarized and are not sworn statements. They do not serve the same purpose as an affidavit and do not meet the requirements of HAR § 3-122-45.01(2). There is also no statement in these Declarations whereby Mr. Ellerman agrees to have his name become public information upon the award of the contract as required by subsection (2)(C)(iii).

C. THE LACK OF DOCUMENTATION IS NOT MERELY A TECHINCAL FLAW

The DOE cites *Standard Electric, Inc. vs. City & County of Honolulu, et. al,* PCH 97-7, January 2, 1998 for the proposition that the DOE's errors are merely technical, and that the DOE fulfilled the "essential requirements of the rule." Response at 21. First, *Standard Electric* involved HAR § 3-122-108(a), which involves a determination of responsibility or nonresponsibility of an offeror or prospective offeror to perform the work. Unlike HAR § 3-122-45.01, the rule analyzed in *Standard Electric* does not affect the underlying fairness and bias issues that HAR § 3-122-45.01 was put in place to address.

The Procurement Office Checklist created by the Hawaii State Procurement Office demonstrates the importance of HAR § 3-122-45.01. See, Exhibit "H". In the Checklist, many of the steps are labeled as "if applicable" while other steps are mandatory and require specific action. In the "Pre-Solicitation" section, the second and third steps directly address HAR § 3-122-45.01. Tellingly, these steps do not include any "if applicable" language; instead, the committee members are directed to complete a form entitled: "*Attestation Serving on an Evaluation, Review or Selection Committee* (HAR § 3-122-45.01)", suggesting that the State Procurement Office considers these steps as mandatory and to be completed during the pre-solicitation time period of the procurement process. This was not done here.

Furthermore, other states have *rejected all bids after a single member of an evaluation committee failed to submit a required certification prior to the evaluation of proposals*. See CFG Health Sys., LLC v. Cty. of Essex, 411 N.J. Super. 378, 381, 986 A.2d 695, 697 (App. Div. 2010). In CFG Health, a county sought bids for a contract to provide medical services at its correctional facility. Id. However, the county rejected all bids because one member of the

evaluation committee failed to submit a non-conflict-of-interest certification as[1] required by the New Jersey Administrative Code. Id. at 387-88. Upon review, a state court noted that the county did not act arbitrarily or capriciously in rejecting all of the bids. Id. at 390. This makes clear that Mr. Ellerman's failure to comply with the pre-solicitation requirements of the HAR amounts to more than a mere "technical" error.

The DOE appears to have ignored the requirements of the rule entirely. Not only were the forms not in the file as required, Mr. Ellerman did not attest to the items required by the rule. Furthermore, regardless whether "an oversight" initially caused certain documents to not be produced, Bruce Ellerman's Declarations are both dated October 12, 2016. This date is undisputable proof that the procedures in HAR § 3-122-45.01 were not followed.

Finally, the Memoranda of Record notes that Bruce Ellerman is a "Consultant". See, Exhibit "G". A statement and finding from Mr. Ellerman is particularly important for just this reason. For example, in 2013, Mr. Ellerman participated in a presentation put on by the DOE's Office of School Facilities and Support Services. See, Exhibit "I". In his section of the presentation, he discussed the "Get on Board" Student Transportation Initiative. Id. This presentation includes a section called "The Past Situation – Cost Escalations" and includes statements that "Contractor rate increases [are the] primary cause" and also that there is a "Lack of any significant pricing competition." Id. The "Get On Board Future" is described as requiring a "New Contracting Approach Focused on Service and Price Competition".

Mr. Ellerman's presentation alone indicates that he had strong, definite and negative opinions about how the DOE and its **bus company partners** had administered and provided bus services in the past; and equally strong and definite opinions about how the DOE needed to

[1] The New Jersey Administrative certification is very similar to the affidavit as required by HAR § 3-122-45.01(2)(C).

change things—perhaps including changing its bus company partners—going forward. Moreover, it would be in his best professional interest for there to be a change in bus companies holding the contracts as that would be consisted with his call for change. Those opinions and interests present an inherent bias against Robert's, which had held several bus contracts for many years prior to Mr. Ellerman's presentation. At a minimum, Mr. Ellerman should have provided an affidavit disclosing his past work for the DOE, swearing under oath and subject to the penalties of perjury that his "**business [with the DOE would not] ...** influence [his] decision in the evaluation process." HAR § 3-122-45.01(2)(C)(i). He did not provide such an affidavit or any affidavit at all. Rather, he signed insufficient unsworn declarations well after the issuance of the RFPs.

Without an Affidavit to address Mr. Ellerman's biases, it appears there was little or nothing to protect Robert's from them. This is the very reason that as a private consultant, Mr. Ellerman was required to sign a sworn statement acknowledging that he had, **"no personal, business, or any other relationship** that [would] influence [his] decision in the evaluation process." It appears that Mr. Ellerman's relationship with the DOE, and feelings regarding the costs associated with past bussing operations did have an impact and likely influenced his decision-making process during the evaluation. Moreover, just the appearance of bias and conflict of interest, which is certainly present with Mr. Ellerman, puts the fairness of the procurement process in doubt. In other words, Robert's should not have to prove an actual bias or conflict of interest, the appearance should be enough.

It is unclear what other businesses or relationships Mr. Ellerman had that would have affected his scoring or ability to serve on the scoring panel. One thing is certain, he did not testify as required that he had no such conflicts.

IV. CONCLUSION

For the foregoing reasons, the Hearing Officer should grant partial summary judgment in favor of the Petitioner and against the Respondent, and should order that (1) the DOE erred in failing to obtain the proper documentation for the contract file before issuing the RFP; and (2) the contracts awarded under the RFPs should be cancelled so that a new process can be initiated.

DATED: Honolulu, Hawai'i, MAR 10 2017.

CRAIG SHIKUMA
JONATHAN S. MOORE
CHARLES D. HUNTER
Attorneys for Petitioner
ROBERT'S HAWAII SCHOOL BUS, INC.

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Respondents, GROUND TRANSPORTATION INC., Intervenor.	PDH-2017-001 and PDH-2017-002 DECLARATION OF CHARLES D. HUNTER

DECLARATION OF CHARLES D. HUNTER

I, CHARLES D. HUNTER, make the following statements based upon my personal knowledge:

1. I am an attorney at the law firm of Kobayashi, Sugita & Goda, counsel to the Petitioner in the above entitled matter;

2. Attached hereto as Exhibit "A" is a true and correct copy of the July 20, 2016, DOE issued RFP 001 and RFP 002;

3. Attached hereto as Exhibit "B" is a true and correct copy of the notice of award letter dated November 1, 2016, the DOE sent to Robert's regarding RFP D17-001;

4. Attached hereto as Exhibit "C" is a true and correct copy of the notice of non-award letter dated November 1, 2016, the DOE sent to Robert's regarding RFP D17-002;

5. Attached hereto as Exhibit "D" is a true and correct copy of November 2, 2016, Robert's letters to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section – Requesting debriefing and information;

6. Attached hereto as Exhibit "E" is a true and correct copy of November 18, 2016 letters from Robert's to DOE regarding request for re-solicitation of proposals;

7. Attached hereto as Exhibit "F" is a true and correct copy of the November 21, 2016 letter from DOE to Robert's regarding notice of re-score;

8. Attached hereto as Exhibit "G" is a true and correct copy of the December 23, 2016 Protests to the RFPs Robert's submitted to the DOE;

9. Attached hereto as Exhibit "H" is a true and correct copy of the email from Kelsey Soma Turek dated January 25, 2017 regarding committee appointments and declaration forms;

10. Attached hereto as Exhibit "I" is a true and correct copy of the letter dated February 24, 2017, the DOE sent a Robert's counsel denying the Protests under Hawaii Revised Statutes ("HRS") § 103D-701(c), further stating that the decisions were final.

//

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I, CHARLES D. HUNTER, declare under penalty of law that the foregoing is true and correct.

DATED: Honolulu, Hawai'i, MAR 10 2017.

CHARLES D. HUNTER

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Respondents, GROUND TRANSPORTATION INC., Intervenor.	PDH-2017-001 and PDH-2017-002 CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date, a true and correct copy of the foregoing document was duly served upon the following individuals via HAND DELIVERY his/her last known addresses:

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OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Respondents, GROUND TRANSPORTATION INC., Intervenor.	PDH-2017-001 and PDH-2017-002 PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S MOTION FOR PARTIAL SUMMARY JUDGMENT ON THE ISSUE OF SEPARATION OF TECHNICAL AND PRICING EVALUATIONS; DECLARATION OF CHARLES D. HUNTER; EXHIBITS "A" – "K"; CERTIFICATE OF SERVICE Hearing: Dates: March 15, 16, 20, 2017 Time: 9:00 a.m. Senior Hearings Officer: Craig H. Uyehara

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PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S MOTION FOR PARTIAL SUMMARY JUDGMENT ON THE ISSUE OF SEPARATION OF TECHNICAL AND PRICING EVALUATIONS

Petitioner Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this Motion for Partial Summary Judgment on the Issue of Separation of Technical and Pricing Evaluations (hereinafter "Motion") in relation to Robert's appeal of the State of Hawaii, Department of Education's (hereinafter "DOE") denial of Robert's protest of the awards of the DOE's Request for Proposals No. RFP D17-001 for Student Transportation Services on the Island of Maui (hereinafter "RFP 001"), and the DOE's Request for Proposals No. RFP D17-002 for Student Transportation Services on the Island of Kauai (hereinafter "RFP 002"). RFP 001 and RFP 002 will be collectively referred to as the "RFPs".

I. RELEVANT AND MATERIAL FACTS

A. THE RFPs AND PROTESTS

1. On July 20, 2016, DOE issued RFP 001 and RFP 002. See Exhibit "A".

2. The RFPs state in part:

> **Cost will be a significant factor** in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:
>
> A. *Determination of Proposal Qualification* – The proposal must be received in good order, with all required forms, tabs, and information as required.
> B. *Technical Evaluation* – An evaluation committee will evaluate the proponent's Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.
> C. *Cost Evaluation* – **AFTER the technical evaluation is completed**, the proponent's **cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing

> forms). **Points will be assigned by formula in accordance with the following criteria**:
>
> • The **lowest cost proponent** in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
>
> • Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
>
> • This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

Id. at 9 (emphasis added. CAPS in ORIGINAL).

3. The RFPs further state that the two proponents with the highest scores per cluster will be "invited to an interview with the evaluation committee in Honolulu" and that the results of the interviews may be used to readjust the scoring of the Technical Proposals (for those top two proposers per cluster). Id. at 10.

4. Proponents were instructed to "submit the sealed proposal Pricing forms" along with other documents. Id. at 11.

5. Section D of the RFPs state that "Proposals **must** be submitted using the instructions in this RFP." (emphasis added). Id. at 12.

6. Section D.3 of the RFPs make clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Id. at 15 (emphasis added).

7. On November 1, 2016, the DOE sent a letter to Robert's announcing that Ground Transport Inc. ("GTI") was selected as the winning bidder for three clusters under RFP 001, including Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). See Exhibit "B".

8. Also on November 1, 2016, the DOE sent a letter to Robert's announcing that Yamaguchi was selected as the winning bidder for Cluster 1 (Waimea) under RFP 002, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). See Exhibit "C".

9. On November 2, 2016, Roberts submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section – Requesting debriefing and information ("First Request for Debriefing"). See, Exhibit "D".

10. The First Debriefing took place on November 16, 2016 ("First Debriefing") and was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's.

11. During the First Debriefing, Christian Butt highlighted the importance of segregating the price/cost portion of the evaluation from the technical evaluation:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation**. *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We**

> **did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will.** And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are.** So that's generally the process of how it worked...

Later in the First Debriefing, Christian Butt emphasized the reason Evaluation Committee members must not know pricing when they score the technical proposals, i.e. knowing the pricing information (or pricing scores) would improperly influence scoring of the technical proposals:

> One thing to that like I said, I was just looking...**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever.*** **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

See, Exhibit "E".

12. On November 17, 2016, in a telephone conversation between Robert's and the DOE, Mr. Butt indicated that because there were outstanding questions from the First Debriefing, the deadline to file a protest would be November 24, 2016.

13. On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals could be submitted. See, Exhibit "F". That letter states in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * *
>
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders**. However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring**.
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring**.

See, Exhibit "F" (emphasis added).

14. On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for RFP D17-001 and RFP D17-002 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring**. Upon review, the DOE concurs and **has decided to re score both RFPs**. ***

See, Exhibit "G" (emphasis added).

15. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it stated that the evaluation panel would re-score the existing proposals.

16. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure.

17. The DOE re-scored the original submissions using the same panel of scorers, rather than a new panel as requested in the alternative by Roberts, and selected the same proposers for the contract awards.

18. On December 16, 2016 the DOE conducted a second debriefing ("Second Debriefing").

19. During the Second Debriefing, the following discourse occurred:

> Aaron Kimura: ... **the panel now had access to the outcome of the prices... the rates**. **Now that is different from the initial process, right, where it was kept away from them**, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to... **you were the only one who had access to the pricing**...
>
> James Kauhi: **Right**...
>
> Aaron Kimura: **So that's a difference**...
>
> James Kauhi: **Yeah**...
>
> Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing... On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**...
> * * *
> Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind... we just did that as an extra step**. But in any case, **yes, they saw it**, but they didn't have

> access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores**. ***I don't know if they have a photographic memory or not***, but again, I don't think...
>
> Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing...
>
> James Kauhi: So... let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that **they had general information on who, on what the price presentations' rankings were** at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well... but they were not involved in that process.
>
> Christian Butt: So again... **yeah Chad... they did see it... but no, they didn't have it in front of them when they re-evaluated, so**...

20. On December 23, 2016, Robert's submitted its Protests to the RFPs to the DOE. See, Exhibit "H".

21. On January 20, 2017, the DOE sent a letter to Robert's attaching the DOE's January 11, 2017 Determination of Substantial State Interest ("DSSI") relating to the RFPs. See, Exhibit "I".

22. On February 6, 2017, Robert's sent a letter to James Raymond, esq. at the office of the Attorney General noting its disagreement with the findings of the DSSI. See, Exhibit "J".

23. On February 24, 2017, the DOE sent a letter to Robert's counsel denying the Protests under Hawaii Revised Statutes ("HRS") § 103D-701(c), further stating that the decisions were final. See, Exhibit "K".

II. RELEVANT LAW

A. SUMMARY JUDGMENT

Summary judgment is appropriate if the record shows that there is no issue as to any material fact and that the moving parties are entitled to judgment as a matter of law. A fact is

material if proof of that fact would have the effect of establishing or refuting one of the essential elements of a cause of action or defense asserted by the parties. The evidence, and all reasonable inferences must be viewed in the light most favorable to the non-moving party. See Koga Engineering & Construction, Inc. v. State, 122 Hawaii 60, 78, 222 P.3d 979, 997 (2010).

B. **HAWAII PUBLIC PROCUREMENT CODE: HRS 103D**

HRS § 103D-303 provides in part:

> (a) Competitive sealed proposals may be used to procure goods, services, or construction that are either not practicable or not advantageous to the State to procure by competitive sealed bidding.
> (b) **Proposals shall be solicited through a request for proposals.**
> (c) Notice of the request for proposals shall be given in the same manner as provided in section 103D-302(c).
> (d) Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of evaluation. A register of proposals shall be prepared and shall be open for public inspection after contract award.
> (e) **The request for proposals shall state the relative importance of price and other evaluation factors.**
> (f) Discussions may be conducted with responsible offerors who submit proposals determined to be reasonably likely to be selected for a contract award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. **Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers.** In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.
> (g) Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous, taking into consideration price and the evaluation factors set forth in the request for proposals. **No other factors or criteria shall be used in the evaluation.** The contract file shall contain the basis on which the award is made.
> * * *

HRS § 103D-303 (emphasis added).

HRS § 103D-707 provides:

> **If after an award it is determined that a solicitation or award of a contract is in violation of law**, then:

(1) If the person awarded the contract has not acted fraudulently or in bad faith:

(A) The contract may be ratified and affirmed, or modified; provided it is determined that doing so is in the best interests of the State; or

(B) **The contract may be terminated** and the person awarded the contract shall be compensated for the actual expenses, other than attorney's fees, reasonably incurred under the contract, plus a reasonable profit, with such expenses and profit calculated not for the entire term of the contract but only to the point of termination;

(2) If the person awarded the contract has acted fraudulently or in bad faith:

(A) The contract may be declared null and void; or

(B) The contract may be ratified and affirmed, or modified, if the action is in the best interests of the State, without prejudice to the State's rights to such damages as may be appropriate.

See, Haw. Rev. Stat. § 103D-707 (emphasis added).

C. **HAWAII ADMINISTRATIVE RULES**

The Hawaii Administrative Rules ("HAR") § 3-122-46 outlines the requirements for preparing Requests for Proposals, and states in part:

The request for proposals is used to initiate a competitive sealed proposal procurement and shall include:

(1) The specifications for the goods, services, or construction items to be procured, including a description of the performance or benefit required;

(2) All contractual terms and conditions applicable to the procurement;

(3) **A statement as to when and in what manner prices are to be submitted**;

***

(7) **The relative importance of price and other evaluation criteria**; and **specific evaluation criteria to be used in evaluation of proposals** which may include but is not limited to:

(A) **Technical capability** and approach for meeting performance requirements;

(B) **Competitiveness and reasonableness of price**;

(C) Managerial capabilities; and

(D) Best value factors;

* * *

HAR § 3-122-46 (emphasis added).

In turn, HAR § 3-122-52 outlines the requirements for the evaluation of proposals:

> (a) Evaluation factors **shall be set out in the request for proposals and the evaluation shall be based only on the evaluation factors. Evaluation factors not specified in the request for proposals may not be considered**.
> (b) A numerical rating system shall be used. The relative priority to be applied to each evaluation factor shall also be set out in the request for proposals.
> (c) The points to be applied to each evaluation factor shall be set out in the request for proposals.
> (1) The procurement officer, or each member of the evaluation committee, as applicable, shall explain his or her ranking determination in writing which shall be placed in the procurement file;
> (2) The written ranking evaluations or explanations shall be available for public inspection after the award of the contract is posted.
> (d) When applicable, cost shall be an evaluation factor.
> (1) The proposal with the lowest cost factor must 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;
> (2) The points allocated to higher-priced proposals must be equal to the lowest proposal price multiplied by the maximum points available for price, divided by the higher proposal price.
> ***

HAR § 3-122-52 (emphasis added).

HAR § 3-122-57(a) requires that the award must be based upon **both** price **and** other evaluation criteria: "The award shall be issued in writing to the responsible offeror whose proposal is determined in writing to provide the best value to the State taking into consideration **price and the evaluation criteria** in the request for proposals and posted pursuant to section 103D-701, HRS, for five working days." (Emphasis added.)

III. DISCUSSION

A. THE RFPs SPECIFIED THE SCORING METHOD

The RFPs and statements provided by the DOE during the First Debriefing made clear that the pricing and technical evaluations would take place separately. The RFPs represented that, "...**cost will become a factor only AFTER the proponent is evaluated** on the basis of its

qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources." See, Exhibit "A" at 9 (emphasis added). The RFPs further stated, "**AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed**..." Id. Further, it was instructed that "No pricing information is to be included in the proposal" and that the pricing contained in Attachment B "must be included in a separate, marked, sealed envelope..." Id. at 15. Finally, the RFP instructs that, "Proposals **must** be submitted using the instructions in this RFP." Id. at 12 (emphasis added).

During the First Debriefing, both Mr. Butt and Mr. Kauhi highlighted the importance of the procedure contained in the RFP:

> ... **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi stated:

> ... **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation**. *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will**. And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are**. So that's generally the process of how it worked...

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking...**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever***. **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

See, Exhibit "E" (emphasis added).

While the DOE acknowledges that the pricing information was requested separately from the technical submissions, it argues that the Procurement Code does not require that the evaluation of the technical proposals be finalized prior to viewing the price proposals. See, DOE Response to Petitioner's Appeal ("Response") at 4. The DOE now characterizes the segregation of the price evaluation as "a good practice" but that it is "an extra, but not a required step". Id.

First, the DOE's argument is incorrect. HRS Chapter 103D and HAR Chapter 3-122 implicitly require that the Evaluation Committee review "other evaluation factors" separately and independently from pricing. HRS § 103D-303(e) and HAR § 3-122-46(7) require the RFP to explicitly state the "relative importance of price and other evaluation criteria." In other words, price is different from other evaluation criteria. Therefore, its "importance" (i.e. score) must be separate from the score given to all other criteria such that its "relative importance" (i.e. how the price score compares to the scores for all other criteria) can be explained in the RFP. The HAR § 3-122(3) requirement that the RFP specifically state "how and when" pricing should be submitted is an acknowledgement that pricing should be submitted separately from technical information and that the two should be judged separately. Finally, HAR § 3-122-57(a) requires the Evaluation Committee to base its decision on price **and** other evaluation factors, not "or" other evaluation factors. These laws recognize what Mr. Butt and every procuring agency

recognize: knowing the proposers' pricing will influence scoring of other factors and result in awards based on price, not price and other factors. Thus, there is an implicit requirement that the Evaluation Committee score the other evaluation factors without knowing pricing.

Second, this argument does not address the fact that Robert's and other proposers were instructed by the DOE that the process would occur in a certain way, yet the DOE abandoned its procedure without allowing proposers to take any action to allow for that change. Neither Robert's nor any other proposer could ignore the instructions in the RFPs. All proposers had to abide by the terms of the RFPs or face disqualification.

Federal courts have made clear that an RFP creates an implied contract between the procuring agency and proposers. See e.g. Hawpe Const., Inc. v. United States, 46 Fed.Cl. 571, 579 (2000), aff'd, 10 Fed.Appx. 957 (Fed. Cir. 2001) ("*According to the implied contract that is formed by the RFP*, defendant technically breached the requirement to consider only those bidders that had SIC Code 1761 certification."). In that case, the court noted that the failure to enforce a requirement, or amend the RFP, was an error. The reasoning behind the creation of an implied contract is clear because proposers expend significant resources in analyzing, drafting and submitting proposals and should, at a minimum, be able to rely on the terms of the RFPs put out by the procuring agencies.

Here, Robert's drafted and submitted its proposals based on the procedure dictated to it by the DOE. While the DOE did not have the original obligation to segregate pricing from the technical evaluations, that obligation arose as soon as it was made part of the explicit terms of the RFPs. Simply put, *the DOE should not have changed the rules of the game at half-time.*

B. THE PROCUREMENT CODE REQUIRES THE DOE TO FOLLOW THE TERMS OF THE RFPs

The Procurement Code provides that awards are only made after "taking into consideration price and the evaluation factors ***set forth in the request for proposals***." HRS § 103D-303(g) (emphasis added). Further, HAR § 3-122-46 requires proposals to include, "[a] statement as to when and in what manner prices are to be submitted." Id. at (3). The rule uses the word "shall". Id. This section also requires the RFP to include the "***specific evaluation criteria to be used in evaluation of proposals.***" Id. at (7). It seems contrary to the rules of interpretation to require the DOE to include these statements if the agency can simply ignore what is stated in the RFP at its whim. Presumably this requirement is included to ensure that all proposers know how the agency is going to handle pricing during the selection process, and so that each proposer can adjust its strategy accordingly.

As noted above, HAR § 3-122-46 further requires a statement as to the "relative importance of price and other evaluation criteria". Again, this requirement cannot be ignored. This section of the HAR would be rendered meaningless if the DOE could make statements in the RFPs, and ignore them after the submission of proposals.

In addition, HAR § 3-122-52 outlines the requirements for the evaluation of proposals and states that, "Evaluation factors shall be set out in the request for proposals *and the evaluation shall be based only on the evaluation factors. Evaluation factors not specified in the request for proposals may not be considered.*" Id. at (a) (emphasis added). Here, the DOE, through the RFPs, agreed that price would not be an evaluation factor during the technical scoring. The RFP was clear, and so were the DOE's comments during the First Debriefing, that pricing was not a factor in the technical evaluation, yet it is clear that pricing was considered during the re-scoring process.

Here, the RFPs explicitly stated that the technical proposals would be reviewed separately and prior to the pricing proposals. Notwithstanding, the DOE chose to utilize a scoring system that was entirely different than the system contained within the RFPs. Accordingly, Robert's proposal has been undercut by the DOE's actions to ignore the "specific evaluation criteria to be used in evaluation of [Robert's] proposals."

C. THE DOE CHANGED THE CRITERIA AFTER OPENING THE PROPOSALS

"It is fundamental to the fairness of the procurement process that changes in the criteria for selection not be made after proposals have been opened and their contents have become known to one or more of the evaluators." *Haw. Public Procurement Code Desk Reference* (Rev. December 31, 2014) at 32.

The DOE's decision to rescore proposals impermissibly changed the criteria for selection. As noted above, the disclosure of pricing information prior to re-scoring the proposals was never contemplated before the DOE unilaterally decided to alter the procedure. By dissolving the bifurcation of pricing and technical factors, the DOE changed the criteria by which a selection would be made.

In addition, as outlined in the RFP, the two top scoring proposers should have been interviewed after the technical evaluations took place. That simply did not occur.

Robert's and other proposers were entitled to rely on the procedure and scoring criteria outlined in the RFP. Any change to those criteria should have been effectuated through an addendum, if such a change was permissible under the Procurement Code.

D. LAW CITED BY THE DOE IS INAPPOSITE

The DOE initially followed the procedure contained in the RFPs "until the discovery of minor errors in the valuation process necessitated a re-evaluation after the prices had become

known to the members of the evaluation committee." See, Response p. 4. However, the DOE's use of a Senate Committee Report and Fletcher Pacific Construction Co. Ltd. v. State Dep't of Transportation is misguided as the steps utilized by the DOE to cure these "minor errors" were patently unfair to Robert's and inconsistent with the RFPs. PCH 98-2 (May 19, 1998).

In Fletcher Pacific, ***a bidding party*** was the cause of the flaws in the evaluation process whereas here, the DOE and its evaluators are the cause of the errors. As such, Fletcher Pacific has no application as to the present case. To hold otherwise would cause the absurd result of punishing Robert's for mistakes made by the DOE – such an outcome runs afoul of using "common sense . . . to implement the law in a manner that will be economical and efficient and will benefit the people of the State." The Systemcenter, Inc. v. State Dep't of Transportation, p. 8, PCH 98-9 (December 10, 1998) (quoting S. Comm. Rep. SS-93, Spec. Sess., Senate Journal, at page 39 (1993)).

Further, Fletcher Pacific is a request for bids case, not request for proposals. The only "evaluation" in Fletcher Pacific, was whether the winning bidder (Murphy)'s bid was responsive; i.e. met the Disadvantaged Business Entity requirement and whether it listed the required soil treatment subcontractor. The procuring agency's "evaluation" in the first instance only occurred after the bids were open and prices were known, and was only of Murphy's bid. Therefore, the Hearing Officer's decision only required the DOT to re-examine Murphy's DBE credentials—an extremely narrow "re-evaluation" of the bid—and determine whether allowing Murphy to add a subcontractor after bid opening was in the best interest of the State. The Hearing Officer did not order a re-scoring of all bids. The present DOE RFP is far different. Here, per the RFP the scoring of the technical proposals occurred before pricing was known, and the Evaluation Committee re-scored **all the technical proposals in their entirety** and had to use their

"judgment" to re-score many subjective criteria. Fletcher Pacific has no relevance to Robert's case, except to highlight the vast differences between request for bids and request for proposals procurements.

Last, the DOE had an opportunity to re-create a fair bidding process consistent with the RFP for Robert's by either (i) allowing all bidders to resubmit their proposals; or (ii) selecting new evaluators to rate the existing bids. The DOE did neither, and instead rushed through a meaningless exercise of having the same evaluators rescore the exact same proposals.

E. THE DOE DID NOT CONDUCT "MANDATORY INTERVIEWS" AFTER THE RESCORING

The DOE points to RFP Section C.2(D and E) to support its claim that pricing information was available to scorers before the technical scores were finalized. Those sections provide:

> D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator **will be averaged to arrive at the *final* Technical Proposal score for each proponent. This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
> E. *Mandatory Interviews* – After reviewing the results of the evaluation, ***the preferred and next highest scoring proponent*** in each cluster **will be *invited* to an interview** with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. **The results of these interviews *may* be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal.** The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

Exhibit "A" at 10 (emphasis added).

First, it should be clear from the above that not all proposers were provided the opportunity to be "invited" to an interview to discuss their proposals. Second, the scoring of the Technical Proposals could only be revised based on the "results of these interviews," and should not have been readjusted based on pricing (even for the top two proposers who were interviewed). Third, the RFP does not state that the Evaluation Committee will perform the price scoring or that the committee will be given the pricing or the price scores before they conduct their interviews or adjust their scores. Hence, one cannot assume that the Evaluation Committee knew the price scores when they conducted the interviews. All that is known is the committee knew the pricing when they did the re-scoring. In fact, the DOE claims the Evaluation Committee did not re-score pricing. It is thus probable the committee did not do the original price scoring either and conducted the interviews knowing only that the interviewees had the two highest total scores. Finally, during the re-scoring process, none of the proposers was given the opportunity to be interviewed, creating an additional departure from the stated method of scoring the RFPs.

In any case, there can be no possible claim by the DOE that it followed the terms and specifications of the RFPs. Rather, the DOE unilaterally decided that it would re-score proposals without ever issuing an addendum to the RFPs to clarify a change in the procedure.

IV. CONCLUSION

For the foregoing reasons, the Hearing Officer should grant partial summary judgment in favor of the Petitioner and against the Respondent, and should order that (1) the DOE erred in rescoring the proposals without altering the explicit terms of the RFPs to allow for an alternative procedure; (2) the contracts awarded under the RFPs should be cancelled; and (3) that proposers should have been given the opportunity to resubmit proposals given the improper

change in procedure under the RFPs.

DATED: Honolulu, Hawai'i, MAR 10 2017.

CRAIG SHIKUMA
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ROBERT'S HAWAII SCHOOL BUS, INC.

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Respondents, GROUND TRANSPORTATION INC., Intervenor.	PDH-2017-001 and PDH-2017-002 DECLARATION OF CHARLES D. HUNTER

DECLARATION OF CHARLES D. HUNTER

I, CHARLES D. HUNTER, make the following statements based upon my personal knowledge:

1. I am an attorney at the law firm of Kobayashi, Sugita & Goda, counsel to the Petitioner in the above entitled matter;

2. Attached hereto as Exhibit "A" is a true and correct copy of the July 20, 2016, DOE issued RFP 001 and RFP 002;

3. Attached hereto as Exhibit "B" is a true and correct copy of the notice of award letter dated November 1, 2016, the DOE sent to Robert's regarding RFP D17-001;

4. Attached hereto as Exhibit "C" is a true and correct copy of the notice of non-award letter dated November 1, 2016, the DOE sent to Robert's regarding RFP D17-002;

5. Attached hereto as Exhibit "D" is a true and correct copy of November 2, 2016, Robert's letters to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section – Requesting debriefing and information;

6. Attached hereto as Exhibit "E" is a true and correct copy of November 16, 2016 debriefing notes for RFPs D17-001 and D17-002;

7. Attached hereto as Exhibit "F" is a true and correct copy of the November 18, 2016 letters Robert's sent to the DOE to request the awards related to the RFPs be rescinded;

8. Attached hereto as Exhibit "G" is a true and correct copy of the letter dated November 21, 2016 that Robert's received from the DOE regarding "Notice of Re-score" as to RFP D17-001 and RFP D17-002;

9. Attached hereto as Exhibit "H" is a true and correct copy of the December 23, 2016 Protests to the RFPs Robert's submitted to the DOE;

10. Attached hereto as Exhibit "I" is a true and correct copy of the letter dated January 20, 2017, the DOE sent to Robert's attaching the DOE's January 11, 2017 Determination of Substantial State Interest ("DSSI");

11. Attached hereto as Exhibit "J" is a true and correct copy of the letter dated February 6, 2017, Robert's sent to James Raymond, esq. at the office of the Attorney General noting its disagreement with the findings of the DSSI;

12. Attached hereto as Exhibit "K" is a true and correct copy of the letter dated February 24, 2017, the DOE sent a Robert's counsel denying the Protests under Hawaii Revised Statutes ("HRS") § 103D-701(c), further stating that the decisions were final.

I, CHARLES D. HUNTER, declare under penalty of law that the foregoing is true and correct.

DATED: Honolulu, Hawai'i, MAR 10 2017.

CHARLES D. HUNTER

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Petitioner, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Respondents, GROUND TRANSPORTATION INC., Intervenor.	PDH-2017-001 and PDH-2017-002 CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date, a true and correct copy of the foregoing document was duly served upon the following individuals via HAND DELIVERY his/her last known addresses:

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STATE OF HAWAII
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IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAI'I

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Appellant, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Appellee. GROUND TRANSPORT INC., Intervenor.	Civil No. 17-1-0659-04 RAN (Agency Appeal) NOTICE OF APPEAL; PETITIONER-APPELLANT ROBERT'S HAWAII SCHOOL BUS, INC.'S STATEMENT OF CASE; DESIGNATION OF THE RECORD ON APPEAL; ORDER FOR CERTIFICATION AND TRANSMISSION OF RECORD; REQUEST FOR WRITTEN BRIEFS AND ORAL ARGUMENT; EXHIBIT "A"; CERTIFICATE OF SERVICE

I do hereby certify that this is a full, true, and correct copy of the original on file in this office.

Clerk, Circuit Court, First Circuit

NOTICE OF APPEAL

Notice is hereby given that Petitioner-Appellant Robert's Hawaii School Bus, Inc. ("Robert's), by and through its attorneys, Kobayashi, Sugita & Goda, and pursuant to Rule 72 of the Hawai'i Rules of Civil Procedure ("HRCP"), §§ 103D-710 and 103D-712, and 91-14 of the Hawai'i Revised Statutes ("HRS"), and Hawai'i Administrative Rules § 3-126-78, hereby appeals to the Circuit Court of the First Circuit from the Findings of Fact, Conclusions of Law and Decision issued on April 13, 2017 by the Senior Hearings Officer of the Office of Administrative Hearings, Department of Commerce and Consumer Affairs, State of Hawai'i ("Hearings Officer"). A copy of the Findings of Fact, Conclusions of Law and Decision entered on April 13, 2017 is attached hereto as Exhibit A and shall be hereinafter referred to as the "Decision".

The Decision arises from Robert's protests of the awards in RFP D17-001 and RFP D17-002. These requests for proposals ("RFPs" or "RFP") were issued by the Department of Education ("DOE") for public school bus services on the islands of Maui and Kauai, respectively. After an initial scoring and an improper re-scoring, results were posted on or about December 5, 2016. Ground Transport, Inc. ("GTI") received the highest score three out of four contracts on Maui, and Robert's the fourth. For Kauai, Robert's did not receive the highest score for any of the contracts at issue. Robert's timely protested the awards on December 23, 2016. On January 11, 2017, DOE made a written determination of substantial state interest ("DSSI") and thereafter proceeded to award contracts to GTI and the winning offerors on Kauai. After a lengthy delay, DOE denied Robert's protests on February 24, 2017. On March 3, 2017, Robert's filed requests for administrative review on both protests. The Hearings Officer subsequently consolidated the cases. GTI intervened in the consolidated case.

In the Decision, the Hearings Officer found that DOE violated Hawaii Revised Statutes § 103D-303(g) in that one of its Evaluation Committee members went beyond the criteria set forth in the RFPs to score the proposals and also because the Evaluation Committee did not conduct interviews of the top two scoring offerors during the improper re-scoring of the proposals. Decision at 34. Despite these violations of law, the Hearings Officer concluded pursuant to Hawaii Revised Statutes § 103D-707 to ratify and affirm the contracts awarded to GTI and the winning offerors for Kauai.

Robert's presents this Appeal on the grounds that the Decision was reached in violation of applicable statutory provisions, is affected by other error of law, is clearly erroneous in view of the reliable, probative and substantial evidence on the whole record, and/or is arbitrary, capricious, or characterized by abuse of discretion. More specifically:

1. FOF 17 is clearly erroneous. The HO erred in finding that "[a]t the time of his appointment to the Evaluation Committee, Ellerman was an employee of Management Partner Services, a private consultant hired by DOE for assistance in developing the RFPs."
2. FOF 18 is clearly erroneous. The HO erred in finding that "[n]one of the members of the Evaluation Committee were compensated specifically for their work on the committee by Respondent."
3. The HO erred in concluding "that the evidence was insufficient to prove that the rescoring of the Technical Proposals violated the requirement in the RFPs that those proposals be evaluated without knowledge of the Pricing Proposals." P. 33-34. Without limiting the foregoing, this includes finding no violation despite the fact that total scores (and pricing scores in some instances) were given to committee members prior to the re-score, which was contrary to the procedure set forth in the RFPs.
4. The HO erred in concluding that discussions among members of the evaluation committee amounted to consensus scoring, permitted by *Kiewit Infrastructure West. Co. v. Dept. of Transportation*, PCX-2009-2 (June 6, 2011). P. 24.
5. The HO erred in failing to conclude that the results of the RFPs are invalid and it is impossible to determine which Offeror should have received the contract award.
6. The HO erred by implicitly finding that Ellerman did not have a conflict of interest.

7. The HO erred in concluding that "[b]ias will not be attributed to the members of the Evaluation Committee based on inference, speculation, or supposition but rather, must be demonstrated to exist by substantive hard facts or evidence." P. 41.
8. The HO erred in not finding actual bias of the committee members. P. 41
9. The HO erred in concluding that the Memoranda of Record complied with the requirements of HAR section 3-122-45.01.
10. The HO erred in concluding that the declaration signed by Ellerman complied with the requirements of HAR section 3-122-45.01.
11. The HO erred in concluding that HAR section 3-122-45.01 was not violated by the compensation paid to Ellerman.
12. The HO erred in concluding that in the context of HAR section 3-122-45.01, there is no distinction between an affidavit and a declaration.
13. The HO erred in concluding that the evidence failed to show that Intervenor made substantial clarifications to its proposal during its interview.
14. The HO erred that there was no violation of HAR section 3-122-53(d).
15. The HO erred by finding that there was no violation of law relating to the supplemental vs. aide rate in the price scoring.
16. The HO erred in granting summary judgment in favor of the DOE on the issue of the DSSI.
17. The HO erred in denying Petitioner's Motion for Reconsideration of the summary judgment granted in the DOE's favor on the DSSI.
18. The HO erred by failing to provide any reasons for its denial of the Motion for Reconsideration.
19. The HO erred in deciding to ratify and affirm the contracts awarded, rather than order termination of those contracts.
20. The HO erred in its application of HRS section 103D-707.
21. The HO erred in concluding that Petitioner had to prove that it would have received the awards but for the errors in the process, as a condition for the HO to order termination of the contract awards.
22. The HO erred in concluding that the bias in the evaluation process and the DOE's violation of HRS section 103D-303(g) did not work in favor of the other offerors, including Intervenor.
23. The HO erred in concluding that Petitioner did not prove that there was a substantial chance it would have had the highest score for additional contract awards, but for the bias in the evaluation process and the DOE's violation of HRS section 103D-303(g).
24. The HO erred in concluding that Petitioner did not suffer any prejudice as a result of the bias in the evaluation process and the DOE's violation of HRS section 103D-303(g).

25. The HO erred in failing to give due consideration to the public interest in a fair procurement process and in the purpose of the procurement code, HRS Chapter 103D, in deciding whether to terminate the contract awards.
26. The HO erred in concluding that "the additional cost and time DOE would incur in resoliciting, the timer require for the acquisition of buses, the commitments made by the contractors in preparing to perform the contracts, and the fact that the Offerors' pricing information has already been made public" were reasons that ratification was preferable to termination of the contracts and would be in the State's best interest.
27. The HO erred by failing to award Petitioner its attorneys' fees and costs.
28. The HO erred in dismissing Petitioner's consolidated protests.
29. The HO erred in ordering that Petitioner's cash protest bonds be deposited into the general fund.

Therefore, the Hearings Officer erred in granting in part the DOE's Motion for Summary Judgment, denying Robert's Motion for Reconsideration, and in ratifying and affirming the contracts awarded in RFP D17-001 and RFP D17-002 pursuant to HRS § 103D-707(1)(A), and in dismissing Robert's Appeals of Denials of Protests in the consolidated matters PDH-2017-001 and PDH-2017-002.

DATED: Honolulu, Hawai'i, APR 21 2017.

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Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAI'I

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Appellant, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Appellee. GROUND TRANSPORT INC., Intervenor.	Civil No. 17-1-0659-04 RAN (Agency Appeal) PETITIONER-APPELLANT ROBERT'S HAWAII SCHOOL BUS, INC.'S STATEMENT OF CASE

PETITIONER-APPELLANT ROBERT'S HAWAII SCHOOL BUS, INC.'S STATEMENT OF CASE

Petitioner-Appellant Robert's Hawaii School Bus, Inc., by and through its attorneys, Kobayashi, Sugita & Goda, and pursuant to Rule 72 of the Hawai'i Rules of Civil Procedure ("HRCP"), §§ 103D-710 and 103D-712, and 91-14 of the Hawai'i Revised Statutes ("HRS"), and Hawai'i Administrative Rules § 3-126-78, hereby submits its Statement of Case relating to its appeal from the Hearings Officer's Findings of Fact, Conclusions of Law, and Decision entered on April 13, 2017 in the Office of Administrative Hearings, State of Hawai'i Department of Commerce and Consumer Affairs ("Decision"), and filed in *In the Matter of Robert's Hawaii School Bus, Inc. v. Kathryn S. Matayoshi, in*

her capacity as Chief Procurement Officer for the State of Hawaii Department of Education, et al.; PDH-2017-001 and PDH-2017-002 (Consolidated). A copy of the Decision is attached hereto as Exhibit A.

PARTIES

1. Petitioner-Appellant Robert's Hawaii School Bus, Inc. ("Robert's") is a Hawai'i corporation registered and authorized to do business in Hawai'i, and pursuant to HRS § 103D-710 is a party to the proceedings below and is aggrieved by the Decision.

2. Respondent-Appellees Kathryn S. Matayoshi, in her capacity as Chief Procurement Officer for the State of Hawaii Department of Education ("Respondent" or "DOE"), is an officer within the DOE which is an agency of the State of Hawaii within the meaning of HRS Chapter 201D, and was responsible for denying Robert's protests of RFP Nos. RFP D17-001 and RFP D17-002 ("RFPs") and awarding the related contracts to other proposers.

3. Upon information and belief, Intervenor Ground Transport, Inc. ("GTI") is a Hawai'i corporation registered and authorized to do business in Hawai'i.

4. Appellee Department of Commerce and Consumer Affairs, State of Hawaii ("DCCA"), has jurisdiction pursuant to HRS § 103D-709 to review and determine de novo any request from any bidder, offeror, contractor or government body aggrieved by a determination of the chief procurement officer, head of a purchasing agency, or a designee of either officer under HRS §§ 103D-310, 103D-701 or 103D-702. The Hearings Officer of the Office of Administrative Hearings, issued the Decision that is contested herein.

5. John Does 1-10, Jane Does 1-10, Doe Governmental Units 1-10, and Doe Entities 1-10 ("Doe Appellees") are presently unknown to Petitioner-Appellant but are in

some manner responsible for a decision, order or action appealed from as set forth in the Notice of Appeal and Statement of Case. Petitioner-Appellant has been unable to discover the identities of the Doe Appellees, has named them under fictitious names, and therefore reserves the right to identify the Doe Appellees when such responsibility for a decision, order or action appealed from or other claim is discovered.

JURISDICTION

6. This is an appeal from an agency decision – Hearings Officer's Findings of Fact, Conclusions of Law, and Decision (1) Ratifying and affirming the contracts awarded in RFP D17-001 and RFP D17-002 pursuant to HRS § 103D-707(1)(A), and (2) dismissing Robert's Appeals of Denials of Protests *In the matter of Robert's Hawaii School Bus, Inc. vs. Kathryn S. Matayoshi, in her capacity as Chief Procurement Officer for the State of Hawaii Department of Education, et al,* PDH-2017-001 and PDH-2017-002 (Consolidated) (the "Decision").

7. This action arose in the City & County of Honolulu, State of Hawaii and venue is proper. The Circuit Court has jurisdiction over this matter pursuant to HRS §§ 103D-710, 103D-712, and 91-14, Hawai'i Administrative Rules ("HAR") § 3-126-78, and Rule 71 of the Hawaii Rules of Civil Procedure.

BACKGROUND AND FACTS

8. More than 40 years ago, which would have been about 1973, Robert Joseph met James Kauhi. Robert Joseph subsequently married James Kauhi's sister. Robert Joseph and James Kauhi live directly next door to each other. Kauhi and Joseph are approximately the same age. Kauhi's and Joseph's children grew up together and their grandchildren also play together.

9. 2001 to 2003– For 2 years, 10 months, Robert Joseph worked as a temporary (emergency) hire as a TO with the DOE, STSB. Joseph testified that he resigned from that position in 2003, in part because James Kauhi, his brother-in-law was repeatedly passed over for promotion. Kauhi was the TO for Maui at the time and wanted to be promoted to Manager of STSB. Joseph testified that he quit in part because "...the State chose to choose others"; meaning other candidates rather than his brother-in-law. Joseph testimony 3/16 at 1:03pm.

10. Joseph testified that during his employment with the DOE in 2001 to 2003, he "made a lot of issues for [Robert's]". This may explain why he later came to believe (wrongly) that Robert's protested his re-hiring by the DOE in 2011. Specifically Joseph testified as to this period:

> The previous 2 years and 10 months that I covered that Transportation officer position, it was something they didn't expect. I wasn't the same as Mr. Kauhi... **There was a lot of issues.** Drivers weren't wearing uniforms, they were coming to work wearing slippers and you know... **it was sloppy. It was really bad.** Buses were in bad shape. Not age compliant. I'm reading the contracts and saying, 'we gotta fix all of this' **so I made a lot of issues for them in that 2 years and 10 months. Yes. I made a lot of issues for them. I brought a lot of things into focus. Things that just weren't right. And I tried to correct it...**

11. Sometime in 2010 – James Kauhi recommended that Robert Joseph apply for a permanent position at the DOE and Joseph did so. **Kauhi recused himself from being involved in the hiring process for his brother-in-law Joseph.** Kauhi testified that, "I felt it was appropriate for me to simply remove myself from that decision making process." Even though Kauhi recused himself, he put his assistant Earlyn Worley on the evaluation panel for Joseph's hiring.

12. On or about October 21, 2010, Joseph was hired as TO for Maui. Joseph believes his hire was delayed 2-3 months as a result of Robert's filing a complaint or protest

aimed at preventing the DOE from hiring him. Kauhi was the Manager of STSB at that time and has directly supervised Joseph ever since. The two men speak almost daily. Since the rehire, Joseph has had many interactions with Robert's.

13. When asked about why he believes Robert's attempted to prevent the DOE from hiring him, Joseph defiantly testified:

> It's not whether I *believe*, they actually *did*. **They *did* try to stop the DOE from hiring me.** By filing some sort of a protest or something. After my two year ten month stint with the DOE and I left for five years, a job position actually did open up, and I re-applied and went through the interview process and ***I was about ready to be hired.*** **That hiring process got delayed by almost two months because there had to be an investigation about Jim and I being related to each other. And this was filed by Robert's Hawaii**... They had to stop the hiring process, stop me from being put in to that position, until the investigation was finished. **It's not a matter of what I think. *I actually went through it*. It happened.**

14. On July 20, 2011, **9 months after Kauhi announced Joseph's hire,** Aaron Kimura emailed Kauhi on behalf of Robert's asking, "To confirm the hearsay directly, is your Maui TO, Robert Joseph Jr., a relative of yours? If so, how is he related to you?" Kauhi did not respond to this email.

15. August 2011 - Pulani Foster was hired as Office Assistant at Kapaa Middle School.

16. In approximately 2012, the Hawaii legislature mandated that the DOE reduce the costs of its bus service. In 2013, the DOE hired MPS, who later changed its name to TransPar. MPS issued a report stating that the increased costs were due to private contractors, largely meaning Robert's as it held the majority of school bus contracts in the State of Hawaii. MPS and the DOE believed that they should promote increased competition for bus contracts. MPS recommended an RFP process as a means to increase competition in the market. MPS also recommended that the structure of bus contracts should change from the STSB contracting for

specific routes to contracting for specific rates instead (i.e. paying a certain rate per hour for a certain number of buses to cover clusters of operations). This program was named the "Get on Board" initiative. Prior to this initiative, there was a belief that existing bus contractors were overcharging the DOE for services. There was also a desire to increase competition by encouraging new contractors to submit proposals. Id. Bruce Ellerman worked for MPS, later TransPar on its consulting contracts with the DOE.

a. The Get on Board initiative began with a pilot program on Oahu in 2013 and included areas in Pearl City and Waipahu. Ground Transport, Inc. ("GTI") participated in the pilot program as it had some of the affected routes. STSB and MPS did not select any routes serviced by Robert's to be part of the pilot program. MPS and STSB subsequently commenced the next phase of the Get On Board program with the issuance of RFP for Oahu, followed by the RFP for the Island of Hawaii. Christian Butt, the Section Administrator for Project Control Section of the DOE, and MPS developed RFP documents for the islands of Oahu and Hawaii. The Oahu contracts were awarded on July 1, 2014. The contracts for the Island of Hawaii were awarded July 2015. Those RFPs, like the RFPs for Maui and Kauai, contained separate sections for pricing/cost as opposed to the technical portions, meaning the evaluation committees did not know pricing/cost information when scoring the technical proposals.

b. Christian Butt testified that the primary impetus for the change to the Get on Board initiative was to nurture competition and to avoid collusion amongst bus vendors, which the media and legislature believed was occurring. He stated that there were several prior instances where only one vendor responded to an Invitation for Bid. He stated, "The lack of competition was raising questions." Butt further testified that the costs were spiraling out of control.

c. James Kauhi appointed Evaluation Committee members for the Oahu and Hawaii RFPs. None of the TOs for the respective islands served on those committees. Kauhi did not have any difficulty finding committee members for the RFPs for Oahu and Hawaii.

d. First Student (a large, national school bus company) submitted a proposal on Oahu, but not on the Big Island.

e. Robert's was awarded 4 of 7 clusters on Oahu, and 3 of 5 clusters on the Big Island.

f. Butt also testified to having knowledge of the State Auditor's report, which concluded among other things, that there was an alarming lack of controls within the DOE resulting in corrupt, unethical, and possibly criminal activity in connection with the procurement of professional services contracts.

17. On Oahu, the computer/GPS generated routes put in place by MPS did not initially work properly. For example, the software did not pick up that a bus could not cross a certain bridge or that extra time was needed for two wheelchair-bound students to board at a certain stop. Robert's worked with MPS to revise and improve the efficiency of these routes until they worked properly. For the Island of Hawaii, Robert's provided its existing route information to MPS, which MPS used to generate proposed routes. Robert's route information proved invaluable to MPS (and its customer, the DOE) as many of the problems MPS experienced on Oahu were avoided. Robert's worked closely with Brian Behnia from MPS on perfecting the routes for Oahu and Hawaii. Mr. Behnia worked directly under Bruce Ellerman.

18. On February 13, 2013, Aaron Kimura, on behalf of Robert's, sent an email to James Kauhi to address issues with Robert Joseph, and to ask again whether Joseph is related to Kauhi:

> On occasion, **our Maui Operations would address their experience of receiving unprofessional and at times intimidating attitude by Robert Joseph, your Maui DTO**. It may be his nature or it may be an individualized assumption based on the experience and/or observation, however it is a consistent statement.
>
> Yesterday, our Kauai Operations was contacted by Robert to report that he observed students standing in the stairwell of the bus when it arrived at a transfer location. He requested an email by our Kauai Ops Manager to verify that the incident was addressed with the applicable driver.
>
> While the reported incident was addressed with our driver, our driver stated that upon reaching the transfer location, Robert was standing at the foot of the bus door raising his voice, saying no one is to get off the bus. **He stated that he would have to write up all those who were standing otherwise our driver would lose her job. Our driver never met Robert before therefore she was taken by surprise by his negative and intimidating demeanor.**
> I do acknowledge the rule/regs that students should be seated at all times during transit and the violation warrants ST-15s to be completed, however as much as it is expected of our employees to be professional, we should expect the same by your staff.
> Furthermore, **it is often reported that Robert Joseph is your brother-in-law thereby submittal of a formal inquiry and complaint to the State's Ethics Commission was mentioned**.
> Please address our concern with Robert and let me know what transpired from your discussion with him.

(emphasis added). Kauhi responded by stating he would look into the situation and would like further detail. As to Joseph being his brother in law, Kauhi was dismissive in his response:

> **As for Mr. Joseph being my brother in law, I don't see how this would or should concern you or anyone else**. His personal relationship to me has nothing to do with his scope of work. **And although no explanation is owed to you or anyone else, I want you to know (since you and I have a history) that I completely recused myself from his recruitment process from beginning to end**. Mr. Joseph was selected among a field of qualified candidates by an interview committee that did not include me.
>
> My feeling is that Mr. Joseph has been with us long enough that **I have absolutely no concerns that the Ethics Commission would be interested in investigating him or me**. But of course, if you think otherwise and feel that the Committee SHOULD look into this, please feel

> free to contact them at your convenience. If not, **I would certainly appreciate it if you and everyone else in your employ would spend more time and energy worrying about compliance instead of the state of my agency**.

(emphasis added). Kauhi clearly lied when he said he recused himself from Joseph's recruitment process "from beginning to end." Besides putting his assistant on the interview panel, **the panel reported to him and he made the final decision to hire Joseph, his brother-in-law**.

19. March 2013– Pualani Foster was hired as Transportation Officer 3 for the island of Kauai and reported to James Kauhi. Kauhi recommended her hire. Kauhi has directly supervised Foster since that time. Prior to her hire as TO, Foster worked for Kapaa Middle School and later, as the assistant to the previous TO on Kauai for only a few months. Thus, she had relatively little relevant experience prior to being hired by Kauhi.

20. March 2013 to approx. November 2013 – Robert Joseph trained Pualani Foster as TO for Kauai. He traveled twice a week from Maui to Kauai for two months and then continued to train her remotely for another four to five months.

21. December 19, 2013 – James Kauhi emails Aaron Kimura to discuss transition issues for the new contracts on Oahu. The email notes in part,

> **Our most prominent concern is avoiding employee attrition**, where bus drivers and aides **prematurely transition from one employer to the next *because of uncertainty***. It is our desire to mitigate any instance of service disruption. We trust that all of our vendor partners will agree. **While we know it is important for incoming vendors to secure a qualified team of experienced drivers and aides as quickly as possible, it is equally important to ensure that those efforts do not disturb existing levels of service**. For this reason, **we are asking incoming partners to delay all attempts to approach current bus drivers and aides until current vendors agree to making their employees available for such discussions**. Your cooperation on this front is paramount to protecting student health and safety.

(emphasis added).

22. In 2014 – Robert Joseph worked as TO on the Island of Hawaii until an incident occurred where he was accused of "manhandling" a student at De Silva Elementary School because she had an expired bus pass. Remarkably, despite his being transferred back to Maui to be the full-time TO following the incident, he was never disciplined. James Kauhi supervised Robert Joseph at that time.

23. For the period from July 2015 to June 2016, GTI had 245 missing assets on Oahu as compared to Robert's having just 21.5 for the same period. This means Robert's had less than 10% of the missing assets that GTI had, even though it operated more clusters of routes than GTI during that period. As Louis Gomes testified, a missing asset means a bus did not run a scheduled route for some reason. Thus, GTI was 10 times more non-compliant than Robert's in failing to operate its scheduled routes on Oahu during that period.

24. At a CPMP meeting in June 2016, James Kauhi approached Aaron Kimura and stated Joseph is having problems with Kristine Kim, Robert's Operations Manager on Maui. Kauhi warned Kimura that this will negatively impact how the DOE scores Robert's proposals for the Maui and Kauai RFPs.

25. Prior to July 20, 2016, the DOE prepared RFP D17-001 and RFP D17-002 for school busing service on the islands of Maui and Kauai respectively. As of July 20, 2016, the DOE could not have had any writing selecting an evaluation committee. This is because the declaration forms for evaluation committee members were not signed (or even distributed) until well after all proposals were submitted on October 5, 2016. Clearly, the committee could not be finalized, and a document identifying the members could not be prepared, until the members signed their declarations stating they had no conflicts. Butt or his assistant prepared the writing long after "the preparation of the request for proposals."

26. James Kauhi was the Chair of the Evaluation Committee for the Maui and Kauai RFPs as required by HAR § 3-122-45.01(3)-(4). Kauhi selected the evaluation committees for the Maui and Kauai RFPs. Kauhi selected Robert Joseph, Bruce Ellerman, and Pualani Foster to the committee.

a. **Robert Joseph**:

i. As discussed above, Joseph is Kauhi's brother-in-law.

ii. Joseph believed Robert's protested his re-hire by the DOE in 2011. ***Kauhi knew that Joseph had this belief when he selected Joseph to the panel.*** Kauhi testified that Joseph told him "**that there was an attempt on blocking his hiring at the department of education.**" When asked if Joseph told Kauhi that it was Robert's who made this attempt, Kauhi responded, "He did mention that, yes." Kauhi did not discuss this issue with Joseph or even ask him about potential conflicts of interest before selecting him to the panel.

iii. Joseph did not have any formal training on procurements prior to serving on the evaluation committee for Maui and Kauai.

iv. As the TO for Maui, Robert Joseph had frequent negative interactions with Robert's personnel, including Kris Kim. Kauhi also testified that, "I will acknowledge that [Joseph's] service approach can sometimes be rough. It might be interpreted as agitation. Some might say it is aggressive." Kauhi further testified, "I have counseled Mr. Joseph on occasion before…I've had reason to speak with him about his approach with our vendor partners." Mr. Kauhi also believed and told Robert's that Mr. Joseph's negative relationship with Kristine Kim would negatively affect the DOE's scoring of Robert's proposals on the RFPs. Kauhi made this clear in his June 2016 oral statements to Kimura, and then re-

emphasized his threat in his August 23, 2016 email to Kimura and Gail Sagiao. In that email, Kauhi forwarded an email string between Joseph and Kim and added his own email stating, "Aaron, this is what I've been trying to tell you ***about Kris and her local practices***. It concerns me deeply. Please note that ***this stuff is going to come up during evaluations of the RFP proposals***." (emphasis added). Kauhi knew that he would be the chair of the evaluation committee when he made this threat as he is the chair by regulation. Thus, **Kauhi essentially stated that he would make sure Joseph's issues with Kim would be raised during the evaluation of Robert's proposals**.

v. Mr. Joseph signed his Declaration, which states that he has no conflicts of interest, after the proposals were due from the proposers on October 5, 2016, and just a couple of days before scoring the proposals. Joseph testified that at the time he signed his declaration, he did not discuss with Kauhi his belief that Robert's tried to protest his hire.

vi. Robert Joseph conducted his scoring of the proposals in part during work hours at his office, and also from home.

b. **Bruce Ellerman**:

i. Bruce Ellerman worked for MPS/Transpar in creating and implementing the Get on Board initiative. He worked closely with James Kauhi during that process. During the time he served on the committee, Ellerman knew that one of the aims of the Get on Board initiative was to bring more proposers to the table to increase competition. Ellerman was involved with reviewing the language of the Maui and Kauai RFPs.

ii. Ellerman was asked by Kauhi if he was willing to serve on the evaluation committee and received an email in *August or September 2016* which identified himself and the other committee members. The email included a statement asking that he let

Kauhi know if there were any conflicts of interest or any other reason why he could not serve on the evaluation committee. Id. at 9:43am. According to HAR § 3-122-45.01, the selection of committee members should have taken place "*[p]rior to the preparation* of the request for proposals..." STSB prepared the RFPs sometime before July 20, 2016, which is when they were issued.

iii. Ellerman was also compensated for his time on the committee. He was paid by MPS/Transpar as a consultant. Tim Ammon, Ellerman's boss at MPS/Transpar informed him that he would be compensated for his time serving on the committee. Ellerman kept track of his time and a description of his work. Prior to serving on the committee, Ellerman had left the employ of MPS for "personal reasons" and moved to Kansas to start his own consulting firm. Thus, the pay he subsequently received from MPS/Transpar was compensation for serving on the committee, and for no other reason. James Kauhi testified that he was *not* aware that Ellerman was being compensated for serving on the evaluation committee, and that "[Ellerman] was aware it was voluntary." When asked if Kauhi was aware that Ellerman was paid, he responded, "I was *not* aware of that, no." When asked if the fact that Ellerman was paid by MPS/Transpar would have affected Kauhi's decision to put him on the evaluation committee, Kauhi responded, "I think it would have, yes." Kauhi would have objected to Ellerman being paid, and may have selected someone else. Because he did not know Ellerman was being paid, Kauhi could not have approved it in writing or asked his superiors to do so. The DOE did not produce any writing approving Mr. Ellerman's compensation. The DOE claims it produced all records in the contract file for the RFPs.

iv. Foster was also unaware that Ellerman was paid for his work on the committee. She testified that she would be surprised if that were the case.

v. Ellerman did not sign an Affidavit as required by HAR § 3-122-45.01. Ellerman understood that an Affidavit is different from a Declaration as an Affidavit requires a notarized signature. Rather, he signed the same Declaration form as other State of Hawaii employees. Ellerman understood that the Declaration's purpose was to confirm that there were no conflicts of interest. Ellerman did not disclose any conflicts of interest or potential conflicts of interest to Kauhi, including the fact that he previously worked for MPS/Transpar and also including the fact that he was paid to serve on the evaluation committee. Ellerman initialed and signed the Declaration on October 12, 2016, which was long after the drafting of the RFPs, and a full week after the deadline to submit proposals under the RFPs. Nobody ever asked Ellerman to sign an affidavit consenting to having his name being made public upon award of the contract as required by HAR § 3-122-45.01(C)(iii).

c. **Pualani Foster**:

i. Sometime in July of 2016, Kauhi contacted Foster to ask if she would serve on the evaluation committee, and she accepted immediately. [Foster testimony, 3/21 at 9:38]. She thought it would be a good experience and that her voice would be heard through her evaluation.

ii. Foster has been the TO for Kauai for 3.5 years. She has reported directly to James Kauhi since March of 2013. Kauhi made the final decision on Foster's hire.

iii. Foster first met Robert Joseph when she interviewed for an Office Assistant position at STSB. Joseph was on the hiring panel for her hiring and recommended her hire.

iv. As noted above, Foster was trained by James Kauhi and Robert Joseph. Foster speaks with Joseph about once per week.

v. Foster admitted that she had no prior experience with procurements, has taken no training courses either online or in person, and has never served on an evaluation committee before the Maui and Kauai RFPs were issued. Foster stated that she has never been instructed on the basic principles of procurement.

vi. Joseph periodically discusses Robert's with Foster, including complaining about issues he has with Robert's. Their most recent conversation involved a school closure where Joseph was purportedly not notified by Robert's. Foster testified that Joseph raises issues about Robert's on his own. They speak about once a week.

vii. Foster testified that she was instructed by Kauhi that she would have two weeks to score the proposals, and that she should clear her schedule and make the scoring a priority. Foster stated Kauhi allowed her to do her scoring both during work hours and after work hours, which is what she did. She continued to receive her normal salary while working on scoring the proposals during work hours. She did not think it inappropriate that she was working on scoring during work hours.

viii. Foster's Declaration was signed about two or three days before she began scoring the proposals, which was after the deadline to submit proposals (October 5, 2016).

27. There was a full one-year gap between the RFP being issued for the Island of Hawaii and those for Maui and Kauai. This was done to allow James Kauhi's staff a break after a busy legislative session. Christian Butt testified that the DOE knew or should have known how much lead time new contractors would need to acquire necessary assets. This means the

DOE delayed the Maui and Kauai RFPs knowing there would not be sufficient time for protests and appeals.

28. On July 20, 2016, DOE issued RFP D17-001 and RFP D17-002. RFP D17-001 is a significant procurement as it has estimated revenues of over $94 million over the term, including the 3 year extension term. RFP D17-002 is also a significant procurement with estimated revenues of over $41.5 million over the same period.

29. Proponents were instructed to "submit the sealed proposal Pricing forms" along with other documents. Section D of the RFPs state that "Proposals **must** be submitted using the instructions in this RFP." (emphasis added). Section D.3 of the RFPs make clear: "**No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission." Id. at 15 (emphasis added). The RFPs state that "AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed ..."

a. The RFPs make clear that the evaluation committee "will evaluate the proponent's Technical Proposal." There is no such statement for the Cost Evaluation, indicating the evaluation committee would have no part in the evaluation of costs.

b. The RFPs state that, "The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals."

c. The RFPs state the method for determining the Preferred Vendors. This method includes combining the average Technical Proposal score with the Cost Proposal score for each cluster.

d. The RFPs state that the two proponents with the highest scores per cluster will be "invited to an interview with the evaluation committee in Honolulu"

and that the results of the interviews may be used to readjust the scoring of the Technical Proposals (for those top two proposers per cluster). The RFPs state that "Mandatory onsite interviews" would take place on October 19-20, 2016. The RFPs state, "The DOE will require an onsite presentation of the top two proponents' proposals for each cluster and interview of key staff as part of the selection process..."

e. The RFPs **do not** give offerors any notice that committee members would score technical proposals based on their opinions, beliefs or understandings (whether accurate or not) regarding an offeror's facilities or operations. The RFP clearly indicate that the evaluation committee would score technical proposals based on what is stated in the proposal and any clarifications from the interviews.

f. Curiously, Butt, Kauhi and Ellerman denied that MPS and the STSB wanted new contractors to win clusters through the RFP-Get on Board process. The RFP for Maui, provided that an offeror could at most win three (3) of the four (4) total clusters. Robert's currently provides more than 95% of the school bus service on Maui. Even if it won the maximum three (3) clusters, the quantity of service it provides would be reduced. Thus, the DOE and MPS clearly wanted and in fact, ensured that a new contractor would take over a significant portion of the service on Maui from Robert's. MPS and STSB included similar limitations on the number of clusters that a contractor could win in the Oahu, Hawaii and Kauai RFPs.

30. On August 23, 2016 James Kauhi sent an email to Aaron Kimura and Gail Sagiao stating that Kris Kim's performance would be considered in the evaluation of Robert's proposals.

31. On October 5, 2016, all proposals were due to be submitted under the RFPs.

32. On or about October 10, 2016, committee members were provided forms of Declarations required by HAR § 3-122-45.01.

33. On October 12, 2016, Bruce Ellerman signed his Declaration (not a sworn Affidavit). The DOE errors and failures in this regard are described above.

34. On or about October 12, 2016, other committee members signed their respective declarations and submitted them to Christian Butt's office.

35. Committee members began scoring proposals on or about October 14, 2016. Consistent with the language and intent of the RFP, they did not receive price proposals. The committee members were instructed on the scoring rubric, that the scoring would be divided into 11 tabs, and that each tab would have different maximum points. Committee members were instructed that each proposal was to start off with full points, and that deductions were only to be made for shortcomings in the proposals. Committee members were further instructed as to scoring proposals that "it's about the future, not about the past, or present" and also "it's about what they're saying in their proposal, what they're offering."

36. In late October, 2016 upon completion of their individual scoring and on the deadline that Kauhi provided, there was a committee conference call to collect scores and to discuss reasons for deductions. While the detailed evidence is outlined below in the discussion section, it is clear that both Kauhi and Foster changed their scores based upon critical comments raised by Robert Joseph in relation to Robert's, many of which concerned **his opinion** Robert's current Maui operations and **his opinion** of a baseyard. Kauhi testified that to the extent comments on his scoring sheets were the same as Joseph's comments, that Kauhi had adopted Joseph's concerns. Kauhi also admitted that these issues were raised during the interview with Robert's. Thus, Kauhi made good on his threat "that this stuff is going to come up during evaluations of the RFP proposals."

37. During the conference call, Kauhi kept a running total of scores as they were read aloud; however, Kauhi's own scoring sheet for Robert's Maui proposal was in disarray and had numerous blanks, crossed out numbers, and no totals. This was Kauhi's third time using this scoring sheet given his prior involvement in the Oahu and Hawaii RFPs. He has no excuse for failing to properly fill out his scoring sheet for Robert's. The only plausible conclusion is that Kauhi attempted to adjust his scores based on his running total to ensure that Robert's did not run away with the technical proposal scores.

38. On October 19, 2016, interviews were conducted with the top two scorers for each RFP. For the Maui RFP, Robert's and GTI were the top scorers. Robert Joseph *raised at least 11* out of the 15 interview questions critical of Robert's proposal for Maui. Most of these critical questions were based on his opinion of Robert's existing operations on Maui, including (i) questioning "the number of baseyards *you have* on Maui" based on his definition of what constitutes a baseyard, (ii) disputing Robert's claim that 14 vehicles can be parked at the Makawao baseyard based on his opinion of that facility, (iii) disputing the use of the term "turnkey to describe *your current operation*," based on his understanding of Robert's current fleet on Maui and his opinion as actions Robert's would take in the normal course of business to replace buses (iv) disputing the *current* number of contracts held by Roberts, (v) questioning Robert's *current policy on cleaning buses*, (vi) alleging "Your Maui operation *requested for approval to operate more than 20 non-age compliant vehicles this year*..." [1] to support his opinion of Robert's fleet in the future, when service starts for the new school year (vii) a questioning the steps Robert's will take to [e]nsure that *current bus services on Maui will not be disrupted* throughout the transition period, again based on his opinion of Robert's current operations. These

[1] It should be noted that the use of non-age compliant vehicles on Maui was approved by the DOE based on the issuance of the RFPs because existing contracts were extended in accordance with the RFP schedule. It would not make sense to require the purchase of new buses while the award of clusters is not yet known.

inappropriate statements and questions caused at least James Kauhi and Pualani Foster to reduce their scores for Robert's. In other words, Joseph's inappropriate comments and beliefs negatively affected at least three out of the four committee members.

39. During Robert's interview, its representatives answered all questions put forward by the evaluation committee, yet points were deducted by Joseph, Kauhi, and Foster despite Robert's clarifications. Ellerman's score sheets reflect that Robert's answered all questions related to: (i) "turnkey" operations, (ii) Gail Sagiao's management role, (iii) inspections for park-at-home (park-away) buses, (iv) the number of service delivery contracts, (v) personnel on Maui, (vi) dispatchers and mechanics for school bus operations, (vii) bus cleaning policies, (viii) working with the DOE on efficiency issues, (ix) fleet age compliance, (x) adequacy of staffing, and (xi) working to assure no service disruptions during the transition.

40. In relation to GTI, Robert Joseph *raised only two questions* (as opposed to *eleven* in relation to Robert's) to be asked during GTI's interview. He further admitted that those were questions also raised by other evaluators. Unlike the questions he posed to Robert's, Joseph's questions to GTI were not based on his opinions of GTI's existing operations.

41. During its interview, GTI was asked questions regarding its plans to fulfill the contract requirements and whether obtaining drivers would be difficult. GTI responded that obtaining drivers on Maui would be the biggest challenge, establishing the required facilities the next biggest challenge, and buying buses the next. Ellerman also commented on his score sheets in a section marked "Interview" that "Max award would be a challenge but feels that they can do it…bus fleet would be no problem, personnel would be the biggest challenge if 3 clusters…facilities would be somewhere in between." Ellerman also commented in his notes on GTI's proposal that there was, "**No indication** of how staffing and drivers/aides will be recruited." (emphasis added). Ellerman further wrote "Also, what efforts will be made not to

disrupt existing contractors staff during process?" Kauhi noted on his list of GTI questions, "confidence level to start up 94 bus operation? 1) acquiring drivers is ??" Joseph noted on his score sheet for GTI that during the interview, GTI referenced a few potential properties in its interview. These properties were not listed in its proposal. None of GTI's oral clarifications were ever reduced to writing as required by HAR § 3-122-53(d)(1). The fact that there was "No indication" in GTI's proposal regarding recruiting means that *any explanation offered would have been a material change*, and was required to be reduced to writing.

42. On November 1, 2016, the DOE sent a letter to Robert's announcing that GTI was selected as the winning bidder for three clusters under RFP 001, including Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui).

43. Also on November 1, 2016, the DOE sent a letter to Robert's announcing that Yamaguchi was selected as the winning bidder for Cluster 1 (Waimea) under RFP 002, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively).

44. Following the posting of awards on November 1, 2016, all of the committee members were sent the total scoring information, *which included the scoring for the price/cost portions of the proposals*. For example, Foster saw the total scores for each cluster, including the totals for the pricing and technical scores.

45. The DOE posted the awards without making disclosure of any "transcription errors" or "glitches" in the scoring.

46. On November 2, 2016, Roberts submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section – Requesting debriefing and information ("First Request for Debriefing").

47. On November 16, 2016, the First Debriefing took place ("First Debriefing") and was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. During the First Debriefing, James Kauhi stated:

> ... **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation.** *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations *which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will*.** And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are.** So that's generally the process of how it worked...

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking...**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever***. **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

48. On November 17, 2016, in a telephone conversation with Kimura, Mr. Butt stated that because there were outstanding questions from the First Debriefing, the deadline to file a protest would be November 24, 2016. During the call, Mr. Butt noted various "transcription errors" but stated, "I don't think it affected [Robert's]." Butt referred to the errors

as a "glitch". In relation to the financial scoring, Butt stated, "Our language is a bit conflicted in the Addendum 3 versus the language in the RFP as far as the scoring, like you know, the financial scoring. So you pointed that out. I see your point... it is inconsistent. If you have a concern, we can certainly recalculate those scores. I agree on that. That's up to you." He also stated, "It does look bad when you have bad math because that doesn't, like, lend to the credibility of the process." He also stated, "What I'm asking you is what do you want to do? Because, you know, again, I don't want you to have to waste money having your attorneys write up a bunch of stuff." Butt stated that the DOE could rescind all of the awards and rescore the proposals. He also stated, "...I'll tell you up to them if their mental impressions are fresh enough that they want to interview you again or now I mean...that would be up to them." Mr. Butt also stated, "...I don't want to waste your guys' money and the math is not clean and makes us look stupid so you know..."

49. Contrary to Mr. Butt's claim that there were only glitches and transcription errors in the scoring, he and Mr. Kauhi in fact did not have any confidence in the validity or "veracity" of the original pricing scores. Butt stated he did not have confidence in the veracity of the scores, and Kauhi stated that he did not know which document, the final tabulation or his personal scoring sheet, contained the correct scores.

50. On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFPs be rescinded, and further requesting that the RFPs be reissued so that new proposals could be submitted.

51. Butt and Kauhi rejected Robert's request to have the RFPs reissued. Butt made the decision to rescore and consulted with Kauhi by telephone. Butt testified that the decision was made to "go back to step 1" by rescoring. Butt agreed that there was no way to go back to the situation where evaluators did the initial scoring. Butt admitted that evaluators had no

knowledge of the pricing scores during the initial scoring, and that it was not possible to go back to that situation without conducting a resolicitation. During this discussion both men knew that the existing contracts for ESY services would have to be extended in order to continue those services. Butt also knew that the existing contracts contained clauses that allowed the entire contract, ESY and non-ESY services, to be extended by mutual agreement. Inexplicably, neither Butt nor Kauhi thought the existing contracts on Maui and Kauai should be extended to allow time for a re-solicitation. Rather, Butt and Kauhi discussed the burden of selecting a new panel and conducting a new scoring. Butt justified the decision to simply re-score the proposals by stating a resolicitation would be a "heavy burden," yet also admitted the procurements involved 10 year contracts worth at least $50 million. In reality, these contracts are worth over $135 million. Butt and Kauhi also discussed the issue of resoliciting the procurements given proposers were exposed to pricing information. Butt admitted that costs for labor, fuel, buses, insurance, etc. are known in the industry and that the main gamble is on what margins companies will put on cost. He admitted that even if previous pricing were exposed that each proposer would have the same decision to make regarding the use of the pricing information, and that each proposer would be affected equally. There was no discussion about issuing an addendum to address the aides versus supplemental rates in the pricing/cost component.

52. On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for RFP D17-001 and RFP D17-002 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring**. Upon review, the DOE concurs and **has decided to re score both RFPs. *****

(emphasis added). The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it stated that the **existing** evaluation panel would re-score the

existing proposals. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to submit new proposals to account for the change in procedure.

53. Following the November 21, 2016 "Notice of Re-score" the DOE re-scored the original submissions using the same committee, rather than a new panel as requested in the alternative by Roberts. No interviews were conducted after the re-scoring procedure. The committee did not discuss conducting a second round of interviews, despite the fact that Christian Butt discussed the issue with Kauhi and testified that he left the decision whether to hold second interviews to the committee. The evaluators retained and referred to their original scores and notes during the re-scoring (including those from the interviews and telephone conference). The evaluators were permitted to review their prior scores, despite the fact that there was no confidence in the validity of the original scores. During the rescoring process, all committee members knew (i) that GTI was the top scorer for Maui and knew the spread in total points between GTI and Robert's, and (ii) that Robert's had protested the original scores.

54. For the re-score, knowing that GTI was in the lead and knowing that Robert's filed a protest because Kauhi called her, Foster effectively recused herself by awarding the full 60.00 points to both Robert's and GTI for Maui. See, FirstLine Transportation Security, Inc. v. United States, 100 Fed. Cl. 359 (2011) (by minimizing the substantial technical differences between the proposals, the selection board elevated the relative importance of price, this error had the effect of converting the best value procurement to one based on low price and mere technical acceptability.) Foster took similar action on the Kauai scoring and awarded nearly full points to Robert's (59.25) and Akita (59.50). Foster offered no logical explanation for her revised scoring. She stated she had confidence in her original scores and was not aware of any errors in her scoring. She admitted that she knew Robert's and GTI were the top two scorers for Maui based

on the award letters, and because she saw the scores for each cluster, including the total scores (which included price scores). Foster stated that she reviewed her prior score cards during the rescoring, and also reviewed the interview questions. When asked if anything significant occurred between the initial scoring and the rescoring that lead to her changes, she stated that, "any questions that I had were answered in the interview." She confirmed that the interview took place before her initial scoring was finalized and that there was no other interview conducted for the re-scoring. She stated that there was no other reason that her scoring was so different on the re-scoring.

55. During the re-scoring process, the 4-point portion of the pricing score was re-calculated. This re-scoring took an average of the aide and supplemental rate instead of just applying the supplemental rate as provided in the RFPs. No discretion was exercised in this portion of the rescoring.

56. On December 5, 2016, the DOE issued Notices of Award (and Notices of Non-Award) following the re-scoring procedure.

57. On December 16, 2016 the DOE conducted a second debriefing ("Second Debriefing"). During the second debriefing, the following discussion took place:

> Aaron Kimura: ... **the panel now had access to the outcome of the prices... the rates. Now that is different from the initial process, right, where it was kept away from them**, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to... **you were the only one who had access to the pricing**...
>
> James Kauhi: **Right**...
>
> Aaron Kimura: **So that's a difference**...
>
> James Kauhi: **Yeah**...
>
> Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing... On the first

debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**...
* * *
Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind... we just did that as an extra step**. But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores. *I don't know if they have a photographic memory or not***, but again, I don't think...

Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing...

James Kauhi: So... let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense **that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations**, the pricing presentations were re-evaluated as well... but they were not involved in that process.
Christian Butt: So again... **yeah Chad... they did see it... but no, they didn't have it in front of them when they re-evaluated, so**...

58. On December 23, 2016, Robert's submitted its Protests to the RFPs to the DOE.

59. On January 20, 2017, the DOE sent a letter to Robert's attaching the DOE's **January 11, 2017** Determination of Substantial State Interest ("DSSI") relating to the RFPs. The only reason the DOE sent Robert's the DSSI is that Robert's sent a letter to the DOE stating that no actions should be taken on the awards because of the automatic stay under HRS § 103D-701(f).

60. On January 25, 2017, Robert Joseph approached Jim and Jan Shields, Robert's employees and school bus drivers, at Robert's Kahului baseyard. He told them that GTI would be taking over the contracts on Maui, that Robert's protests had been denied (which denial only occurred later on February 24, 2017), that GTI was looking to hire drivers like the Shields

who are semi-retired, that the Shields should visit GTI's Oahu facilities because one could do surgery on the floor. He told him that "we" had tried to get First Student, a large national school bus company to submit proposals for the RFPs. Robert Joseph told the Shields that Robert's previously attempted to block his hire with the DOE because of something to do with his brother. Id. Of note is the fact that Ellerman included in his comments related to GTI's proposal, "Also, what efforts will be made not to disrupt existing contractors staff during process?" Despite this being a clear issue, and one that the DOE had addressed with Robert's in the past, the DOE was engaging in conduct that would be likely to affect Robert's staffing during the performance of its contracts.

61. On January 25, 2017, Robert's received an email from Kelsey Soma Turek at the DOE transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the RFPs, and (ii) Declaration forms for those individuals.

62. On January 26, 2017, Robert Joseph approached Vicki Perreira, a Robert's employee and bus driver, at Haliimaile Park. He stated that Robert's was not awarded the contracts, that even though "Roberts was fighting it" that the contracts are going to GTI. Joseph discussed scoring with Ms. Perreira including that Robert's "got sloppy and cheap," claiming that Robert's used the same proposal for every island and that is why Robert's lost the Kauai contracts too.

63. On or about January 27, 2017, Robert Joseph *again* approached Jan Shields. Ms. Shields told Mr. Joseph that she did not want to converse with him beyond regular business, meaning student counts and other issues related to the route. She informed Mr. Joseph that her supervisor, Kris Kim, questioned her after the prior conversation on January 25th. Mr. Joseph responded that, "no one can tell me who I can talk to." He also raised the issue again

(unprompted) that Robert's had always opposed his employment by the DOE and protested it by filing a complaint, which delayed his hiring by months.

64. On January 27, 2017, Robert's sent a letter to James Raymond, Esq. at the office of the Attorney General noting the Memoranda for Record and the committee member Declarations, and a copy of the document identifying committee members and any subsequent changes thereto, were not in the contract file prior to the preparations of the RFPs as required by HAR § 3-122-45.01. This letter further noted that Bruce Ellerman should have signed an affidavit because he was a private consultant, but did not. This letter also pointed out that Mr. Ellerman's Declaration is dated October 12, 2016, long after the issuance of the RFPs on July 20, 2016 and also after the deadline to submit proposals which was October 5, 2016. This letter also alerted the AG's office of inappropriate communications that Robert Joseph had with Robert's employees at Robert's Kahului baseyard, and further inappropriate communications with another Robert's employee the following day.

65. On January 30, 2017, James Kauhi called Gail Sagiao (Robert's Statewide Operations Manager) to discuss a letter that had been filed by Robert's alleging inappropriate conduct by Robert Joseph. Sagiao had only spoken to Kauhi two or three times during her time working for Robert's. During this discussion, Kauhi stated that he had been instructed by Dann Carlson that he and the other evaluators should not discuss the RFPs or protests with anyone, and that he had instructed his team that "mum's the word" until the situation was resolved. Sagiao told Kauhi that it was troubling that Joseph was having these types of communications with Robert's employees (on Robert's property) because Robert's is obligated to fulfill its contracts and needs all of its employees. Kauhi said he did not want his relationship with Gail to be affected because Robert's had a serious issue with DOE Superintendent Kathleen Matayoshi.

66. On February 6, 2017, Robert's sent a letter to James Raymond, esq. at the office of the Attorney General noting its disagreement with the findings of the DSSI.

67. On February 24, 2017, the DOE sent a letter to Robert's counsel denying the Protests under Hawaii Revised Statutes ("HRS") § 103D-701(c), further stating that the decisions were final.

68. On March 3, 2017, Robert's filed its requests for administrative review and posted the requisite bonds pursuant to HRS § 103D-709(e).

69. The evidentiary portion of the administrative hearing occurred on March 15,16, 20 and 21, 2017.

70. On March 16, 2017, Butt testified : (1) five individuals were involved making the decision to issue the DSSI – Christian Butt, James Kauhi, Glen Okimoto, Dan Carlson, and Jim Raymond; (2) these individuals met to discuss whether to issue the DSSI; (3) at this meeting, they discussed the potential impact of the State's exposure if the award is overturned, potential remedies under the Procurement Code, and damages; (4) they also discussed **the merits of Robert's protest** and how likely they felt Robert's could have the award overturned; and (5) that **the panel felt Robert's protests had no merit**. Butt further testified that the decision to issue the DSSI was thus **based in part on an assessment of the merits of Robert's' protests**. The above testimony proved that the DSSI was issued in violation of CARL Corp. v. State, Dep't of Educ., 85 Haw. 431, 454, 956 P.2d 1, 24 (1997).

71. Butt's testimony was the first time that the DOE disclosed to Robert's that the DSSI was based in part on an assessment of the merits of Robert's' protests and was thus issued in violation of the CARL decision.

72. On April 13, 2017, the Hearings Officer issued his Decision, (1) Ratifying and affirming the contracts awarded in RFP D17-001 and RFP D17-002 pursuant to HRS § 103D-707(1)(A), and (2) dismissing Robert's Appeals of Denials of Protests.

73. This appeal is filed within ten calendar days of April 13, 2017 pursuant to HRS § 103D-712(b).

74. August 1, 2017 was the date set in the RFPs for the commencement of services under the contracts.

POINTS OF ERROR

Robert's presents this Appeal on the grounds that the Decision was reached in violation of applicable statutory provisions, is affected by other error of law, is clearly erroneous in view of the reliable, probative and substantial evidence on the whole record, and/or is arbitrary, capricious, or characterized by abuse of discretion. More specifically:

1. FOF 17 is clearly erroneous. The HO erred in finding that "[a]t the time of his appointment to the Evaluation Committee, Ellerman was an employee of Management Partner Services, a private consultant hired by DOE for assistance in developing the RFPs."
2. FOF 18 is clearly erroneous. The HO erred in finding that "[n]one of the members of the Evaluation Committee were compensated specifically for their work on the committee by Respondent."
3. The HO erred in concluding "that the evidence was insufficient to prove that the rescoring of the Technical Proposals violated the requirement in the RFPs that those proposals be evaluated without knowledge of the Pricing Proposals." P. 33-34. Without limiting the foregoing, this includes finding no violation despite the fact that total scores

(and pricing scores in some instances) were given to committee members prior to the re-score, which was contrary to the procedure set forth in the RFPs.

4. The HO erred in concluding that discussions among members of the evaluation committee amounted to consensus scoring, permitted by *Kiewit Infrastructure West. Co. v. Dept. of Transportation*, PCX-2009-2 (June 6, 2011). P. 24.
5. The HO erred in failing to conclude that the results of the RFPs are invalid and it is impossible to determine which Offeror should have received the contract award.
6. The HO erred by implicitly finding that Ellerman did not have a conflict of interest.
7. The HO erred in concluding that "[b]ias will not be attributed to the members of the Evaluation Committee based on inference, speculation, or supposition but rather, must be demonstrated to exist by substantive hard facts or evidence." P. 41.
8. The HO erred in not finding actual bias of the committee members. P. 41
9. The HO erred in concluding that the Memoranda of Record complied with the requirements of HAR section 3-122-45.01.
10. The HO erred in concluding that the declaration signed by Ellerman complied with the requirements of HAR section 3-122-45.01.
11. The HO erred in concluding that HAR section 3-122-45.01 was not violated by the compensation paid to Ellerman.
12. The HO erred in concluding that in the context of HAR section 3-122-45.01, there is no distinction between an affidavit and a declaration.
13. The HO erred in concluding that the evidence failed to show that Intervenor made substantial clarifications to its proposal during its interview.
14. The HO erred that there was no violation of HAR section 3-122-53(d).

15. The HO erred by finding that there was no violation of law relating to the supplemental vs. aide rate in the price scoring.
16. The HO erred in granting summary judgment in favor of the DOE on the issue of the DSSI.
17. The HO erred in denying Petitioner's Motion for Reconsideration of the summary judgment granted in the DOE's favor on the DSSI.
18. The HO erred by failing to provide any reasons for its denial of the Motion for Reconsideration.
19. The HO erred in deciding to ratify and affirm the contracts awarded, rather than order termination of those contracts.
20. The HO erred in its application of HRS section 103D-707.
21. The HO erred in concluding that Petitioner had to prove that it would have received the awards but for the errors in the process, in order for the HO to order termination of the contract awards.
22. The HO erred in concluding that the bias in the evaluation process and the DOE's violation of HRS section 103D-303(g) did not work in favor of the other offerors, including Intervenor.
23. The HO erred in concluding that Petitioner did not prove that there was a substantial chance it would have had the highest score for additional contract awards, but for the bias in the evaluation process and the DOE's violation of HRS section 103D-303(g).
24. The HO erred in concluding that Petitioner did not suffer any prejudice as a result of the bias in the evaluation process and the DOE's violation of HRS section 103D-303(g).

25. The HO erred in failing to give due consideration to the public interest in a fair procurement process and in the purpose of the procurement code, HRS Chapter 103D, in deciding whether to terminate the contract awards.
26. The HO erred in concluding that "the additional cost and time DOE would incur in resoliciting, the timer require for the acquisition of buses, the commitments made by the contractors in preparing to perform the contracts, and the fact that the Offerors' pricing information has already been made public" were reasons that ratification was preferable to termination of the contracts and would be in the State's best interest.
27. The HO erred by failing to award Petitioner its attorneys' fees and costs.
28. The HO erred in dismissing Petitioner's consolidated protests.
29. The HO erred in ordering that Petitioner's cash protest bonds be deposited into the general fund.

RELIEF REQUESTED

Hawai'i procurement law is designed to protect the public from a waste of public funds and to ensure the public receives the "best value" in public contracts. Public agencies have the duty to conduct the procurement process in accordance with the law and to assure that any winning bidder is qualified and responsible within the meaning of the procurement code.

For the above-mentioned reasons, Petitioner-Appellant Robert's prays that this Court find and rule as follows:

A. That the Hearings Officer's orders, as set forth at page 53 of the Decision and in his prior orders, be reversed in total. Specifically,

a. That the Hearings Officer's decision to ratify and affirm the contracts awarded in RFP D17-001 and RFP D17-002 pursuant to HRS § 103D-707(1)(A) was in error and shall be reversed;

b. That the Hearings Officer's Decision to grant (in part) GTI's Motion for Summary Judgment was in error and shall be reversed;

c. That the Hearings Officer's Decision to deny Robert's Motion for Reconsideration was in error and shall be reversed;

d. That the Hearings Officer's Decision to dismiss Robert's Appeals of Denials of Protests in relation to RFPs D17-001 and D17-002 was in error and shall be reversed

e. That the Hearings Officer's Decision that each party shall bear its own attorneys' fees and cost was in error and shall be reversed; and

f. That the Hearings Officer's Decision that Robert's cash protest bonds posted in PDH-2017-001 and PDH-2017-002 shall be deposited in the general fund pursuant to HRS § 103D-709(e) was in error and shall be reversed.

B. That the Court remand the matter to the DCCA's Office of Administrative Hearings, directing the hearings officer to: (1) order the DOE to terminate the contracts awarded in RFP D17-001 and RFP D17-002; (2) deny GTI's Motion for Summary Judgment; (3) grant Robert's Motion for Reconsideration; (4) order the DOE to resolicit proposals in relation to RFPs D17-001 and D17-002, or (5) in the alternative, to select a new and unbiased evaluation committee to re-score the

proposals submitted to the DOE during the procurement process; and (6) award Robert's its attorneys' fees and costs for the protests and administrative hearing.

C. That the Court award Robert's such other relief as it deems just and proper.

DATED: Honolulu, Hawai'i, APR 21 2017.

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ROBERT'S HAWAII SCHOOL BUS, INC

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAI'I

In the Matter of	Civil No. 17-1-0659-04 RAN (Agency Appeal)
ROBERT'S HAWAII SCHOOL BUS, INC.	
Appellant,	DESIGNATION OF THE RECORD ON APPEAL
vs.	
KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5,	
Appellee.	
GROUND TRANSPORT INC.,	
Intervenor.	

DESIGNATION OF THE RECORD ON APPEAL

Petitioner-Appellant ROBERT'S HAWAII SCHOOL BUS, INC. ("Robert's"), pursuant to Hawai'i Rules of Civil Procedure 72(d)(1), hereby designates the following as the Record on Appeal:

All pleadings, motions, memoranda, letters, exhibits, files, notices, declarations, affidavits, tape recordings, transcripts, decisions and orders (including any and all documents filed under seal) filed with or by, or otherwise maintained by the Office of Administrative Hearings, Department of Commerce and Consumer Affairs, State of Hawai'i, regarding the proceedings of *In the Matter of Robert's Hawaii School Bus, Inc. v. Kathryn S. Matayoshi, in*

her capacity as Chief Procurement Officer for the State of Hawaii Department of Education, et al.; PDH-2017-001 and PDH-2017-002 (Consolidated), and all other evidence concerning this action, including the Whole Record, Contract Files, this Notice of Appeal, Statement of the Case and Exhibits attached thereto and this Designation.

DATED: Honolulu, Hawai'i, APR 21 2017.

CRAIG SHIKUMA
JONATHAN S. MOORE
CHARLES D. HUNTER
KOBAYASHI SUGITA & GODA
Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAI'I

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Appellant, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Appellee. GROUND TRANSPORT INC., Intervenor.	Civil No. 17-1-0659-04 RAN (Agency Appeal) ORDER FOR CERTIFICATION AND TRANSMISSION OF RECORD

ORDER FOR CERTIFICATION AND TRANSMISSION OF RECORD

TO: OFFICE OF ADMINISTRATIVE HEARINGS and DIRECTOR of the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, STATE OF HAWAI'I, 335 Merchant Street, First Floor, Honolulu, HI 96813

Pursuant to Hawai'i Revised Statutes§ 103D-710(c), Hawaii Administrative Rules§ 3-126-78(c) and Hawai'i Rules of Civil Procedure 72(d), you are hereby ordered to certify and transmit to this Court, within ~~ten (10)~~ twenty (20) calendar days of the filing of the Notice of Appeal, or within such further time as may be allowed by the Court, the entire file relating to the Hearings Officer's Findings of Fact, Conclusions of Law and Decision filed in *In the Matter of Robert's Hawaii School Bus, Inc. v. Kathryn S. Matayoshi, in her capacity as Chief Procurement Officer*

for the State of Hawaii Department of Education, et al.; PDH-2017-001 and PDH-2017-002 (Consolidated), including all files, pleadings, motions, memoranda, affidavits, letters, notices, exhibits, transcripts, orders, and decisions.

DATED: Honolulu, Hawai'i, APR 21 2017

N. ANAYA FIRST CIRCUIT COURT STATE OF HAWAII SEAL

CLERK OF THE ABOVE ENTITLED COURT

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAI'I

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC. Appellant, vs. KATHRYN S. MATAYOSHI, in her capacity as SUPERINTENDENT/CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; JOHN DOES 1-5; JANE DOES 1-5; DOE PARTNERSHIPS 1-5; DOE CORPORATIONS 1-5; DOE ASSOCIATIONS 1-5; DOE GOVERNMENTAL UNITS 1-5; DOE TRUSTS 1-5; AND DOE ENTITIES 1-5, Appellee. GROUND TRANSPORT INC., Intervenor.	Civil No. 17-1-0659-04 RAN (Agency Appeal) REQUEST FOR WRITTEN BRIEFS AND ORAL ARGUMENT

REQUEST FOR WRITTEN BRIEFS AND ORAL ARGUMENT

Pursuant to Hawai'i Revised Statues § 103D-710(d), Petitioner-Appellant ROBERT'S HAWAII SCHOOL BUS, INC. ("Robert's") hereby requests that the Court receive written briefs from the parties and hear oral argument on this Appeal.

DATED: Honolulu, Hawai'i, APR 21 2017.

CRAIG SHIKUMA
JONATHAN S. MOORE
CHARLES D. HUNTER
KOBAYASHI SUGITA & GODA
Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

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ROBERT'S HAWAII SCHOOL BUS, INC.

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS
2017 MAR 10 P 4:09
HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	PDH 2017-001 and PDH 2017-002 CERTIFICATE OF SERVICE [RE: PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S SUBPOENA DUCES TECUM TO STATE OF HAWAII DEPARTMENT OF EDUCATION; EXHIBIT "A"]

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date, a true and correct copy of the PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S SUBPOENA DUCES TECUM TO STATE OF HAWAII DEPARTMENT OF EDUCATION; EXHIBIT "A" was duly served upon the following individuals via UNITED STATES MAIL, postage prepaid (as indicated below), at his/her last known addresses:

GARY S. SUGANUMA
ANNE T. HORIUCHI
HOLLY T. SHIKADA
Deputy Attorneys General
State of Hawaii, Department of Attorney General
Education Division
Leiopapa A Kamehameha Bldg.
235 South Beretania Street, Room 304
Honolulu, Hawai'i 96813

Attorneys for Respondent
KATHRYN S. MATAYOSHI in her capacity as
SUPERINTENDENT I CHIEF PROCUREMENT OFFICER,
STATE OF HAWAII
DEPARTMENT OF EDUCATION

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American Savings Bank Tower
1001 Bishop Street, Suite 2100
Honolulu, Hawai'i, 96813

Attorney for Intervenor
GROUND TRANSPORTATION INC.

DATED: Honolulu, Hawai'i, MAR 10 2017.

JONATHAN S. MOORE
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Attorneys for Petitioner-Appellant
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2017 MAR 10 P 4:09

HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent GROUND TRANSPORTATION INC. Intervenor.	PDH 2017-001 and PDH 2017-002 PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S SUBPOENA DUCES TECUM TO STATE OF HAWAII DEPARTMENT OF EDUCATION; EXHIBIT "A" Hearing: Date: March 15, 16, 20, 2017 Time: 9:00 a.m. Senior Hearings Officer: Craig H. Uyehara

PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S SUBPOENA DUCES TECUM TO STATE OF HAWAII DEPARTMENT OF EDUCATION

THE STATE OF HAWAII

TO THE SHERIFF OF THE STATE OF HAWAII OR HIS DEPUTY, OR ANY POLICE OFFICER IN THE STATE OF HAWAII:

YOU ARE COMMANDED to Subpoena the individuals named below:

STATE OF HAWAII DEPARTMENT OF EDUCATION
c/o
GARY S. SUGANUMA
ANNE T. HORIUCHI
HOLLY T. SHIKADA
Deputy Attorneys General
State of Hawaii, Department of Attorney General
Education Division
Leiopapa A Kamehameha Bldg.
235 South Beretania Street, Room 304
Honolulu, Hawai'i 96813

TO THE WITNESS:

YOU ARE COMMANDED to produce for inspection and copying the documents identified in the **Schedule of Documents and Things** attached hereto as Exhibit "A", on **Wednesday, March 15, 2017 at 9:00 a.m.** in the above-entitled action, at the hearing to be held at:

Office of Administrative Hearings
Department of Commerce and Consumer Affairs
State of Hawaii

This subpoena shall not be personally delivered between 10:00 p.m. and 6:00 a.m. on premises not open to the public, unless otherwise permitted.

DATED: Honolulu, Hawai'i, MAR 10 2017.

CRAIG H. UYEHARA
SENIOR HEARINGS OFFICER

SCHEDULE OF DOCUMENTS AND THINGS

Any and all documents, reports, and communications involving Bruce Ellerman, including but not limited to, any reports related to Bruce Ellerman's presentation of the Student Transportation Services Branch (STSB) in 2013 (see powerpoint presentation of key points attached as Exhibit "A") including all documents, reports, and communications relating in any way to the Student Transportation Initiative, past situation cost escalations, past situation service deficiencies, new contracting approach focused on service and price competition, computerized routing software, improved management practices, the phased implementation (Phase I, Phase II and Phase III), the Get On Board Pilot Initiative, contracts with bus companies, bus routing, communication plan.

Student Transportation Services Branch (STSB)

Bruce Ellerman

EXHIBIT "A"

"Get on Board"

Student Transportation Initiative

The Past Situation
Cost Escalations

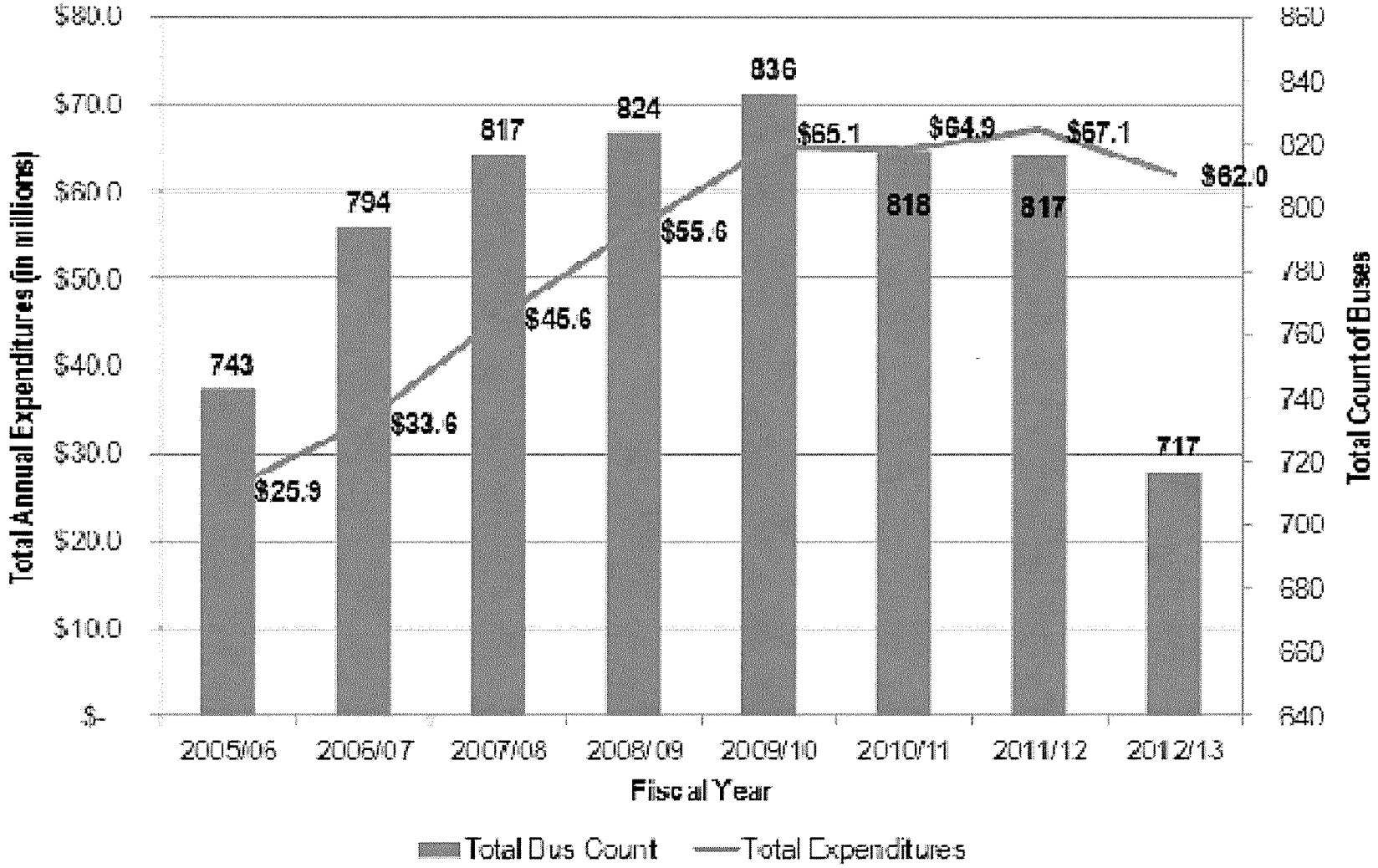
1. Contractor rate increases primary cause
2. Lack of any significant pricing competition
3. Inefficient routing practices
4. Inflexible route-based contracts

The Past Situation
Cost Escalations

1. Contractor rate increases primary cause
2. Lack of any significant pricing competition
3. Inefficient routing practices
4. Inflexible route-based contracts

EXHIBIT "A"

Cost and Service Volume History



The Past Situation
Service Deficiencies

1. Lack of service standards and accountability
2. Inadequate management structure and control

The Get On Board Future

A. New Contracting Approach Focused on Service and Price Competition

B. Computerized Routing Software

C. Improved Management Practices

    1. Take Back Management Control

    2. Policies & Procedures
       Focus on Emergency Conditions

The Get On Board Future
Phased Implementation

1. Phase I (SY 2013/14) – Pilot Initiative Central Oahu

2. Phase II (SY 2014/15) – All of Oahu

3. Phase III (SY 2015/16) – State-wide

Current Status

A. Get On Board Pilot Initiative – 2013/14

Regular Education Routes Only in Aiea, Radford, Pearl City, Waipahu and Moanalua Complex Areas

B. Contracts with Bus Companies

C. Bus Routing

D. Communication Plan

Your Role

A. Student Data Clean-Up (All Schools)

B. Communication (Pilot Schools)

    1. With Parents

    2. With STSB

C. FAQ's (All Schools)

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Attorneys at Law

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Kenneth Y. Sugita*
Alan M. Goda*

John R. Aube*
Wendell H. Fuji*
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Of Counsel:
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January 23, 2017

Via Electronic Mail and Certified Mail
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Honolulu, Hawai'i 96813
James.e.raymond@hawaii.gov

Re: Robert's Hawaii School Bus, Inc.'s ("RHSB") Protest of Award of RFP No. D17-001 and RFP D17-002 – Award of Contract After Receipt of Protest

Dear Mr. Raymond:

We are in receipt of your January 20, 2017 letter attaching the DOE's January 11, 2017 Determination of Substantial State Interest relating to the above procurements.

As an initial matter, RHSB would like to point out that moving forward with this procurement will create substantial liability for the State of Hawaii. Under Hawaii Revised Statutes ("HRS") § 103D-707(1), assuming no bad faith is found on behalf of those entities awarded the contracts, those entities "shall be compensated for the actual expenses…reasonably incurred under the contract, plus a reasonable profit…" As noted on page 3 of the State's Determination of Substantial State Interest, GTI and AEL have both indicated that they must order busses by January 13, 2017 and January 12, 2017 respectively in order to be able to perform on these contracts. These bus orders will involve placements of deposits, shipping expenses, and other significant expenses for which these entities must be compensated if the particular contract is terminated. RHSB will also seek damages if the DOE proceeds with the awards despite the protests.

Further, the Determination of Substantial State Interest incorrectly states that the protests were received by the DOE on December 27, 2016. The DOE received the protests in writing as required by HRS § 103D-701 on December 23, 2017. Both the Honorable Kathryn Matayoshi as Chief Procurement Officer for the DOE, and Christian Butt as Procurement Specialist, received

the above protests by way of email, with hard copies following by U.S. Mail. Please see the attached transmittals dated December 23, 2017 (Ex. "A"). In addition, the protests were sent via facsimile on December 23, 2016 to Superintendent Matayoshi via the facsimile number listed to her attention on the State Procurement Office website; however, that line remained busy throughout the day (Ex. "B").

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

Enclosures: Exhibits "A" – "B"

From:	Lana DeCambra
To:	"kathryn_matayoshi@notes.k12.hi.us"; "Christian_butt@notes.k12.hi.us"
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	Letter from Jonathan Moore and Charles Hunter
Date:	Friday, December 23, 2016 10:24:11 AM
Attachments:	Roberts Letter to Matayoshi Butt dated Dec 23 2016 (Maui).PDF

Dear Superintendent Matayoshi and Mr. Butt,

Please see attached from Mr. Jonathan Moore, Esq. and Mr. Charles Hunter, Esq. dated December 23, 2016:

Robert's Hawaii School Bus, Inc.'s HRS § 103D-701 Protest of Request For Proposals No. RFP D17-001 Student Transportation Services on the Island of Maui for the State of Hawaii Department of Education (DOE)

Hard copy to follow via facsimile and US mail.

Thank you.

Lana DeCambra | Legal Assistant
KOBAYASHI, SUGITA & GODA LLP
999 Bishop Street, Suite 2600, Honolulu, HI 96813 | Tel: 808-535-5700 | Fax: 808-535-5799 |
www.ksglaw.com | LND@ksglaw.com

This communication (and any attachments) are confidential and are intended only for the individual(s) or entity named above and others who have been specifically authorized to receive it. This communication and the information herein are protected by the Electronic Communications Privacy Act, 18 U.S.C. sections 2510-2521 and may be subject to legal, professional, work product and/or other legal protection. If you are not the intended recipient, please do not read, copy, use or disclose the contents of this communication to others. Please notify the sender that you have received this email in error by replying to the email or by telephoning 808-535-5700, and delete this email and any attachments from all computers without reading or saving the same in any manner whatsoever. Thank you.

Exhibit "A"

From:	Lana DeCambra
To:	"kathryn_matayoshi@notes.k12.hi.us"; "Christian_butt@notes.k12.hi.us"
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	Letter from Jonathan Moore and Charles Hunter (2)
Date:	Friday, December 23, 2016 10:31:50 AM
Attachments:	Roberts Letter to Matayoshi Butt dated Dec 23 2016 (Kauai).PDF

Dear Superintendent Matayoshi and Mr. Butt,

Please see attached from Mr. Jonathan Moore, Esq. and Mr. Charles Hunter, Esq. dated December 23, 2016:

Robert's Hawaii School Bus, Inc.'s HRS § 103D-701 Protest of Request For Proposals No. RFP D17-002 Student Transportation Services on the Island of ***Kauai*** *for the State of Hawaii Department of Education (DOE)*

Hard copy to follow via facsimile and US mail.

Thank you.

Lana DeCambra | Legal Assistant
KOBAYASHI, SUGITA & GODA LLP
999 Bishop Street, Suite 2600, Honolulu, HI 96813 | Tel: 808-535-5700 | Fax: 808-535-5799 |
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This communication (and any attachments) are confidential and are intended only for the individual(s) or entity named above and others who have been specifically authorized to receive it. This communication and the information herein are protected by the Electronic Communications Privacy Act, 18 U.S.C. sections 2510-2521 and may be subject to legal, professional, work product and/or other legal protection. If you are not the intended recipient, please do not read, copy, use or disclose the contents of this communication to others. Please notify the sender that you have received this email in error by replying to the email or by telephoning 808-535-5700, and delete this email and any attachments from all computers without reading or saving the same in any manner whatsoever. Thank you.

P.01

TRANSACTION REPORT

DEC-23-2016 FRI 03:18 PM

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
DEC-23	03:18 PM	98085863314	**'**	0	SEND	BUSY	805	

TOTAL : 0S PAGES: 0

KOBAYASHI SUGITA & GODA, LLP
Attorneys at Law

December 23, 2016

Fax Transmittal

To: The Hon. Kathryn Matayoshi
Mr. Christian Butt

Fax: 808-586-3314
808-586-0969

From: Lana DeCambra
Assistant to Jonathan Moore and Charles Hunter

Clients/Case number: 22331/1020

Re: Robert's Hawaii School Bus, Inc.

Total number of pages: 47 pages including the coversheet

Exhibit "B"

KOBAYASHI SUGITA & GODA, LLP
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Bert T. Kobayashi, Jr.*
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Alan M. Goda*

John R. Aube*
Wendell H. Fuji*
Charles W. Gall*
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Robert K. Ichikawa*
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Of Counsel:
John F. Lezak
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January 27, 2017

Via Electronic Mail
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Honolulu, Hawai'i 96813
James.e.raymond@hawaii.gov

Re: Robert's Hawaii School Bus, Inc.'s ("RHSB") Protest of Award of RFP No. D17-001 and RFP D17-002 (the "Protests") – Committee appointments and declaration forms; Cease and desist interference with Robert's Maui operations

Dear Mr. Raymond:

As you know, Robert's Hawaii School Bus, Inc. ("RHSB") has two pending protests in relation to the above procurements. This letter is being sent to highlight flaws in documents recently received by RHSB from the DOE, and also to alert your office to highly inappropriate behavior by Mr. Robert Joseph that took place yesterday at RHSB's Maui base yard.

I. Memoranda of Record and Declarations for Panel Members

On January 25, 2017, RHSB received an email from Kelsey Soma Turek, State of Hawaii Department of Education ("DOE") transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "A" (email and attached documents).

RHSB's protests both contained sections protesting on the basis that documentation regarding the evaluation committee was not in the file, and that no affidavit was signed. The Protests each contain the following:

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.

(1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;

(2) **Private consultants** may also serve on the committee and shall:
(A) Have sufficient knowledge to serve on the committee;
(B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
(C) **Sign an affidavit**:

(i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
(ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
(iii) **Agreeing that their names will become public information** upon award of the contract;

(3) The contract administrator shall serve as a member of the committee;
(4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

> This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

See, Protests at § III.G (emphasis in original). It is important to highlight the use of the phrase "*Prior* to the preparation of the request for proposals", and further that a copy of the document identifying any committee members "*shall* be placed in the contract file." Simply put, this was not done.

None of these documents are dated, with the exception of the Declaration of Bruce Ellerman, which is dated *October 12, 2016*. It is unclear how these Declarations (even assuming all were signed on October 12, 2016) could have been completed "*prior* to the preparation of the request for proposals" and "placed in the contract file" when the RFPs were issued on July 20, 2016, with a proposal deadline of October 5, 2016.

Further, assuming Bruce Ellerman was a paid consultant, it is unclear whether a determination in writing was made by the head of the DOE that the compensation was justified. In addition, Mr. Ellerman's Declaration makes no statement that he agreed to having his name become public information upon the award of the contract as required by subsection (2)(C)(iii).

Finally, the above statute requires private consultants like Mr. Ellerman to sign "an affidavit", not a Declaration. As you likely know, an affidavit must be witnessed by an official such as a notary public. Mr. Ellerman's statement is not notarized, and therefore does not constitute "an affidavit".

II. **Highly Inappropriate Conduct by the DOE**

On the morning of January 25, 2017, while Robert Joseph was at RHSB's Maui base yard, he approached two RHSB's employees and told them that Ground Transportation Incorporated ("GTI") would be taking over the contract for Maui. Mr. Joseph stated that RHSB's Protests had been denied. Mr. Joseph further stated that GTI has begun their recruiting process and that these employees should visit Oahu to see GTI's operations.

In a separate incident on January 24, 2017, Mr. Joseph approached another RHSB employee and stated that the contracts subject to the Protests have been awarded to GTI, and that the Protests would not change the outcome. Mr. Joseph then proceeded to tell the RHSB employee that he scored RHSB's Proposals low because RHSB "got sloppy and cheap" because it used the same proposal for each island. He further stated that this is why RHSB was also not awarded the Kauai contracts.

Obviously it is highly inappropriate for Mr. Joseph (as a State employee) to be acting on GTI's behalf in its recruiting efforts. RHSB considers this to be direct interference with contractual and business relations, which are separate grounds for legal action. It is also

inappropriate for Mr. Joseph to be discussing the scoring, Protests, or other related matters with RHSB employees. As such, Mr. Joseph should be reprimanded and ordered to cease and desist any such activity. Mr. Joseph should be immediately and indefinitely prohibited from entering RHSB's Maui base yard or otherwise interfering with its operations. Mr. Joseph's actions are particularly unacceptable given the DOE's disregard for the active Protests, which also highlight numerous conflicts of interest and bias.

In addition, Mr. Joseph's conduct indicates a lack of consistency with respect to how the DOE treats transitions between contracts (if a transition occurs). During prior transitions on Oahu, the DOE has asked that successful bidders not approach employees of competitors to recruit them, as that would interfere with the performance of existing contracts. Here, Mr. Joseph is actively doing just the opposite by spreading misinformation and encouraging RHSB employees to seek employment with GTI. This would be unacceptable if it were done by GTI, but is particularly egregious when done at the hands of a State DOE employee who was involved in the evaluation panel for the RFPs.

Regardless of the outcome of the Protests, RHSB is obligated to perform as to one of the Maui clusters going forward, and wishes to retain all of its drivers to that end. Mr. Joseph's actions are a direct interference with the existing and future contractual relations between RHSB and the DOE.

Finally, the fact Mr. Joseph is helping GTI in recruiting employees should be a clear indication that GTI is unqualified and unable to properly perform on any Maui contract awarded, which was also an issue raised numerous times in RHSB's Protests.

Swift and strict action must be taken to prevent any further interference by Mr. Joseph. The DOE and your office should ensure that he takes no further action on behalf of GTI, a State contractor and competitor to RHSB.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

Enclosures: Exhibit "A"

Document ID: 1510681_1_CDH

KOBAYASHI, SUGITA & GODA

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ROBERT'S HAWAII SCHOOL BUS, INC.

DEPT. OF COMMERCE AND CONSUMER AFFAIRS
2017 MAR -3 P 1:36
HEARINGS OFFICER

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	Docket No. _____ PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S APPEAL OF DENIAL OF PROTEST OF AWARDS FOR REQUEST FOR PROPOSAL NO. RFP D17-001; BOND; DECLARATION OF CHARLES D. HUNTER; EXHIBITS "A" – "I"; CERTIFICATE OF SERVICE Hearing: Date: _____ Time: _____ Hearings Officer: _____

PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S APPEAL OF DENIAL OF PROTEST OF AWARDS FOR REQUEST FOR PROPOSAL NO. RFP D17-001

Petitioner Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this Appeal of Denial of Protest of Awards for Request For Proposal No. RFP D17-001 for Student Transportation Services on the Island of Maui (hereinafter "Appeal"). This Appeal is filed by Robert's as a result of the letter by Respondent

Kathryn S. Matayoshi, in her capacity as Superintendent and Chief Procurement Officer, State of Hawaii, Department of Education, which denied Robert's protest of the awards of Request For Proposal No. RFP D17-001 ("Protest") on February 24, 2017. Under HRS § 103D-712(a), this Appeal must be submitted within seven (7) calendar days, meaning March 3, 2017. Therefore this Appeal is timely.

I. IDENTIFICATION OF THE PROCUREMENT

RFP No. D17-001 ("RFP") for Student Transportation Services on the Island of Maui for the State Department of Education (DOE) was published by the State of Hawaii, Department of Education ("DOE") on July 20, 2016. The following table shows the significance of this procurement to both the DOE, and to Robert's. It is calculated using 2% annual increases in revenue and results in **$94,150,300 total revenue** over the 7yr + 3yr extension term based on the maximum number of clusters that can be awarded:

MAUI	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	TOTAL
Makawao	3,551,040	3,622,061	3,694,502	3,768,392	3,843,760	3,920,635	3,999,048	4,079,029	4,160,609	4,243,822	
Aide	436,590	445,322	454,228	463,313	472,579	482,031	491,671	501,505	511,535	521,765	
	3,987,630	*4,067,383*	*4,148,730*	*4,231,705*	*4,316,339*	*4,402,666*	*4,490,719*	*4,580,533*	*4,672,144*	*4,765,587*	*43,663,436*
Baldwin	1,539,900	1,570,698	1,602,112	1,634,154	1,666,837	1,700,174	1,734,178	1,768,861	1,804,238	1,840,323	
Aide	187,110	190,852	194,669	198,563	202,534	206,585	210,716	214,931	219,229	223,614	
	1,727,010	*1,761,550*	*1,796,781*	*1,832,717*	*1,869,371*	*1,906,759*	*1,944,894*	*1,983,792*	*2,023,467*	*2,063,937*	*18,910,278*
Maui	2,592,720	2,644,574	2,697,466	2,751,415	2,806,444	2,862,572	2,919,824	2,978,220	3,037,785	3,098,540	
Aide	291,060	296,881	302,819	308,875	315,053	321,354	327,781	334,336	341,023	347,844	
	2,883,780	*2,941,456*	*3,000,285*	*3,060,290*	*3,121,496*	*3,183,926*	*3,247,605*	*3,312,557*	*3,378,808*	*3,446,384*	*31,576,586*
	8,598,420	**8,770,388**	**8,945,796**	**9,124,712**	**9,307,206**	**9,493,350**	**9,683,217**	**9,876,882**	**10,074,419**	**10,275,908**	**94,150,300**

II. THE PROTEST

A. **Procedural History**

On November 1, 2016, the DOE sent a letter to Robert's announcing that Ground Transportation Incorporated ("GTI") was selected as the winning bidder for three clusters under the RFP, including Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). On November 2, 2016, Robert's submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section - requesting debriefing and information ("First Request for Debriefing"). The First Request for Debriefing notes,

* * *

> In addition, it should be noted that the Notice of Award states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:
>
> > (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.
> >
> > Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

See, Exhibit "A", First Request for Debriefing at pps. 1-2 (underline in original). The First Debriefing took place on November 16, 2016 ("First Debriefing"). The First Debriefing was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. The timing of the First Debriefing would generally require a protest be submitted on or before November 23, 2016; however, in a telephone conversation held on November 17, 2016 with Mr. Butt, he indicated that because there were outstanding questions from the

debriefing, the five day deadline to file a protest would begin as of November 17th, meaning the deadline to file a protest would be November 24, 2016.

On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals could be submitted. See, Exhibit "B". The letter made clear that Robert's believed the awards were issued in violation of law.

On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for REP Dl 7-001 and REP D17-O02 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring.** Upon review, the DOE concurs and **has decided to re score both RFPs. *****

(emphasis added). Rather than allowing proposers to resubmit proposals, the DOE simply re-scored the original submissions using the same panel of scorers.

The Second Debriefing took place on December 16, 2016, which required the Protest be submitted on or before December 23, 2016. The DOE received the Protest in writing as required by HRS § 103D-701 on December 23, 2016. See, Exhibit "C" (Maui Protest).

The DOE sent a letter to Robert's on January 20, 2017, attaching the DOE's January 11, 2017 Determination of Substantial State Interest ("DSSI") relating to the RFP. See, Exhibit "D". As discussed in detail below, Robert's disputed the DSSI in a letter dated February 6, 2017. See, Exhibit "E".

On February 24, 2017, the DOE sent a letter to Robert's counsel denying the Protest under Hawaii Revised Statutes ("HRS") § 103D-701(c), further stating that the decision is final. See, Exhibit "F" (Protest denial for Maui). Under HRS § 103D-712(a), this Appeal must be

submitted within seven (7) calendar days, meaning March 3, 2017, therefore this Appeal is timely.

B. **Robert's Has Secured and Attached a Bond as Required by HRS § 103D-709(e)**

HRS § 103D-709(e) provides:

> (e) The party initiating a proceeding falling within subsection (d) **shall pay to the department of commerce and consumer affairs a cash or protest bond in the amount of**:
>
> (1) $1,000 for a contract with an estimated value of less than $500,000;
> (2) $2,000 for a contract with an estimated value of $500,000 or more, but less than $1,000,000; or
> (3) One-half per cent of the estimated value of the contract if the estimated value of the contract is $1,000,000 or more; **provided that in no event shall the required amount of the cash or protest bond be more than $10,000**.
>
> If the initiating party prevails in the administrative proceeding, the cash or protest bond shall be returned to that party. If the initiating party does not prevail in the administrative proceeding, the cash or protest bond shall be deposited into the general fund.

Id. (emphasis added). As such, Robert's includes with this Appeal a cash or protest bond in the amount of $10,000.

C. **Robert's Reserves All Rights Despite Executing the Makawao Contract**

Robert's was awarded the Makawao cluster contract ("Makawao Contract") under the RFP and received contracts for execution from the DOE on January 17, 2017. Robert's has not yet executed the Makawao contract as of the time of the filing of this Appeal; however, Robert's reserves all rights in relation to the Protest and this Appeal regardless of whether it executes the Makawao Contract before the Hearings Officer makes a determination of this Appeal.

D. **The DOE Did Not Abide By Its Own Stated Scoring Procedure**

The DOE solicited proposals through the RFP, which specifically outlines the scoring method that the DOE represented to Robert's it would employ. Robert's drafted and submitted its proposal relying on the terms of that RFP and the DOE's obligation to score by its stated method. Instead of following its own process, the DOE adapted it mid-stream in an attempt to remedy both mathematical errors and other procedural flaws.

1. **The DOE Represented that Cost Evaluation Would Only Take Place AFTER the Completion of the Technical Evaluation**

The RFP is clear that the cost portion of the evaluation would take place only "AFTER the technical evaluation is completed..." (CAPS IN *ORIGINAL*). The DOE represented that it would segregate the technical evaluation from the cost evaluation, yet completely abandoned the agreed upon scoring method by allowing the same evaluators to score proposals AFTER each knew the pricing figures supplied by each proposer. Rather than amending the RFP to make clear to all proposers that the technical and cost evaluations would no longer be separate (and allowing them to resubmit proposals taking that into consideration), or selecting a new panel of scorers following the initial scoring, the DOE charged forward with its process nonetheless.

The following statements within the RFP make it clear that the bifurcation of the technical evaluation and cost evaluation was important to the fairness of the process. Robert's proposal strategy relied on the following from Section C.2 of the RFP:

> **This is a value-based procurement**... Cost will be a significant factor in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:
>
> A. *Determination of Proposal Qualification* - * * *
>
> B. *Technical Evaluation* - **An evaluation committee will evaluate the proponent's Technical Proposal**. The members of the committee **will**

evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – **AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The **lowest cost** proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- **This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster**.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – * * *

F. *Notice of Award* – * * *

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added).

Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE issued a Notice of Award noting that Robert's was awarded Cluster 1 (Makawao), with Ground Transport Incorporated ("GTI") being awarded Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation.** *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their**

> **input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will.** And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are.** So that's generally the process of how it worked...

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking...**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever***. **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

Following the First Debriefing, on November 17, 2016, Mr. Butt called Aaron Kimura and offered to re-score the proposals submitted by all proponents. On November 18, 2016, Robert's sent a letter to the DOE entitled "Request for re-solicitation of proposals", which notes in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.

> * * *
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders.** However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring.**
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring.**

Id. (emphasis added).

On November 21, 2016, Robert's received the "Notice of Re-score" from the DOE. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it simply stated that the evaluation panel would re-score the existing proposals.

Despite the representations in the RFP (including the requirement that pricing be submitted in a separate and sealed envelope), and also the importance of keeping the pricing evaluation isolated from the technical evaluation as stated above by both Mr. Butt and Mr. Kauhi, the DOE conducted its re-scoring process with the same panel of evaluators, *each of whom knew pricing information from the initial scoring process*. The RFP was never amended. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure. The result is that each evaluator knew the pricing information of each proposer *during the scoring of the technical proposals*.

During the Second Debriefing which took place on December 16th, 2016, the following discussion took place:

> Aaron Kimura: ... **the panel now had access to the outcome of the prices... the rates. Now that is different from the initial process,**

right, where it was kept away from them, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to… **you were the only one who had access to the pricing**…

James Kauhi: **Right**…

Aaron Kimura: **So that's a difference**…

James Kauhi: **Yeah**…

Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing… On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**…

* * *

Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind… we just did that as an extra step**. But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores. *I don't know if they have a photographic memory or not***, but again, I don't think…

Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing…

James Kauhi: So… let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well… but they were not involved in that process.

Christian Butt: So again… **yeah Chad… they did see it… but no, they didn't have it in front of them when they re-evaluated, so**…

* * *

Charles Hunter (counsel for Robert's): This is Charles Hunter here. Excuse my ignorance here, but **can you tell me why the pricing was done as a separate process?**

James Kauhi: ***That's unfortunate* because this discussion was already had… I was hoping that this debrief would center around those what was not discussed… I apologize**…

> Christian Butt: Well… I don't mind answering the question… I mean… **there is nothing under the procurement code or anything that requires that… It was just the way that we chose to do the process. That's all… agency preference**.
>
> Charles Hunter: **Why?**
>
> James Kauhi: **Why not?**
>
> Charles Hunter: **I'm just asking for the logic on why that decision was made**. I just, I don't know.
>
> James Kauhi: I'm sorry… **I think Aaron and Roy and Chad should be able to explain that to you no problem**.
>
> Charles Hunter: They can explain *your* logic as to why…?
>
> James Kauhi: They can explain why the pricing presentations were reevaluated…
>
> Charles Hunter: I don't know that that is true…

As it turns out, Robert's *could* have explained the DOE's logic to Mr. Hunter based upon the First Debriefing, where Mr. Butt stated,

> …we didn't expose the price to the evaluators **so they are not influenced by that**. So again **they were blind to that**. So again, we didn't want to say oh well, **I'm going to score this guy up because his price was kind of low or whatever**. So again **we try to remove that barrier**. So again you know, that **these guys scored it they don't know how it's going to turn out**...

Yet somehow, during the Second Debriefing the DOE took the positions that, (i) the procurement code does not require the technical and price scoring to be bifurcated, despite the clear language of the RFP, (ii) that the scorers somehow forgot the price rankings because they do not have photographic memories, (iii) that they did not wish to discuss the logic as to why the initial decision was made to keep the technical and price evaluations separate, and (iv) that

Robert's should somehow be able to explain the DOE's reasoning behind structuring the RFP in the way it did.

If the DOE preferred to eliminate the pricing-blind process that was stated in the RFP, and which was determined to be an important procedure during the First Debriefing, it should have issued an addendum to the RFP making clear the change in procedure. Further, the DOE should have allowed proposers to resubmit proposals with the new procedure taken into consideration, as specifically requested in Robert's November 18, 2016 letter. Instead, the DOE ignored the importance of that procedure, claimed its evaluation panel somehow forgot the pricing results, and rushed forward with its process.

2. **DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates**

The initial RFP stated that for the pricing score, the proponent's supplemental rates would be used; however, Addendum 3 to the RFP noted that the aides rate would be used in the pricing scores. In fact, the DOE used the supplemental rates, which was misleading as Robert's strategized its bid rates based on what the Addendum stated.

Addendum 3 to the RFP states in part:

> ... This addendum **provides clarification for submission requirements** of the RFP related to the need to provide bus aides for special needs services. **This response is hereby incorporated and made a part of the RFP**.
>
> ... for purposes of developing their response **vendors should plan to provide a bus aide** for all identified special needs buses shown on Attachment B.
>
> ... The **cost of the bus aide should be identified** on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum. [This statement is contained four (4) times in Addendum 3.]
>
> ... **The cost of the bus aide will be used in the evaluation of cost provided by each vendor**.

Id. (emphasis added).

During the First Debriefing, Aaron Kimura stated on behalf of Robert's:

> There were calculation errors in the scores. For the pricing score, **proponents' supplemental rates were used, as stated in the initial RFP documents, but it was mentioned in an addendum that the Aides rate would be used in the pricing scores**; and used by RHSB. In the past two RFP series (Oahu and Big Island), the **RFP documents stated the use of the supplemental rates for pricing scores, but the DOE used the aide rates. This is misleading as RHSB strategized its bid rates based on what the Addendum stated**; regarding use of the Aide rates for scoring. (Summarized).

Christian Butt and James Kauhi both eventually agreed that it was an error to use the supplemental, rather than the aide rates, and this was part of the basis for the rescoring of the proposals. On November 17, 2016, Mr. Butt telephoned Aaron Kimura and agreed that there was an error on this point. Mr. Butt stated that the language in Addendum 3 was in conflict with that of the RFP as to the financial scoring and the use of the aides rates versus using the supplemental rates and agreed with Robert's concerns.

During the Second Debriefing, Aaron Kimura raised the issue that the DOE *again* used the supplemental rate, and added the aides rate to the daily rate portion contrary to the RFP description in Addendum 3:

> Christian Butt: So you're saying then that we should have just used the supplemental rate… or just the aide rate?
>
> Aaron Kimura: No, the aide rate.
>
> Christian Butt: **So we should have just used the aide rate, that is your position?**
>
> Aaron Kimura: **That's not *our* position, that's what was in the addendum.**
>
> Christian Butt: Well, **that's your interpretation of reading it**…

The language above of Addendum 3 is unambiguous. Even the re-scoring erred on this issue to Robert's detriment. This error is clear and unmistakable. Based on the First Debriefing and the Second Debriefing, it appears the DOE agrees.

E. **The Rescoring Shows the Procedure was Arbitrary and Shows Bias**

The re-scoring of proposals without any changes to the materials being evaluated effectively created a double-blind study in the flawed and arbitrary nature of the DOE's re-scoring procedure. This is clear looking at the total scores for Robert's, GTI, and Iosepa (all clusters were scored identically):

ROBERT'S		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	51.00	60.00
Robert Joseph	51.75	48.75
James Kauhi	56.25	54.00
Bruce Ellerman	57.00	57.75

GTI		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	55.50	60.00
Robert Joseph	56.25	57.00
James Kauhi	59.25	53.25
Bruce Ellerman	57.25	58.00

IOSEPA		
Scorer	**Initial Scoring**	**Re-score**

Pualani Foster	54.50	57.25
Robert Joseph	49.75	51.50
James Kauhi	51.25	52.25
Bruce Ellerman	50.00	49.25

AKINA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	48.00	53.25
Robert Joseph	49.50	50.75
James Kauhi	50.00	50.00
Bruce Ellerman	50.75	50.75

This data shows significant changes in scores, despite the fact that *nothing* changed in any of the proposals. This is the very definition of arbitrary. The rescoring also shows that Mr. Joseph's role as Maui TO affected his scoring and contributed to collusion with Mr. Kauhi.

Interestingly, James Kauhi, who had unlimited access to the pricing figures following the first scoring and the First Debriefing, *reduced* Robert's score by 4.00%, while the other scorers *increased* their scores on average of 4.88%. In addition, Robert Joseph also reduced his scoring for Robert's by 6.00%.

When the combined scores by Mr. Joseph and Mr. Kauhi are considered against the other scorers, there is a vast discrepancy of 15 total points, meaning Messrs. Joseph and Kauhi *scored Robert's nearly 15% lower than Ms. Foster and Mr. Ellerman.* During the rescoring, Ms. Foster and Mr. Ellerman awarded Robert's a total of 117.75 points, while Messrs. Kauhi and Joseph awarded a total of just 102.75 points. This shows clear collusion and bias. On this issue, it

should be noted that during the rescore, Messrs. Kauhi and Joseph increased or left unchanged scores for other bidders in all but one instance, *yet they both reduced Robert's score significantly*.

Pualani Foster's score for Robert's increased by an astounding 18% to a perfect score of 60 points. This was done despite her making negative comments in the score cards. Somehow, Ms. Foster also increased GTI's score to award the full 60 points, noting in her score cards that questions regarding a child being left behind, and questions regarding facility acquisitions were answered during the interview process.

It is unclear how scoring *identical* proposals could result in such varied scores. Given Mr. Kauhi and Mr. Butt's apparent confidence in the scoring panel, it is difficult to see how the rescoring would result in such drastic revisions when there was no change to the proposals submitted.

During the First Debriefing session, James Kauhi confidently stated that the Evaluation Committee was "hand-selected" and highly qualified. Furthermore, Mr. Butt described the committee members to be "well versed, competent and qualified." However during the Second Debriefing, Mr. Kauhi and Mr. Butt stated that they "didn't have confidence in the veracity of their scoring.." and "I did not have high confidence to decide which of the differing scores were the right ones....not terribly confident in knowing exactly what was my true score." This highlights yet another flaw in the re-scoring procedure employed by the DOE.

F. **The Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

HRS § 103D-101 provides in relevant part:

> (a) **All public employees shall conduct and participate in public procurement in an ethical manner**. In conducting and participating in procurement, **public employees shall**:
>
> (1) Act as a fiduciary and trustee of public moneys;

(2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;

(3) Act only in the public interest;

(4) Abide by the statutes and administrative rules relating to public procurement;

(5) Identify and maximize efficiencies in the public procurement process;

(6) Encourage economic competition by:

(A) **Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment**; and

(B) Researching innovative goods and services to meet the public's needs;

(7) **Avoid the intent and appearance of unethical behavior**;

(8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;

(9) Maintain confidentiality in a manner that ensures a fair procurement process;

(10) **Remain impartial in dealings** with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and

(11) **Identify *and eliminate* any conflicts of interest**.

* * *

(c) **All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith**.

HRS § 103D-101 (emphasis added). Further, HAR § 3-120-1(a) outlines the following purposes of the rules, which are aimed to "promote economy, efficiency, and effectiveness in the procurement of goods and services… for the State and counties":

(1) Simplifying, clarifying, and modernizing the law governing procurement;

> (2) Requiring the continued development of procurement policies and practices;
> (3) Making the procurement laws of the State and counties as consistent as possible;
> (4) **Ensuring the fair and equitable treatment of all persons who deal with the procurement system of the State and counties;**
> (5) Providing increased economy in procurement activities and **maximizing best value to the fullest extent practicable;**
> (6) **Fostering effective broad-based competition within the free enterprise system;**
> (7) **Providing safeguards for the maintenance of a procurement system of quality and integrity**; and
> (8) **Increasing public confidence in the procedures followed in public procurement.**

HAR § 3-120-1 (emphasis added).

Here, it is clear that there were numerous conflicts of interest. One such conflict of interest involved Robert Joseph. Mr. Joseph was selected as an evaluator by James Kauhi, Manager of the DOE Student Transportation Services Branch. Mr. Kauhi is Robert Joseph's manager. In addition, Mr. Joseph is married to Mr. Kauhi's sister. The result is that two out of four evaluators were directly related, raising serious issues of partiality and conflict. As noted above, this conflict resulted in collusion during the Maui rescoring, made clear by the fact that Mr. Joseph and Mr. Kauhi *scored Robert's nearly 15% lower than Ms. Foster and Mr. Ellerman.* In addition, Messrs. Kauhi and Joseph increased or left unchanged scores for other bidders in all but one instance, *yet they both reduced Robert's score significantly.*

Aside from the direct familial relations between Mr. Kauhi and Mr. Joseph, Mr. Joseph's role as an evaluator is a break from the DOE's past practice of not using on-island TO's to evaluate proposals within their own districts.

In addition, Ms. Foster, the DOE's Kauai Transportation Officer ("TO"), is believed to have approximately 2 years of experience as a TO with the student transportation industry, with that experience being limited to duties on the Island of Kauai, handling "older" contracts for

student transportation services. Ms. Foster did not have a thorough knowledge of Robert's infrastructure and capabilities on the Island of Maui. Ms. Foster was not qualified to reasonably evaluate Robert's proposal, and it is highly likely that her evaluation and scores were based on influences from Mr. Joseph and Mr. Kauhi. In addition, Ms. Foster's drastic change in scoring (an 18% discrepancy for Robert's and an average 10.29% change for all bidders), shows her lack of experience as a significant issue, and that she was not fit to serve as an evaluator.

Further, Mr. Kauhi stated to Robert's that the evaluation of its proposal could be affected if the working relationship between Robert's Maui Operations Manager (Kris Kim) and Joseph (acting as Maui TO) did not improve. Apparently Mr. Kauhi also discussed historical difficulties with Ms. Kim during his tenure as the DOE's Maui TO.

The following table shows Mr. Joseph's scores compared to the average of other evaluators for the Maui and Kauai RFPs:

RFP	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Maui	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	2.50	4.00	2.00	48.75
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	2.75	3.00	4.00	2.00	55.50
Kauai	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	54.00
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	3.00	3.00	4.00	2.00	55.25

The various conflicts of interest present during the scoring process resulted in significant bias against Robert's. This bias was allowed to further permeate the scoring process through the "**one-day collaboration** with all four evaluators" that Mr. Kauhi noted took place while he discussed the scoring process during the First Debriefing (cited above in full). This "collaboration" was in violation of the terms of the RFP, which specifically stated that, "The

members of the committee **will evaluate each proposal individually**." See, RFP at p. 9 (emphasis added). It appears Messrs. Kauhi and Joseph used this meeting to influence the other panelists. In Mr. Kauhi's words, this meeting was, "an opportunity to voice their perspectives, their concerns there, interpretations if you will. And whether it had an influence **or whether my interpretation had an influence on another evaluator's interpretation**, same thing **would be entirely up to each individual right…**" Thus, Mr. Kauhi admits the possibility or probability that his interpretation influenced other evaluators, yet he dismisses this improper influence stating the decision on whether to follow his recommendation was "entirely up to each individual". It is for this very reason that the RFP submissions were intended to be evaluated individually, and the scoring clearly shows that Mr. Kauhi's "interpretation" *did* have a strong influence on other evaluators.

Mr. Kauhi also failed to raise important issues during this "collaboration" as to Robert's performance when compared to GTI's in the same market. For example, based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with **21.5 missing assets, compared with GTI's 245***. Mr. Kauhi knew this information, yet was selective in whether to provide it to other scorers or to raise it in the "collaboration" process.

The "collaboration" process also allowed Mr. Joseph to negatively influence the minds of other panel members by raising complaints regarding Robert's Maui Operations Manager. As noted earlier, the scoring panel was "hand-selected" by Mr. Kauhi. It appears Mr. Kauhi selected Mr. Joseph not only because he could exert influence over him, but also because Mr.

Kauhi knew that Mr. Joseph would have negative feelings towards Robert's from his position as Maui TO.

The data in both the initial and re-scoring process shows clearly that Mr. Kauhi and Mr. Joseph worked together to influence the process by raising issues that would be detrimental to Robert's, while failing to discuss *actual data* that was known to all and in Robert's favor.

G. Other Conduct by the DOE Showing Bias Resulting from Conflicts of Interest

On the morning of January 25, 2017, while Robert Joseph was at Robert's Maui base yard, he approached at least two Robert's employees and told them that GTI would be taking over the contracts for Maui. Mr. Joseph stated that Robert's Protests had been denied (which had not yet occurred). Mr. Joseph further stated that GTI has begun their recruiting process and that these employees should visit Oahu to see GTI's operations.

In a separate incident on January 24, 2017, Mr. Joseph approached another Robert's employee and stated that the contracts subject to the Protests have been awarded to GTI, and that the Protests would not change the outcome. Mr. Joseph then proceeded to tell the Robert's employee that he scored Robert's Proposals low because Robert's "got sloppy and cheap" because it used the same proposal for each island. He further stated that this is why Robert's was also not awarded the Kauai contracts under RFP No. RFP D17-002.

It was highly inappropriate for Mr. Joseph (as a State employee) to be acting on GTI's behalf in its recruiting efforts. RHSB considered this to be direct interference with contractual and business relations. It was also inappropriate for Mr. Joseph to discuss the scoring, Protest, or other related matters with Robert's employees. On January 27, 2017, Robert's sent a letter to counsel for the DOE stating that Mr. Joseph should be reprimanded and ordered to cease and desist any such activity, and further that he should be immediately and indefinitely prohibited

from entering Robert's Maui base yard or otherwise interfering with its operations. Mr. Joseph's actions were particularly unacceptable given the DOE's disregard for the active Protest.

In addition, Mr. Joseph's conduct indicated a lack of consistency with respect to how the DOE treats transitions between contracts (if a transition occurs). During prior transitions on Oahu, the DOE has asked that successful bidders not approach employees of competitors to recruit them, as that would interfere with the performance of existing contracts. Here, Mr. Joseph was actively doing just the opposite by spreading misinformation and encouraging Robert's employees to seek employment with GTI. This was particularly egregious when done at the hands of a State DOE employee who was involved in the evaluation panel for the RFPs.

Finally, the fact Mr. Joseph was helping GTI in recruiting employees should be a clear indication that GTI was unqualified and unable to properly perform on any Maui contract awarded, which was also an issue raised numerous times in Robert's Protest.

On January 30, 2017, Mr. James Kauhi discussed Mr. Joseph's inappropriate conduct with Ms. Gail Sagiao (a Robert's employee). Mr. Kauhi made specific reference to the letter sent by Robert's to counsel for the DOE on January 27, 2017 (Exhibit "G"), stating further that "Mr. Carlson called me and asked me to remind everyone on my evaluation team…Robert, Pua, Bruce, myself… that because there is a challenge to the RFP, that we should not be discussing anything that has to do with the RFP with everybody until the legal matter is settled." Despite that instruction, Mr. Kauhi then proceeded to discuss the matter with Ms. Sagiao in detail, including offering defense of Mr. Joseph's (Mr. Kauhi's brother-in-law) actions. Robert's counsel sent a letter to counsel for the DOE on February 6, 2017 alerting the DOE to these inappropriate contacts, telling the DOE that discussions regarding the "transition" of contracts

are premature, and further informing the DOE that Mr. Kauhi's characterization of Robert's position regarding DOE recruiting of Robert's employees was incorrect.

As of the filing of this Appeal, the DOE is conducting an investigation into Mr. Joseph's actions, and numerous Robert's employees will be interviewed as part of that investigation.

H. **Robert's Disputes the Determination of Substantial State Interests**

On January 17, 2017, Robert's received a contract for execution in relation to Maui Cluster 1 (Makawao), which was awarded under RFP No D17-001. Robert's was surprised to receive this contract given it submitted its Protest nearly a month prior with no response from the DOE. Robert's was under the assumption that the DOE was carefully reviewing the merits of the Protest so that it could rectify the numerous problems presented, and solicit new proposals given the clear errors and problems with the prior awards. Instead, the DOE charged forward with its awards. This is the reason why, "Under most circumstances, public projects cannot proceed while a protest is pending." Nihi Lewa, Inc. v. Dep't Of Budget And Fiscal Services, 103 Hawai`i 163, 167, 80 P.3d 984, 988 (2003)

Robert's only became aware of the DOE's Determination of Substantial State Interests ("DSSI") (Exhibit "H") when counsel for the DOE responded on January 20, 2017 to an email sent by Robert's counsel to the DOE two days prior following up on Robert's Protest. That prior email specifically cited HRS § 103D-701(f), which imposes a stay on contracting activities when a timely protest has been received by the agency issuing the solicitation. The DOE should have immediately informed all proposers when the DSSI was issued on January 11, 2017, but did not.

The DSSI should not have been issued. The only stated bases for the DSSI are that, (1) school bus service must begin on August 7, 2017, (2) to meet the aforementioned deadline, "several critical milestones must be accomplished," including acquisition of fleet assets, dry runs for bus routes, DOE start up meetings with vendors, vendor recruitment, and land/base of

operations acquisition, (3) that there will be a significant economic impact if the 178 bus driver positions are not put in place immediately, and (4) that delay will impact the State's ability to "realize the pricing and operational efficiencies provided for in the RFPs."

As to issues (1) and (2) above, this is a problem of the DOE's own making that could have been cured by an extension of Robert's existing contracts while the Protest is reviewed. The DOE had already mentioned to Robert's its past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity, as noted above. Extension of Robert's contracts would have solved this problem. Further, public policy would not support allowing the DOE to press forward on improperly awarded contracts because it creates a perverse incentive for all State procurement agencies to delay the issuance of any RFP to the point where the State will be harmed if not permitted to move forward, regardless of faults in the procurement process. The DOE should not be permitted to delay the issuance of RFPs to the point where there is no time to review valid protests before issuing awards. The Procurement Code is already designed to accommodate expedited review, and that review would have been completed in a timely manner if the DOE had not delayed addressing the Protest by over a month. This dubious practice is inconsistent with the purposes of the procurement code, which are to (i) provide fair and equitable treatment of all persons dealing with the government procurement system; (ii) foster broad-based competition among vendors while ensuring accountability, fiscal responsibility, and efficiency in the procurement process; and (3) increase public confidence in the integrity of the system. See, Sen. Stand. Comm. Rep. No. S8-93, in 1993 Senate Journal at 39; CARL Corp. v. State, Dept. of Educ., 85 Hawai'i 431, 455-56, 946 P.2d 1, 25-26 (1997). These issues, "cannot be ignored when determining whether it is in the best interests of the State to ratify an unlawfully awarded contract." Id.

It should also be noted that the above timing problems are the direct result of the DOE selecting GTI on Maui, a vendor with no current operations on the island. This issue was raised in the Protest, which highlights the fact that Robert's has had a presence on Maui for over 30 years, has an existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 base yards. In particular, Mr. Joseph somehow scored GTI with maximum points, while providing a lower score to Robert's. This issue was covered in detail in Section III.E of the Protest.

Issue 3) in relation to the DSSI is a red herring. It assumes that other bus drivers will not be driving busses during the pendency of the Protests, which is logically and factually incorrect. Bus drivers are currently servicing routes, and would continue to do so until the new contracts are put in place. To argue that the "178 bus driver positions will not be contributing to the local economy" is simply fallacious reasoning.

As to the State's ability to realize "pricing and operational efficiencies" under (4), this is also unsupportable. The State is not entitled to "realize" these benefits (to the extent there are any) if they are obtained through unlawfully awarded contracts. To the extent that a protest is later denied, this risk is already contemplated by the procurement law, which requires a cash or protest bond directly related to the amount of the procurement. See, HRS § 103D-709(e). In addition, Robert's was be prepared to post a bond to cover the risk of the apparent $750,000 "savings" that would occur in the first year if required to do so, although this solution was not accepted by the DOE.

Finally, both HRS § 103D-701(f) and HAR § 3-126-5 state that no further action shall be taken until and unless "**the *chief procurement officer* makes** a written determination" that the award is necessary to protect the interests of the State (emphasis added). The DSSI dated

January 11, 2017 was not a written determination *by* the chief procurement officer, here Kathryn S. Matayoshi. Rather, it is a memo *from* James Kauhi (who is implicated in numerous ways of biased conduct as noted in the Protest), "*through*" Dann Carlson, Assistant Superintendent, *to* Kathryn S. Matayoshi. It is *not* a determination by Kathryn S. Matayoshi herself. This memo states, "*Your approval is requested* for a Determination of Substantial State Interest.." and thus is not the actual Determination. The memo is then signed "for" Superintendent Matayoshi by Dann Carlson, which also appears improper if this document was intended to be the actual DSSI, and not simply a request for one.

Overall, the DSSI is logically and factually incorrect and should not serve to thwart the purposes of the Procurement Code.

I. Evaluations Were Inconsistent with the Stated Scoring Method

Mr. Kauhi had previously explained to Robert's that a respondent would receive the maximum possible points for each category, if minimum requirements were met. The scores from each evaluator, including Mr. Kauhi, show significant inconsistency for the same categories when Robert's proposal is compared to GTI's proposal. The following table shows the RFP scores by all evaluators, and clearly shows that Mr. Kauhi, and Mr. Joseph did not score according to the stated method:

MAUI	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	***3.00***	***3.00***	***9.00***	***6.00***	***9.00***	***15.00***	***3.00***	***3.00***	***3.00***	***4.00***	***2.00***	***60.00***
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	54.00
Joseph	2.25	2.25	6.75	6.00	6.75	11.25	1.50	3.00	3.00	4.00	2.00	48.75
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	3.00	3.00	4.00	2.00	57.75
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	60.00
AVG	**2.75**	**2.50**	**9.00**	**6.00**	**6.75**	**13.75**	**2.25**	**2.75**	**3.00**	**4.00**	**2.00**	**53.63**

GTI AVG	2.81	3.00	8.44	6.00	8.44	14.06	3.00	3.00	2.44	4.00	1.88	57.06

1. Category 1: Transmittal Letter

One example of inconsistent scoring on this issue is for category 1, dealing with the Transmittal Letter. This section had 3 points possible. In this section, Robert's noted that "RHSB shall pursue Proposal Option A" and further that it was bidding on "(Multiple clusters, unlimited award) for all four (4) Clusters." GTI noted that it was proposing "…for all Maui service clusters…"

Despite Robert's satisfying the requirements of this section, Joseph scored just 2.25 points, stating wrongly that, "A list of the 4 clusters that is being proposed for was not provided." Although GTI also stated it was proposing "…for all Maui service clusters" similar to Robert's, Joseph deducted only because GTI "Exceeded page limit" but did not deduct points otherwise. Other scorers fully recognized that Robert's satisfied all of the requirements of this section.

2. Category 2: Executive Summary

In this category, Robert's highlighted numerous reasons why it is well suited to the State's requirements, including its presence on Maui for over 30 years, its existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 baseyards. Robert's also highlighted its optimal workforce and fleet, which exceeded the requirements of the RFP.

In the scoring, Joseph awarded less than the possible 3 points for the category. Joseph both questioned whether Robert's has three (3) baseyards on Maui. Joseph further questioned the stated capacity of Robert's #3 baseyard (Makawao).

In this category, GTI was awarded the full 3 points, despite the fact that it does not have *any* existing baseyards on Maui. By contrast, Robert's proposal makes clear, and the DOE is

well aware, that Robert's has 3 established baseyards on Maui that adequately support its existing fleet, with excess capacity.

Mr. Joseph questioned whether Robert's would have a "turn-key" transition as it claimed because of its existing infrastructure. GTI received maximum points, yet has no existing infrastructure.

3. Category 3: Qualifications & Experience

Despite there being no specific required format, Mr. Joseph scored Robert's with 6.75 out of 9 possible points. Joseph arbitrarily deducted points because "Bullets 3 & 4 were combined into one statement." Joseph's comments indicate that he was not sure whether the cited statistics were for school bus transportation, or for all departments. Mr. Joseph should have clarified this inquiry during the interview session, as the statistics included statewide support personnel for maintenance and dispatching by line item; however, this discounts any cause to deduct points as Robert's workforce far exceeds that of other proposers.

Robert's received the maximum points from other evaluators.

4. Category 4: Reference and Testimonials

This section requires proposers to provide not less than one (1) and no more than three (3) letters of reference. GTI listed 12 quoted testimonials, which clearly violated and exceeded the maximum number of testimonials for the section. GTI received the maximum points for this category despite its violation of a clear term as to the maximum number of references.

5. Category 5: Proponent's Service Approach

Robert's received a score of 6.75 from Kauhi, who commented regarding the level of confident for park-aways. On this issue, Gail Sagiao, for Robert's, responded to an inquiry during the interview process regarding park-aways and leads. It was Robert's belief that this

issue was fully briefed. More importantly, GTI's proposal makes absolutely no mention of park-aways, yet it received the maximum 9 points for the category from all scorers except Kauhi.

Ellerman also scored Robert's with 6.75, stating, "Needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOT, esp. in Sp Ed area." Mr. Ellerman's comment is addressed on page 25: "Prior to rendering daily student..., pre-determined route information is prepared by and received from the DOE STSB. RHSB operations management review the pre-determined routes and informs STSB of any discovery or routing discrepancies....Any discrepancies or valuable information discovered during dry-run will be addressed with the applicable DOE TO..."

6. Category 6: Commitment to Safety

This category had a possible 15 points per evaluator. Joseph awarded 11.25 points, stating, "All responses to related items are generic and does not reflect actual Maui team members performance." In reality, the proposal states, "For at least three days per week, RHSB driver trainers will observe and assist drivers while conducting per/post trip inspections." Drivers are conducting inspections daily. In addition, Gail Sagiao, for Robert's, responded during the interview that driver "leads" conduct daily oversight of inspections by drivers. In addition, it appears Mr. Joseph's comment is not related to the contents of the proposal submitted by Robert's, but rather appears to raise some issue with "actual" performance on unrelated contracts.

By comparison, neither GTI's trainers, nor its management team, conduct daily observation of driver pre/post inspections. GTI's proposal states, "...managers and supervisors conduct random ride along inspections..." It further states, "To make certain that drivers comply with the pre-trip inspection they are randomly monitored by bus supervisors. These random

inspections can take place at any time **and are not scheduled**." Mr. Joseph awarded full points to GTI.

It is difficult to understand why Robert's was penalized, when GTI admits that it does not schedule inspections.

7. Category 7: Vehicles & Fleet Management

Here is a summary of the relevant portions of Robert's proposal as compared to GTI's proposal:

Robert's:

- RHSB school bus fleet exceeds 550 statewide
- Shall include new school buses in its mix of existing fleet and remain within the minimum avg fleet age of 9 yrs
- Maintain a minimum fleet of spare vehicles at 12% of the total daily route operated
- Committed to include new school buses into its mix of 125 existing buses available on Maui
- Approximate fleet acquisition projections based on 3 clusters: Initial year (6), 2-7 years (75), 3 yr extension (3).
- Bus Type C/D: Up to 90pax, GPS, Video, Two-way Comm
- Bus Type A/B: 10+2/4wc and up to 24 pax (with AC if required)
- 3 established/existing baseyards
- Established/existing maintenance facility

GTI:

- "Our fleet of buses will not exceed an average age of 9 yrs, no bus will be over 15 yrs old, each bus will have two-way voice communication....bus cameras, and Zonar GPS tracking device.
- "GTI will maintain at least an additional 10% spare vehicle capacity above the number of buses needed for contracted cluster/routes."
- GTI lists their vehicle roster for their Oahu operations
- "We will purchase new fleet vehicles to meet the requirements of the cluster that we are awarded."
- "A final listing of vehicles/equipment will be provided to DOE as required."

Robert's provided information regarding its *existing* fleet, yet GTI proposes its future fleet specifications. Even assuming GTI does what it promises, Robert's proposal contains a larger spare vehicle percentage, the same average age, existing baseyards, and existing maintenance facilities. Robert's is also specific as to its vehicle specifications. By comparison, GTI provides no details, simply says it will be in fleet compliance (like Robert's), yet receives maximum scores.

Despite Robert's clearly having an *existing* fleet better than that *proposed* by GTI, Joseph awarded only 1.5 points, stating "Define baseyard, what exactly can we expect from each of these locations operationally." As an initial matter, Joseph, as the DOE Maui TO, is well aware of Robert's existing baseyards and its existing facilities and capacities on Maui. By comparison, GTI has no existing baseyards, and only states it will seek to obtain a baseyard if awarded. Joseph awarded full points to GTI.

The result of the RFP awards will require GTI to establish a baseyard on Maui, become familiar with Maui's geographical elements and institutions, and most importantly recruit and secure at least 48 CDL school bus drivers, 23 Non-CDL drivers and 23 Aides for a total of 71 employees; not including administrative and maintenance personnel.

The DOE appears willing to risk the possibility of a major disruption of services instead of maintaining the least disruption of services through Robert's existing infrastructure that has an existing workforce that exceeds the minimum needed to cover the maximum allowable service clusters. The DOE has always expressed the importance of avoiding any disruption of services due to the negative impact it had experienced when its reformed program backlashed on Oahu for school year 2014-15. Subsequently, DOE revised its strategy for its Big Island reform that resulted in a very successful implementation for school year 2015-16.

To that end, and based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with* ***21.5 missing assets, compared with GTI's 245***. This is a clear indication that even when GTI has an established fleet in place, it does not have the capacity to manage its own existing operations or provide reliable service. Yet, when Robert's has a proven track record, and *existing fleets and baseyards*, it is being scored lower than GTI who has asserted mere statements as to their ability to create a Maui operation from the ground up.

Despite these facts, GTI and Robert's received an average score in this category of 2.63, while GTI somehow received full points for merely making representations about its proposed Maui fleet.

8. Category 10: Financial Stability

Robert's is clearly in a stronger financial position than GTI, yet GTI arbitrarily received the same score.

J. **DOE Did Not Abide by the "Fair and Equal Standard"**

HAR § 3-122-53 requires the fair and equal treatment with respect to discussions and revisions of proposals:

* * *

(d) Priority-listed offerors ***shall*** **be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.**

(1) **Any substantial oral clarification of a proposal shall be reduced to writing** by the priority-listed offeror;

(2) If during discussions there is a need for any substantial clarification or change in the request for proposals, **the request for proposals shall be amended by an addendum to incorporate the clarification or change.**

* * *

Id. (emphasis added). This standard was not followed by the DOE in subsequent discussions with priority listed offerors. During the interview, Mr. Kauhi claimed that GTI made representations to him that convinced the DOE that GTI would be able to set up its operations on Maui, despite the fact that GTI has no infrastructure or experience there. There is nothing provided in the RFP documents that supports GTI's nebulous claims. Robert's also answered numerous questions during its interview, yet it had points deducted.

K. Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

> **Prior to the preparation of the request for proposals**, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.
>
> (1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;
>
> (2) **Private consultants** may also serve on the committee and shall:
> (A) Have sufficient knowledge to serve on the committee;
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
> (C) **Sign an affidavit**:
>
> (i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
> (ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
> (iii) **Agreeing that their names will become public information** upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;

> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

On January 25, 2017, Robert's received an email from Kelsey Soma Turek, State of Hawaii DOE transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "I" (email and attached documents).

It is important to highlight the HAR's use of the phrase "*Prior* to the preparation of the request for proposals", and further that a copy of the document identifying any committee members "*shall* be placed in the contract file." This was not done.

None of the documents received by Roberts on January 25, 2017 is dated, with the exception of the Declaration of Bruce Ellerman, which is dated *October 12, 2016*. It is unclear how these Declarations (even assuming all were signed on October 12, 2016) could have been completed "*prior* to the preparation of the request for proposals" and "placed in the contract file" when the RFPs were issued on July 20, 2016, with a proposal deadline of October 5, 2016.

Further, assuming Bruce Ellerman was a paid consultant, it is unclear whether a determination in writing was made by the head of the DOE that the compensation was justified.

In addition, Mr. Ellerman's Declaration makes no statement that he agreed to having his name become public information upon the award of the contract as required by subsection (2)(C)(iii).

Finally, the above statute requires private consultants like Mr. Ellerman to sign "an affidavit", not a Declaration. Mr. Ellerman's statement is not notarized, and therefore did not constitute "an affidavit".

III. RELEVANT LEGAL AUTHORITY

A. The Hawaii Public Procurement Code, HRS Chapter 103D, contains an administrative review process codified as HRS § 103D-709, which was amended to contain bonding requirements which must be satisfied when filing an administrative appeal. **Enclosed with this appeal is the appropriate cash or protest bond.**

B. This Appeal is based upon HRS § 103D-709.

C. Pursuant to section 103D-709 and HAR § 3-126-51 Roberts requests the right to depose the following individuals prior to the hearing on appeal: James Kauhi, Robert Joseph, Pualani Foster, and Bruce Ellerman and such others as are required. The depositions will be set for four to seven hours each. Roberts also requests full discovery of all relevant documents.

D. Robert's requests a recording of the proceedings as it will appeal, if the circumstances require.

IV. CONCLUSION

For the reasons set forth hereinabove, Robert's respectfully requests that the DCCA: (1) reverse the DOE's final decision to deny Robert's Protest; (2) order the DOE to rescind all awards made under the RFP; (3) order the DOE to implement a new RFP process with a new

//

// [REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

panel of unbiased scorers.

DATED: Honolulu, Hawai'i, MAR 03 2017.

JONATHAN S. MOORE
CHARLES D. HUNTER
Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

STATE OF HAWAII

PROCUREMENT PROTEST BOND

CASH OR CASHIER'S CHECK

(10/01/09)

PURCHASING AGENCY (Department/Division/Agency): Department of Education

IFB/RFP Solicitation Title & No.: RFP No. D17-001

KNOW ALL PERSONS BY THESE PRESENTS:

That we, Robert's Hawaii School Bus, Inc.
(full legal name and street address of Protestor)

as Protestor, hereinafter called Protestor, is held and firmly bound unto the STATE OF HAWAII, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, its successors and assigns, as Obligee, hereinafter called Obligee, in the amount of Ten Thousand Dollars and 00/100 DOLLARS ($10,000.00), lawful money of the United States of America, for the payment of which to the said Obligee, well and truly to be made, Protestor binds itself, its heirs, executors, administrators, successors and assigns, firmly by these presents. Said amount is evidenced by:

☐ Legal tender;

☒ Cashier's Check No.2840315, dated , issued March 2, 2017
by Bank of Hawaii (Waikamilo Branch),
drawn on March 2, 2017,
a bank, savings institution or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, payable at sight or unconditionally assigned to State of Hawaii, DCCA;

WHEREAS:

The Protestor has initiated an administrative protest hearing with the State of Hawaii, Department of Commerce and Consumer Affairs (DCCA) regarding the above-named Purchasing Agency's decision pertaining to IFB/RFP No.RFP No. D17-001. Said protest hearing is conditioned upon posting of a bond at the time of filing for an administrative hearing with the DCCA.

NOW, THEREFORE,

The condition of this Bond is such that, if Protestor, after conclusion or termination of the administrative hearing process regarding the protest does not prevail, this Bond shall be forfeited in total to the State of Hawaii, Department of Commerce and Consumer Affairs for deposit into the general fund. In the event the Protestor prevails, then the obligation shall be null and void; otherwise it shall remain in full force and effect.

AND IT IS HEREBY STIPULATED AND AGREED that suit on this Bond may be brought before a state court of competent jurisdiction in Honolulu, Hawaii, without a jury, and that the sum or sums specified in this Bond shall be forfeited to the Obligee, its successors or assigns, in the event of a breach of any, or all, or any part of, the covenants, agreements, conditions, or stipulations contained in this Bond in accordance with the terms thereof.

Signed this 2nd day of March, 2017.

ROBERT'S HAWAII SCHOOL BUS INCORPORATED AUG. 23, 1988 STATE OF HAWAII (Seal)

Robert's Hawaii School Bus, Inc.
Name of Protestor Roy Pfund

Signature

VP

Title

*ALL SIGNATURES MUST BE ACKNOWLEDGED
BY A NOTARY PUBLIC

PROTESTOR ACKNOWLEDGMENT

PROTESTOR ACKNOWLEDGMENT:

STATE OF Hawaii)
: SS.
City and COUNTY OF Honolulu)

On this 2nd day of March, 20 17, before me appeared Roy Pfund and _____ to me known to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are Vice President and _____ of Robert's Hawaii School Bus, Inc. the Protestor named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument in behalf of the Protestor, and acknowledges that he/she/they executed said instrument as the free act and deed of the Protestor.

(Notary Seal)

Notary Public (Signature) Bernadette Coen

State of Hawaii

My commission expires: 08/12/2020

Doc. Date: 03/02/17 # Pages: 3
Notary Name: Bernadette Coen First Circuit
Doc. Description: State of Hawaii Procurement Bond - cash or cashier's check.
RFP No. D17-001

03/02/17
Notary Signature Date

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	) Docket No. _____) DECLARATION OF CHARLES D. HUNTER

DECLARATION OF CHARLES D. HUNTER

I, CHARLES D. HUNTER, make the following statements based upon my personal knowledge:

1. I am an attorney at the law firm of Kobayashi, Sugita & Goda, counsel to the Petitioner in the above entitled matter;

2. Attached hereto as Exhibit "A" is a true and correct copy of the First Request for Debriefing submitted to the Department of Education ("DOE') by Roberts Hawaii School Bus, Inc. ("RHSB") dated November 2, 2016;

3. Attached hereto as Exhibit "B" is a true and correct copy of a letter to the DOE sent by RHSB on November 21, 2016;

4. Attached hereto as Exhibit "C" is a true and correct copy of the Protest in writing as required by HRS § 103D-701 submitted on December 23, 2016;

5. Attached hereto as Exhibit "D" is a true and correct copy of a letter sent by the DOE to RHSB on January 20, 2017, attaching the DOE's January 11, 2017 Determination of Substantial State Interest ("DSSI") relating to the RFP;

6. Attached hereto as Exhibit "E" is a true and correct copy of a letter dated February 6, 2017 sent by RHSB to the DOE disputing the DSSI;

7. Attached hereto as Exhibit "F" is a true and correct copy of a letter sent to RHSB's counsel by the DOE on February 24, 2017 denying the Protest;

8. Attached hereto as Exhibit "G" is a true and correct copy of the letter sent by RHSB to counsel for the DOE on January 27, 2017;

9. Attached hereto as Exhibit "H" is a true and correct copy of the DOE's Determination of Substantial State Interests ("DSSI");

10. Attached hereto as Exhibit "I" is a true and correct copy of an email RHSB received on January 25, 2017 from Kelsey Soma Turek, State of Hawaii DOE transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals.

I, CHARLES D. HUNTER, declare under penalty of law that the foregoing is true and correct.

DATED: Honolulu, Hawai'i, MAR 03 2017.

CHARLES D. HUNTER

Roberts Hawaii

phone 808 523 7750
fax 808 522 7866

Roberts Hawaii, Inc.
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817

robertshawaii.com

November 2, 2016

Mr. Christian H. Butt (Christian Butt/AUX/HIDOE@notes.k12.hi.us)
Section Administrator
Auxiliary Services Branch - Project Control Section
State of Hawaii - Department of Education
3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

RE: RFP D17-001 (Maui) – Request for debriefing and information.

Dear Mr. Butt:

We have received the Notice of Award for RFP D17-001, Clusters #1 (Makawao).

Pursuant to your notice and the provisions within Hawaii Revised Statutes (HRS) 103D, we request the following:

- Debriefing for RFP D17-001.
- Immediate receipt of all documents, including the final tabulation worksheet; evaluation, notes and scoring sheets of all evaluators; and copies of written (technical requirements) proposals and pricing forms (Attachment B) for all respondents.

In addition, it should be noted that the Notice of Award states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:

> (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.

Exhibit "A"

Roberts Hawaii

Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

If you have any questions, please do not hesitate to contact me at (808) 539-9477 or via email at aaron.kimura@robertshawaii.com.

Sincerely,

Aaron Kimura
Vice President – Contract Management

Cc: Mr. Bert T. Kobayashi, Jr.
Mr. Jonathan S. Moore
Kobayashi, Sugita & Goda LLP
999 Bishop St., Suite 2600
Honolulu, HI 96813

Roberts Hawaii

phone 808 523 7750
fax 808 522 7866

Roberts Hawaii, Inc.
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817

robertshawaii.com

November 18, 2016

Mr. Christian H. Butt (Christian Butt/AUX/HIDOE@notes.k12.hi.us)
Section Administrator
Auxiliary Services Branch - Project Control Section
State of Hawaii - Department of Education
3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

RE: RFP D17-001 (Maui) – Request for re-solicitation of proposals.

Dear Mr. Butt:

This letter is being sent to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, rescission of the award and cancellation of the awarded contracts is required. RHSB will file its protest no later than November 24, 2016 (you've indicated to Aaron Kimura on the phone yesterday, November 17, 2016, that because there were outstanding questions from the debriefing, the five-day deadline to file a protest would begin as of November 17, 2016). Nonetheless, RHSB plans on filing its protest on Tuesday, November 22, 2016, so that resolution will not be further delayed.

It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.

As you know, HRS 103D-701(b) allows the DOE to, "settle and resolve a protest concerning the solicitation or award of a contract." This section precludes any further actions taken in furtherance of establishing or completing the contract, but not actions to terminate or cancel the contract. International Display Systems, Inc.

Exhibit "B"

Roberts Hawaii

v. Okimoto, 2013, 300 P.3d 601, 129 Hawai'i 335. Further, under HAR 3-126-7(d), "...If the protest is sustained, the available remedies include, but are not limited to, those set forth in this section and subchapter 4..." Under HAR 3-126-38 (part of subchapter 4), when there is no bad faith by the contractor, and "[i]f the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated..." HAR § 3-126-38(a)(3) (emphasis added). Please note the use of the term "shall".

Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders. However, we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring.

Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or re-scores the existing proposals, the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring.

If you have any questions, please do not hesitate to contact me at (808) 523-7750 or via email at roy.pfund@robertshawaii.com.

Sincerely,

Roy Pfund
Executive Vice President

Last Edited: 11/17/2016 8:41:09 AM
Document ID: 1492172_1

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Thao T. Tran
Maria Y.Y. Wang

Of Counsel:
John F. Lezak
Larry L.Myers

December 23, 2016

Via US Mail, Certified, return receipt requested, Facsimile, and Electronic Mail

The Hon. Kathryn Matayoshi
Mr. Christian Butt

U.S. Mail: The Hon. Kathryn Matayoshi
Superintendent / Chief Procurement Officer
1390 Miller Street, Room 309
Honolulu, HI 96813

Mr. Christian Butt / Section Administrator
Project Control Section
Department of Education
State Procurement Office
PO Box 119
Honolulu HI 96810-0119

Section Administrator
Auxiliary Services Branch - Project Control Section
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3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

Email: kathryn_matayoshi@notes.k12.hi.us
Christian_Butt@notes.k12.hi.us

Facsimile: 808-586-3314/808-586-0969

Re: Robert's Hawaii School Bus, Inc.'s HRS § 103D-701 Protest of Request For Proposals No. RFP D17-001 Student Transportation Services on the Island of Maui for the State of Hawaii Department of Education (DOE)

Exhibit "C"

Dear Superintendent Matayoshi and Mr. Butt:

Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this protest ("Protest") of the award of RFP No. D17-001 ("RFP"), which RFP was published by the State of Hawaii, Department of Education ("DOE") on July 20, 2016. This timely protest is made pursuant to Hawaii Revised Statutes ("HRS") § 103D-701 and HRS § 103D-303, and Hawaii Administrative Rules ("HAR") §§ 3-126-4, and addresses Robert's concerns regarding the award of three clusters (Baldwin, Lahaina, and Maui) to Ground Transport Incorporated ("GTI").

I. PROTESTOR INFORMATION

Robert's Hawaii School Bus, Inc. ("Roberts")
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817
Phone: (808) 523-7750
Fax: (808) 522-7866

LEGAL COUNSEL

Jonathan S. Moore
Charles D. Hunter
Kobayashi, Sugita & Goda
999 Bishop Street, Ste. 2600
Honolulu, Hawaii 96813
Phone: (808) 535-5700
Fax: (808) 535-5799
Email: jsm@ksglaw.com

II. IDENTIFICATION OF THE PROCUREMENT:

RFP No. D17-001 ("RFP") for Student Transportation Services on the Island of Maui for the State Department of Education (DOE). The following table shows the significance of this procurement to both the DOE, and to Robert's. It is calculated using 2% annual increases in revenue and results in **$94,150,300 total revenue** over the 7yr + 3yr extension term based on the maximum number of clusters that can be awarded:

MAUI	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	TOTAL
Makawao	3,551,040	3,622,061	3,694,502	3,768,392	3,843,760	3,920,635	3,999,048	4,079,029	4,160,609	4,243,822	
Aide	436,590	445,322	454,228	463,313	472,579	482,031	491,671	501,505	511,535	521,765	
	3,987,630	*4,067,383*	*4,148,730*	*4,231,705*	*4,316,339*	*4,402,666*	*4,490,719*	*4,580,533*	*4,672,144*	*4,765,587*	*43,663,436*
Baldwin	1,539,900	1,570,698	1,602,112	1,634,154	1,666,837	1,700,174	1,734,178	1,768,861	1,804,238	1,840,323	
Aide	187,110	190,852	194,669	198,563	202,534	206,585	210,716	214,931	219,229	223,614	
	1,727,010	*1,761,550*	*1,796,781*	*1,832,717*	*1,869,371*	*1,906,759*	*1,944,894*	*1,983,792*	*2,023,467*	*2,063,937*	*18,910,278*
Maui	2,592,720	2,644,574	2,697,466	2,751,415	2,806,444	2,862,572	2,919,824	2,978,220	3,037,785	3,098,540	
Aide	291,060	296,881	302,819	308,875	315,053	321,354	327,781	334,336	341,023	347,844	
	2,883,780	*2,941,456*	*3,000,285*	*3,060,290*	*3,121,496*	*3,183,926*	*3,247,605*	*3,312,557*	*3,378,808*	*3,446,384*	*31,576,586*
	8,598,420	**8,770,388**	**8,945,796**	**9,124,712**	**9,307,206**	**9,493,350**	**9,683,217**	**9,876,882**	**10,074,419**	**10,275,908**	**94,150,300**

III. SUMMARY OF PROTEST

A. The Protest is Timely

On November 1, 2016, the DOE sent a letter to Robert's announcing that GTI was selected as the winning bidder for three clusters under the RFP, including Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). On November 2, 2016, Robert's submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section - requesting debriefing and information ("First Request for Debriefing"). The First Request for Debriefing notes,

> * * *
>
> In addition, it should be noted that the Notice of Award states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:
>
> > (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.
> >
> > Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

See, First Request for Debriefing at pps. 1-2 (underline in original). The First Debriefing took place on November 16, 2016 ("First Debriefing"). The First Debriefing was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. The timing of the First Debriefing would generally require a protest be submitted on or before November 23, 2016; however, in a telephone conversation held on November 17, 2016 with Mr. Butt, he indicated that because there were outstanding questions from the debriefing, the five day deadline to file a protest would begin as of November 17th, meaning the deadline to file a protest would be November 24, 2016.

On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals

could be submitted. The letter made clear that Robert's believed the awards were issued in violation of law.

On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for REP Dl 7-001 and REP D17-O02 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring.** Upon review, the DOE concurs and **has decided to re score both RFPs. *****

(emphasis added). Rather than allowing proposers to resubmit proposals, the DOE simply re-scored the original submissions using the same panel of scorers.

The Second Debriefing took place on December 16, 2016, which requires this Protest be submitted on or before December 23, 2016.

B. **The DOE Did Not Abide By Its Own Stated Scoring Procedure**

The DOE solicited proposals through the RFP, which specifically outlines the scoring method that the DOE represented to Robert's it would employ. Robert's drafted and submitted its proposal relying on the terms of that RFP and the DOE's obligation to score by its stated method. Instead of following its own process, the DOE adapted it mid-stream in an attempt to remedy both mathematical errors and other procedural flaws.

1. **The DOE Represented that Cost Evaluation Would Only Take Place AFTER the Completion of the Technical Evaluation**

The RFP is clear that the cost portion of the evaluation would take place only "AFTER the technical evaluation is completed..." (CAPS IN ORIGINAL). Presumably the DOE believed it important to segregate the technical evaluation from the cost evaluation, yet completely abandoned the agreed upon scoring method by allowing the same evaluators to score proposals AFTER each knew the pricing figures supplied by each proposer. Rather than amending the RFP to make clear to all proposers that the technical and cost evaluations would no longer be separate (and allowing them to resubmit proposals taking that into consideration), or selecting a new panel of scorers following the initial scoring, the DOE charged forward with its process nonetheless.

The following statements within the RFP make it clear that the bifurcation of the technical evaluation and cost evaluation was important to the fairness of the process. Robert's proposal strategy relied on the following from Section C.2 of the RFP:

This is a value-based procurement... Cost will be a significant factor in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* - * * *

B. *Technical Evaluation* - **An evaluation committee will evaluate the proponent's Technical Proposal**. The members of the committee **will evaluate each proposal individually**. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – **AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The **lowest cost** proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- **This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.**

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE issued a Notice of Award noting that Robert's was awarded Cluster 1 (Makawao), with Ground Transport Incorporated ("GTI") being awarded Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation.** *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will.** And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are.** So that's generally the process of how it worked…

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking…**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever***. **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

Following the First Debriefing, on November 17, 2016, Mr. Butt called Aaron Kimura and offered to re-score the proposals submitted by all proponents. On November 18, 2016, Robert's sent a letter to the DOE entitled "Request for re-solicitation of proposals", which notes in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals**

> **can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * *
>
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders.** However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring**.
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring**.

Id. (emphasis added).

On November 21, 2016, Robert's received the "Notice of Re-score" from the DOE. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it simply stated that the evaluation panel would re-score the existing proposals.

Despite the representations in the RFP (including the requirement that pricing be submitted in a separate and sealed envelope), and also the importance of keeping the pricing evaluation isolated from the technical evaluation as stated above by both Mr. Butt and Mr. Kauhi, the DOE conducted its re-scoring process with the same panel of evaluators, *each of whom knew pricing information from the initial scoring process*. The RFP was never amended. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure. The result is that each evaluator knew the pricing information of each proposer *during the scoring of the technical proposals*.

During the Second Debriefing which took place on December 16th, 2016, the following discussion took place:

> Aaron Kimura: … **the panel now had access to the outcome of the prices… the rates**. **Now that is different from the initial process, right, where it was kept away from them**, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to… **you were the only one who had access to the pricing**…
>
> James Kauhi: **Right**…
>
> Aaron Kimura: **So that's a difference**…
>
> James Kauhi: **Yeah**…
>
> Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing… On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**…
> * * *
> Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind… we just did that as an extra step**. But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores**. ***I don't know if they have a photographic memory or not***, but again, I don't think…
>
> Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing…
>
> James Kauhi: So… let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well… but they were not involved in that process.
>
> Christian Butt: So again… **yeah Chad… they did see it… but no, they didn't have it in front of them when they re-evaluated, so**…

> * * *
> Charles Hunter (counsel for Robert's): This is Charles Hunter here. Excuse my ignorance here, but **can you tell me why the pricing was done as a separate process?**
>
> James Kauhi: ***That's unfortunate*** **because this discussion was already had... I was hoping that this debrief would center around those what was not discussed... I apologize...**
>
> Christian Butt: Well... I don't mind answering the question... I mean... **there is nothing under the procurement code or anything that requires that... It was just the way that we chose to do the process. That's all... agency preference.**
>
> Charles Hunter: **Why?**
>
> James Kauhi: **Why not?**
>
> Charles Hunter: **I'm just asking for the logic on why that decision was made.** I just, I don't know.
>
> James Kauhi: I'm sorry... **I think Aaron and Roy and Chad should be able to explain that to you no problem.**
>
> Charles Hunter: They can explain *your* logic as to why...?
>
> James Kauhi: They can explain why the pricing presentations were reevaluated...
>
> Charles Hunter: I don't know that that is true...

As it turns out, Robert's *could* have explained the DOE's logic to Mr. Hunter based upon the First Debriefing, where Mr. Butt stated,

> ...we didn't expose the price to the evaluators **so they are not influenced by that**. So again **they were blind to that**. So again, we didn't want to say oh well, **I'm going to score this guy up because his price was kind of low or whatever**. So again **we try to remove that barrier**. So again you know, that **these guys scored it they don't know how it's going to turn out**...

Yet somehow, during the Second Debriefing the DOE took the positions that, (i) the procurement code does not require the technical and price scoring to be bifurcated, despite the

clear language of the RFP, (ii) that the scorers somehow forgot the price rankings because they do not have photographic memories, (iii) that they did not wish to discuss the logic as to why the initial decision was made to keep the technical and price evaluations separate, and (iv) that Robert's should somehow be able to explain the DOE's reasoning behind structuring the RFP in the way it did.

If the DOE preferred to eliminate the pricing-blind process that was stated in the RFP, and which was determined to be an important procedure during the First Debriefing, it should have issued an addendum to the RFP making clear the change in procedure. Further, the DOE should have allowed proposers to resubmit proposals with the new procedure taken into consideration, as specifically requested in Robert's November 18, 2016 letter. Instead, the DOE ignored the importance of that procedure, claimed its evaluation panel somehow forgot the pricing results, and rushed forward with its process.

2. **DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates**

The initial RFP stated that for the pricing score, the proponent's supplemental rates would be used; however, Addendum 3 to the RFP noted that the aides rate would be used in the pricing scores. In fact, the DOE used the supplemental rates, which was misleading as Robert's strategized its bid rates based on what the Addendum stated.

Addendum 3 to the RFP states in part:

> ... This addendum **provides clarification for submission requirements** of the RFP related to the need to provide bus aides for special needs services. **This response is hereby incorporated and made a part of the RFP**.
>
> ... for purposes of developing their response **vendors should plan to provide a bus aide** for all identified special needs buses shown on Attachment B.
>
> ... The **cost of the bus aide should be identified** on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum. [This statement is contained four (4) times in Addendum 3.]
>
> ... **The cost of the bus aide will be used in the evaluation of cost provided by each vendor**.

Id. (emphasis added).

During the First Debriefing, Aaron Kimura stated on behalf of Robert's:

> There were calculation errors in the scores. For the pricing score, **proponents' supplemental rates were used, as stated in the initial RFP documents, but it was mentioned in an addendum that the Aides rate would be used in the pricing scores**; and used by RHSB. In the past two RFP series (Oahu and Big Island), the **RFP documents stated the use of the supplemental rates for pricing scores, but the DOE used the aide rates. This is misleading as RHSB strategized its bid rates based on what the Addendum stated**; regarding use of the Aide rates for scoring. (Summarized).

Christian Butt and James Kauhi both eventually agreed that it was an error to use the supplemental, rather than the aide rates, and this was part of the basis for the rescoring of the proposals. On November 17, 2016, Mr. Butt telephoned Aaron Kimura and agreed that there was an error on this point. Mr. Butt stated that the language in Addendum 3 was in conflict with that of the RFP as to the financial scoring and the use of the aides rates versus using the supplemental rates and agreed with Robert's concerns.

During the Second Debriefing, Aaron Kimura raised the issue that the DOE *again* used the supplemental rate, and added the aides rate to the daily rate portion contrary to the RFP description in Addendum 3:

> Christian Butt: So you're saying then that we should have just used the supplemental rate… or just the aide rate?
>
> Aaron Kimura: No, the aide rate.
>
> Christian Butt: **So we should have just used the aide rate, that is your position?**
>
> Aaron Kimura: **That's not *our* position, that's what was in the addendum.**
>
> Christian Butt: Well, **that's your interpretation of reading it**…

The language above of Addendum 3 is unambiguous. Even the re-scoring erred on this issue to Robert's detriment. This error is clear and unmistakable. Based on the First Debriefing and the Second Debriefing, it appears the DOE agrees.

C. **The Rescoring Shows the Procedure was Arbitrary and Shows Bias**

The re-scoring of proposals without any changes to the materials being evaluated effectively created a double-blind study in the flawed and arbitrary nature of the DOE's re-

scoring procedure. This is clear looking at the total scores for Robert's, GTI, and Iosepa (all clusters were scored identically):

ROBERT'S		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	51.00	60.00
Robert Joseph	51.75	48.75
James Kauhi	56.25	54.00
Bruce Ellerman	57.00	57.75

GTI		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	55.50	60.00
Robert Joseph	56.25	57.00
James Kauhi	59.25	53.25
Bruce Ellerman	57.25	58.00

IOSEPA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	54.50	57.25
Robert Joseph	49.75	51.50
James Kauhi	51.25	52.25
Bruce Ellerman	50.00	49.25

AKINA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	48.00	53.25
Robert Joseph	49.50	50.75
James Kauhi	50.00	50.00
Bruce Ellerman	50.75	50.75

This data shows significant changes in scores, despite the fact that *nothing* changed in any of the proposals. This is the very definition of arbitrary. The rescoring also shows that Mr. Joseph's role as Maui TO affected his scoring and contributed to collusion with Mr. Kauhi.

Interestingly, James Kauhi, who had unlimited access to the pricing figures following the first scoring and the First Debriefing, *reduced* Robert's score by 4.00%, while the other scorers *increased* their scores on average of 4.88%. In addition, Robert Joseph also reduced his scoring for Robert's by 6.00%.

When the combined scores by Mr. Joseph and Mr. Kauhi are considered against the other scorers, there is a vast discrepancy of 15 total points, meaning Messrs. Joseph and Kauhi *scored Robert's nearly 15% lower than Ms. Foster and Mr. Ellerman.* During the rescoring, Ms. Foster and Mr. Ellerman awarded Robert's a total of 117.75 points, while Messrs. Kauhi and Joseph awarded a total of just 102.75 points. This shows clear collusion and bias. On this issue, it should be noted that during the rescore, Messrs. Kauhi and Joseph increased or left unchanged scores for other bidders in all but one instance, *yet they both reduced Robert's score significantly.*

Pualani Foster's score for Robert's increased by an astounding 18% to a perfect score of 60 points. This was done despite her making negative comments in the score cards. Somehow, Ms. Foster also increased GTI's score to award the full 60 points, noting in her score cards that questions regarding a child being left behind, and questions regarding facility acquisitions were answered during the interview process.

It is unclear how scoring *identical* proposals could result in such varied scores. Given Mr. Kauhi and Mr. Butt's apparent confidence in the scoring panel, it is difficult to see how the rescoring would result in such drastic revisions when there was no change to the proposals submitted.

During the First Debriefing session, James Kauhi confidently stated that the Evaluation Committee was "hand-selected" and highly qualified. Furthermore, Mr. Butt described the committee members to be "well versed, competent and qualified." However during the Second Debriefing, Mr. Kauhi and Mr. Butt stated that they "didn't have confidence in the veracity of their scoring.." and "I did not have high confidence to decide which of the differing scores were the right ones....not terribly confident in knowing exactly what was my true score." This highlights yet another flaw in the re-scoring procedure employed by the DOE.

D. **The Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

HRS § 103D-101 provides in relevant part:

> (a) **All public employees shall conduct and participate in public procurement in an ethical manner**. In conducting and participating in procurement, **public employees shall**:
>
> (1) Act as a fiduciary and trustee of public moneys;
>
> (2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;
>
> (3) Act only in the public interest;
>
> (4) Abide by the statutes and administrative rules relating to public procurement;
>
> (5) Identify and maximize efficiencies in the public procurement process;
>
> (6) Encourage economic competition by:
>
> (A) **Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment**; and
>
> (B) Researching innovative goods and services to meet the public's needs;
>
> (7) **Avoid the intent and appearance of unethical behavior**;
>
> (8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;
>
> (9) Maintain confidentiality in a manner that ensures a fair procurement process;
>
> (10) **Remain impartial in dealings** with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and
>
> (11) **Identify *and eliminate* any conflicts of interest**.
>
> * * *
>
> (c) **All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith**.

HRS § 103D-101 (emphasis added). Further, HAR § 3-120-1(a) outlines the following purposes of the rules, which are aimed to "promote economy, efficiency, and effectiveness in the procurement of goods and services… for the State and counties":

> (1) Simplifying, clarifying, and modernizing the law governing procurement;
> (2) Requiring the continued development of procurement policies and practices;
> (3) Making the procurement laws of the State and counties as consistent as possible;
> (4) **Ensuring the fair and equitable treatment of all persons who deal with the procurement system of the State and counties**;
> (5) Providing increased economy in procurement activities and **maximizing best value to the fullest extent practicable**;
> (6) **Fostering effective broad-based competition within the free enterprise system**;
> (7) **Providing safeguards for the maintenance of a procurement system of quality and integrity**; and
> (8) **Increasing public confidence in the procedures followed in public procurement**.

HAR § 3-120-1 (emphasis added).

Here, it is clear that there were numerous conflicts of interest. One such conflict of interest involved Robert Joseph. Mr. Joseph was selected as an evaluator by James Kauhi, Manager of the DOE Student Transportation Services Branch. Mr. Kauhi is Robert Joseph's manager. In addition, Mr. Joseph is married to Mr. Kauhi's sister. The result is that two out of four evaluators were directly related, raising serious issues of partiality and conflict. As noted above, this conflict resulted in collusion during the Maui rescoring, made clear by the fact that Mr. Joseph and Mr. Kauhi *scored Robert's nearly 15% lower than Ms. Foster and Mr. Ellerman.* In addition, Messrs. Kauhi and Joseph increased or left unchanged scores for other bidders in all but one instance, *yet they both reduced Robert's score significantly.*

Aside from the direct familial relations between Mr. Kauhi and Mr. Joseph, Mr. Joseph's role as an evaluator is a break from the DOE's past practice of not using on-island TO's to evaluate proposals within their own districts.

In addition, Ms. Foster, the DOE's Kauai Transportation Officer ("TO"), is believed to have approximately 2 years of experience as a TO with the student transportation industry, with that experience being limited to duties on the Island of Kauai, handling "older" contracts for student transportation services. Ms. Foster did not have a thorough knowledge of Robert's infrastructure and capabilities on the Island of Maui. Ms. Foster was not qualified to reasonably evaluate Robert's proposal, and it is highly likely that her evaluation and scores were based on

influences from Mr. Joseph and Mr. Kauhi. In addition, Ms. Foster's drastic change in scoring (an 18% discrepancy for Robert's and an average 10.29% change for all bidders), shows her lack of experience as a significant issue, and that she was not fit to serve as an evaluator.

Further, Mr. Kauhi stated to Robert's that the evaluation of its proposal could be affected if the working relationship between Robert's Maui Operations Manager (Kris Kim) and Joseph (acting as Maui TO) did not improve. Apparently Mr. Kauhi also discussed historical difficulties with Ms. Kim during his tenure as the DOE's Maui TO.

The following table shows Mr. Joseph's scores compared to the average of other evaluators for the Maui and Kauai RFPs:

RFP	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Maui	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	2.50	4.00	2.00	48.75
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	2.75	3.00	4.00	2.00	55.50
Kauai	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	54.00
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	3.00	3.00	4.00	2.00	55.25

The various conflicts of interest present during the scoring process resulted in significant bias against Robert's. This bias was allowed to further permeate the scoring process through the "**one-day collaboration** with all four evaluators" that Mr. Kauhi noted took place while he discussed the scoring process during the First Debriefing (cited above in full). This "collaboration" was in violation of the terms of the RFP, which specifically stated that, "The members of the committee **will evaluate each proposal individually**." See, RFP at p. 9 (emphasis added). It appears Messrs. Kauhi and Joseph used this meeting to influence the other panelists. In Mr. Kauhi's words, this meeting was, "an opportunity to voice their perspectives, their concerns there, interpretations if you will. And whether it had an influence **or whether my interpretation had an influence on another evaluator's interpretation**, same thing **would be entirely up to each individual right…**" Thus, Mr. Kauhi admits the possibility or probability that his interpretation influenced other evaluators, yet he dismisses this improper influence stating the decision on whether to follow his recommendation was "entirely up to each individual". It is for this very reason that the RFP submissions were intended to be evaluated individually, and the scoring clearly shows that Mr. Kauhi's "interpretation" *did* have a strong influence on other evaluators.

Mr. Kauhi also failed to raise important issues during this "collaboration" as to Robert's performance when compared to GTI's in the same market. For example, based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with **21.5 missing assets, compared with GTI's 245***. Mr. Kauhi knew this information, yet was selective in whether to provide it to other scorers or to raise it in the "collaboration" process.

The "collaboration" process also allowed Mr. Joseph to negatively influence the minds of other panel members by raising complaints regarding Robert's Maui Operations Manager. As noted earlier, the scoring panel was "hand-selected" by Mr. Kauhi. It appears Mr. Kauhi selected Mr. Joseph not only because he could exert influence over him, but also because Mr. Kauhi knew that Mr. Joseph would have negative feelings towards Robert's from his position as Maui TO.

The data in both the initial and re-scoring process shows clearly that Mr. Kauhi and Mr. Joseph worked together to influence the process by raising issues that would be detrimental to Robert's, while failing to discuss *actual data* that was known to all and in Robert's favor.

E. Evaluations Were Inconsistent with the Stated Scoring Method

Mr. Kauhi had previously explained to Robert's that a respondent would receive the maximum possible points for each category, if minimum requirements were met. The scores from each evaluator, including Mr. Kauhi, show significant inconsistency for the same categories when Robert's proposal is compared to GTI's proposal. The following table shows the RFP scores by all evaluators, and clearly shows that Mr. Kauhi, and Mr. Joseph did not score according to the stated method:

MAUI	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	54.00
Joseph	2.25	2.25	6.75	6.00	6.75	11.25	1.50	3.00	3.00	4.00	2.00	48.75
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	3.00	3.00	4.00	2.00	57.75
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	60.00
AVG	**2.75**	**2.50**	**9.00**	**6.00**	**6.75**	**13.75**	**2.25**	**2.75**	**3.00**	**4.00**	**2.00**	**53.63**
GTI AVG	**2.81**	**3.00**	**8.44**	**6.00**	**8.44**	**14.06**	**3.00**	**3.00**	**2.44**	**4.00**	**1.88**	**57.06**

1. Category 1: Transmittal Letter

One example of inconsistent scoring on this issue is for category 1, dealing with the Transmittal Letter. This section had 3 points possible. In this section, Robert's noted that "RHSB shall pursue Proposal Option A" and further that it was bidding on "(Multiple clusters, unlimited award) for all four (4) Clusters." GTI noted that it was proposing "...for all Maui service clusters..."

Despite Robert's satisfying the requirements of this section, Joseph scored just 2.25 points, stating wrongly that, "A list of the 4 clusters that is being proposed for was not provided." Although GTI also stated it was proposing "...for all Maui service clusters" similar to Robert's, Joseph deducted only because GTI "Exceeded page limit" but did not deduct points otherwise. Other scorers fully recognized that Robert's satisfied all of the requirements of this section.

2. Category 2: Executive Summary

In this category, Robert's highlighted numerous reasons why it is well suited to the State's requirements, including its presence on Maui for over 30 years, its existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 baseyards. Robert's also highlighted its optimal workforce and fleet, which exceeded the requirements of the RFP.

In the scoring, Joseph awarded less than the possible 3 points for the category. Joseph both questioned whether Robert's has three (3) baseyards on Maui. Joseph further questioned the stated capacity of Robert's #3 baseyard (Makawao).

In this category, GTI was awarded the full 3 points, despite the fact that it does not have *any* existing baseyards on Maui. By contrast, Robert's proposal makes clear, and the DOE is well aware, that Robert's has 3 established baseyards on Maui that adequately support its existing fleet, with excess capacity.

Mr. Joseph questioned whether Robert's would have a "turn-key" transition as it claimed because of its existing infrastructure. GTI received maximum points, yet has no existing infrastructure.

3. Category 3: Qualifications & Experience

Despite there being no specific required format, Mr. Joseph scored Robert's with 6.75 out of 9 possible points. Joseph arbitrarily deducted points because "Bullets 3 & 4 were combined into one statement." Joseph's comments indicate that he was not sure whether the cited statistics were for school bus transportation, or for all departments. Mr. Joseph should have clarified this inquiry during the interview session, as the statistics included statewide support personnel for maintenance and dispatching by line item; however, this discounts any cause to deduct points as Robert's workforce far exceeds that of other proposers.

Robert's received the maximum points from other evaluators.

4. Category 4: Reference and Testimonials

This section requires proposers to provide not less than one (1) and no more than three (3) letters of reference. GTI listed 12 quoted testimonials, which clearly violated and exceeded the maximum number of testimonials for the section. GTI received the maximum points for this category despite its violation of a clear term as to the maximum number of references.

5. Category 5: Proponent's Service Approach

Robert's received a score of 6.75 from Kauhi, who commented regarding the level of confident for park-aways. On this issue, Gail Sagiao, for Robert's, responded to an inquiry

during the interview process regarding park-aways and leads. It was Robert's belief that this issue was fully briefed. More importantly, GTI's proposal makes absolutely no mention of park-aways, yet it received the maximum 9 points for the category from all scorers except Kauhi.

Ellerman also scored Robert's with 6.75, stating, "Needed more emphasis on working w/ DOE to identify efficiency opp's that would be beneficial to DOT, esp. in Sp Ed area." Mr. Ellerman's comment is addressed on page 25: "Prior to rendering daily student..., pre-determined route information is prepared by and received from the DOE STSB. RHSB operations management review the pre-determined routes and informs STSB of any discovery or routing discrepancies....Any discrepancies or valuable information discovered during dry-run will be addressed with the applicable DOE TO..."

6. Category 6: Commitment to Safety

This category had a possible 15 points per evaluator. Joseph awarded 11.25 points, stating, "All responses to related items are generic and does not reflect actual Maui team members performance." In reality, the proposal states, "For at least three days per week, RHSB driver trainers will observe and assist drivers while conducting per/post trip inspections." Drivers are conducting inspections daily. In addition, Gail Sagiao, for Robert's, responded during the interview that driver "leads" conduct daily oversight of inspections by drivers. In addition, it appears Mr. Joseph's comment is not related to the contents of the proposal submitted by Robert's, but rather appears to raise some issue with "actual" performance on unrelated contracts.

By comparison, neither GTI's trainers, nor its management team, conduct daily observation of driver pre/post inspections. GTI's proposal states, "...managers and supervisors conduct random ride along inspections..." It further states, "To make certain that drivers comply with the pre-trip inspection they are randomly monitored by bus supervisors. These random inspections can take place at any time **and are not scheduled**." Mr. Joseph awarded full points to GTI.

It is difficult to understand why Robert's was penalized, when GTI literally admits that it does not schedule inspections.

7. Category 7: Vehicles & Fleet Management

Here is a summary of the relevant portions of Robert's proposal as compared to GTI's proposal:

Robert's:

- RHSB school bus fleet exceeds 550 statewide
- Shall include new school buses in its mix of existing fleet and remain within the minimum avg fleet age of 9 yrs

- Maintain a minimum fleet of spare vehicles at 12% of the total daily route operated
- Committed to include new school buses into its mix of 125 existing buses available on Maui
- Approximate fleet acquisition projections based on 3 clusters: Initial year (6), 2-7 years (75), 3 yr extension (3).
- Bus Type C/D: Up to 90pax, GPS, Video, Two-way Comm
- Bus Type A/B: 10+2/4wc and up to 24 pax (with AC if required)
- 3 established/existing baseyards
- Established/existing maintenance facility

GTI:

- "Our fleet of buses will not exceed an average age of 9 yrs, no bus will be over 15 yrs old, each bus will have two-way voice communication....bus cameras, and Zonar GPS tracking device.
- "GTI will maintain at least an additional 10% spare vehicle capacity above the number of buses needed for contracted cluster/routes."
- GTI lists their vehicle roster for their Oahu operations
- "We will purchase new fleet vehicles to meet the requirements of the cluster that we are awarded."
- "A final listing of vehicles/equipment will be provided to DOE as required."

Robert's provided information regarding its *existing* fleet, yet GTI proposes its future fleet specifications. Even assuming GTI does what it promises, Robert's proposal contains a larger spare vehicle percentage, the same average age, existing baseyards, and existing maintenance facilities. Robert's is also specific as to its vehicle specifications. By comparison, GTI provides no details, simply says it will be in fleet compliance (like Robert's), yet receives maximum scores.

Despite Robert's clearly having an *existing* fleet better than that *proposed* by GTI, Joseph awarded only 1.5 points, stating "Define baseyard, what exactly can we expect from each of these locations operationally." As an initial matter, Joseph, as the DOE Maui TO, is well aware of Robert's existing baseyards and its existing facilities and capacities on Maui. By comparison, GTI has no existing baseyards, and only states it will seek to obtain a baseyard if awarded. Joseph awarded full points to GTI.

The result of the RFP awards will require GTI to establish a baseyard on Maui, become familiar with Maui's geographical elements and institutions, and most importantly recruit and secure at least 48 CDL school bus drivers, 23 Non-CDL drivers and 23 Aides for a total of 71 employees; not including administrative and maintenance personnel.

The DOE appears willing to risk the possibility of a major disruption of services instead of maintaining the least disruption of services through Robert's existing infrastructure that has an existing workforce that exceeds the minimum needed to cover the maximum allowable service clusters. The DOE has always expressed the importance of avoiding any disruption of services due to the negative impact it had experienced when its reformed program backlashed on Oahu for school year 2014-15. Subsequently, DOE revised its strategy for its Big Island reform that resulted in a very successful implementation for school year 2015-16.

To that end, and based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with* ***21.5 missing assets, compared with GTI's 245***. This is a clear indication that even when GTI has an established fleet in place, it does not have the capacity to manage its own existing operations or provide reliable service. Yet, when Robert's has a proven track record, and *existing fleets and baseyards*, it is being scored lower than GTI who has asserted mere statements as to their ability to create a Maui operation from the ground up.

Despite these facts, GTI and Robert's received an average score in this category of 2.63, while GTI somehow received full points for merely making representations about its proposed Maui fleet.

8. Category 10: Financial Stability

Robert's is clearly in a stronger financial position than GTI, yet GTI arbitrarily received the same score.

F. **DOE Did Not Abide by the "Fair and Equal Standard"**

HAR § 3-122-53 requires the fair and equal treatment with respect to discussions and revisions of proposals:

* * *

(d) Priority-listed offerors ***shall*** **be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.**

(1) **Any substantial oral clarification of a proposal shall be reduced to writing** by the priority-listed offeror;

(2) If during discussions there is a need for any substantial clarification or change in the request for proposals, **the request for proposals shall be amended by an addendum to incorporate the clarification or change.**

* * *

Id. (emphasis added). This standard was not followed by the DOE in subsequent discussions with priority listed offerors. During the interview, Mr. Kauhi claimed that GTI made representations to him that convinced the DOE that GTI would be able to set up its operations on Maui, despite the fact that GTI has no infrastructure or experience there. There is nothing provided in the RFP documents that supports GTI's nebulous claims. Robert's also answered numerous questions during its interview, yet it had points deducted.

G. **Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

> **Prior to the preparation of the request for proposals**, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.
>
> (1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;
>
> (2) **Private consultants** may also serve on the committee and shall:
> (A) Have sufficient knowledge to serve on the committee;
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
> (C) **Sign an affidavit**:
>
> (i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
> (ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
> (iii) **Agreeing that their names will become public information** upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;

> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

IV. CONCLUSION

HRS 103D-701(b) allows the DOE to, "settle and resolve a protest concerning the solicitation or award of a contract." This section precludes any further actions taken in furtherance of establishing or completing the contract, but not actions to terminate or cancel the contract. International Display Systems, Inc. v. Okimoto, 2013, 300 P.3d 601, 129 Hawai'i 335. Further, under HAR 3-126-7(d), "...If the protest is sustained, the available remedies include, but are not limited to, those set forth in this section and subchapter 4..." Under HAR 3-126-38 (part of subchapter 4), when there is no bad faith by the contractor, and "[i]f the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated..." HAR § 3-126-38(a)(3) (emphasis added). Please note the use of the term "shall".

It is Robert's sincere desire that the DOE does what is required to correct the errors thus far in the process. Robert's further requests that the DOE take all necessary action ensure that all scoring documents, notes, other electronic materials, and any and all other relevant records be preserved by all panel members and others involved in the procurement process.

Clearly there was and is still time to resolicit bids. Robert's requests that this action be taken to avoid any further prejudice to the proposers.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
ATTORNEY GENERAL

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January 20, 2017

Mr. Jonathan S. Moore, Esq. *(via hand delivery)*
Mr. Charles D. Hunter, Esq.
Kobayashi Sugita & Goda LLP
999 Bishop Street, Suite 2600
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s Protest of Award of RFP No. D17-001 and RFP D17-002 -- Award of Contract After Receipt of Protest

Dear Mr. Moore and Mr. Hunter:

We are in receipt of your January 18, 2017 e-mail to Superintendent Matayoshi and Mr. Christian Butt. In your e-mail, you cite HRS § 103D-701(f) which imposes a stay on contracting activity when a timely protest has been received by the agency issuing the solicitation unless the chief procurement officer of the agency makes a written determination that award is necessary without delay to protect substantial interests of the State. The DOE has made such a determination and I have attached a copy for your reference. On the basis of the substantial interest determination, the DOE is proceeding to award contracts under the two subject solicitations and is also preparing a response to your protest of those solicitations.

Very truly yours,

James E. Raymond
Deputy Attorney General
Education Division

attachment

c: Client

Received By:_____ Date:_____

676965_1.DOC

Exhibit "D"

JAN 20 2017

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

January 11, 2017

TO: Kathryn S. Matayoshi, Superintendent

THROUGH: Dann Carlson, Assistant Superintendent
Office of School Facilities And Support Services

FROM: James Kauhi, Branch Manager
Student Transportation Services Branch

SUBJECT: **Determination of Substantial State Interest in Contracting Activity Relating to Request for Proposals RFP D17-001 and RFP D17-002 for School Bus Services on the Islands of Maui and Kauai**

Your approval is requested for a Determination of Substantial State Interest in continuing solicitation and contracting activity relating to the Subject Projects.

Background

In an effort to address concerns of spiraling cost escalation and in response to recommendations from an August 2012 report by the State Office of the Auditor, and a November 2012 report by Management Partnership Services, Inc. ("MPS"), an independent consultant of the Department of Education ("DOE"), the DOE has undertaken an overhaul of the contracting process for bus service. Requests for Proposals were issued for Bus services on Oahu and the Big Island in previous years, and were recently issued for Maui and Kauai.

In July 2016, the Student Transportation Services Branch (STSB) released the final round of Requests for Proposals to support the transportation reform effort that started in July 2013. The final two islands to be incorporated into the reform process were the islands of Maui and Kauai. RFP D17-001 for Maui and RFP D17-002 for Kauai were issued on July 20, 2016. On November 1, 2016 Notices of Award were first provided to vendors with Cluster 1 awarded to Robert's Hawaii School Bus, Inc. (RHSB) and Clusters 2 through 4 awarded to Ground Transport, Inc. (GTI) for Maui, and Cluster 1 to Yamaguchi Bus Service, Inc. (YBS) and Clusters 2 and 3 to Akita

Enterprises, Ltd. (AEL) for Kauai. Following a debriefing meeting with RHSB on November 16, 2016, notices were distributed to all participating vendors rescinding the initial award in order to allow for a rescoring of the responses. On November 30, 2016 the evaluation committee met to rescore the responses and on December 5, 2016 updated Notices of Award were distributed to the vendors. While there were small adjustments to the individual scores, the awards as previously discussed remained unchanged.

In a letter dated December 23, 2016, RHSB mailed the DOE two formal protests objecting to the award of the solicitations for Maui and Kauai. These protests were received by the DOE on December 27, 2016. RHSB alleges in both its protests that the DOE failed to follow the criteria set forth in the RFP for scoring and that the evaluators were both unqualified and several were biased.

All contracting and procurement activity was suspended pending the resolution of the protest as required by Hawaii Revised Statutes ("HRS") §103D-701(f) which states:

> (f) In the event of a timely protest under subsection (a), no further action shall be taken on the solicitation or the award of the contract ***until the chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the State.*** (emphasis added)

Additionally, Hawaii Administrative Rules ("HAR") §3-126-5, in relevant part states:

> .....no further action shall be taken until the protest has been settled, ***unless the chief procurement officer makes a written determination, after consulting with the head of the purchasing agency, that the award of the contract is necessary to protect the interests of the State.*** (emphasis added)

Substantial Interests of the State

For the following reasons, the Student Transportation Services Branch requests that the Chief Procurement Officer approve this determination that further contracting activity must be undertaken as soon as possible, but no later than January 11, 2017 to protect the substantial interests of the State.

1. The DOE has a mandate to provide compulsory education for students in grades Kindergarten through 12th grade. See Article X of the Hawaii State Constitution. Within this mandate is the authority to transport students safely to and from school. See HRS §302A-406. The resulting contracts from this current solicitation will provide bus service to approximately 10,000 students commencing on the first day of school, which is August 7, 2017. See DOE Official Calendar. If the services to be provided through this solicitation cannot be delivered on August 7, 2017, these students will be without subsidized transportation. Without subsidized transportation, some students will have no other method

to get to school and thus, are less likely to attend school. For those students who are fortunate enough to be able to arrange alternate transportation, attending school will come at other costs that will likely include disruption in their caretakers' arrangements resulting in missed work and other various social and economic impacts such as an increase in the number of cars on the road during rush hour traffic. In addition, some students may resort to walking or taking public transportation which may expose them to a number of other safety concerns. The forgoing adverse impacts will only be compounded for each day transportation services are not provided.

2. In order to have transportation available beginning August 7, 2017, several critical milestones must be accomplished in sequence in order for the vehicles and the supporting infrastructure to be in place for the start of school. The critical events are set forth in reverse chronological order:

   a) Acquisition of fleet assets: GTI indicated they must order buses no later than January 13, 2017 to have them available for the start of the contract as indicated by their letter dated December 14, 2016. AEL indicated they must order buses by January 15, 2017 as stated in their letter dated December 13, 2016. YBS indicated they must order buses no later than January 12, 2017 as indicated in their letter dated December 12, 2016. This contemplates 90 to 120 days for the manufacturer to fill the order, and then allow for the logistical challenge of shipping them to Hawaii. Shippers typically have to book space on transport vessels months prior to the actual shipping event. See State Auditor's Report Aug. 2012, pg. 27. RHSB is the existing vendor on Maui and currently possesses an excess of equipment required to perform the contract on that island for Cluster 1 and does not face the challenge of ordering new equipment. As awarded, RHSB is not scheduled to perform work on Kauai.

   b) Dry runs for all bus routes: This must occur within 10 calendar days of the start of the contract (start of school) which places the latest date for this to occur as July 24, 2017. See RFP Contract Service Specifications 2(f)(i). The purpose of the dry runs is to ensure the planned routes are feasible and allow sufficient time to adjust routes to ensure they run smoothly on the first day of school.

   c) DOE start up meetings with vendors: This must occur prior to the dry runs and must occur no later than the week following the July 4th, 2017 holiday break as we have done over the last two startups for the contracts using the new RFP methodology. The purpose of the meeting is to make all vendors aware of the statutory, regulatory, and procedural requirements for the provision of transportation to Hawaii's students. Vendors must be made aware of these requirements prior to the dry runs to ensure actual simulated conditions during the dry runs in order for the DOE to evaluate and monitor compliance, and make any necessary corrections or adjustments prior to actual transportation of students.

d) Vendor recruitment of drivers, bus aides, and other personnel: Based on previous experience on other islands and the experiences of DOE's transportation management firm, this process will take approximately 3 months and must begin no later than May 1, 2017. The time for this process is further impacted by the requirement to obtain fingerprinting and background checks which often adds delays to this process. This is particularly important for services on the island of Maui where the winning vendor will be required to stand up a new operation supporting 63 percent of all operations without existing facilities on the island.

e) Land/base of operations acquisition: It is estimated that this process will require six months resulting in the date the acquisition activity must begin is on or about January 13, 2017, at the latest. As mentioned, GTI who will be serving the largest portion of operations on Maui will be required to standup a completely new operation. Additionally, the structure of this RFP again disrupts the traditional geography served by current vendors. Consequently, the need for new facilities will impact both current and new vendors. As it is across nearly all islands, commercial land is at a premium on the island of Maui, which will necessitate an extensive search and negotiation process in order to ensure that vendors are able to find and secure the facilities required to provide the transportation services. The DOE's transportation management vendor estimates that this six months is an aggressive but feasible timeline. This estimate was confirmed when the three winning vendors (except for RHSB) were polled to determine what is the latest date of award that would allow them to timely perform the contracts – they all indicated that notice of award would be required by approximately January 13, 2016. RHSB has indicated in its two protests that it believes that, as of Dec. 23, 2016, there was still time to re-solicit the bids, so it was not polled and deemed able to perform if notified along with other winning bidders.

f) Given the chain of events that must occur prior to providing service on the first day of school, the final notice of award must be provided no later than January 13, 2017.

3. There will be a significant economic impact if the 113 affected buses on Maui and the 65 buses on Kauai (RFP D17-001 and D17-002 Attachment B) are not operating for the start of school. The 178 bus driver positions will not be contributing to the local economy, as well as the trickle-down effect of the business generated by this service.
4. Further delay will impact the ability of the State to realize the pricing and operational efficiencies provided for in the RFPs. Total costs are expected to be reduced by approximately $750,000 annually for these two islands or approximately $5.3 million over the seven year term of the contracts. However, these savings will not be realized and service quality would likely be jeopardized if the necessary timelines are not provided for.

Should you have any questions, please contact James Kauhi, Student Transportation Services Branch Administrator, at 586-0170.

☑ APPROVED ☐ DISAPPROVED

FOR KATHRYN S. MATAYOSHI
SUPERINTENDENT

JAN 1 1 2017
DATE

Exhibit "E"

The DOE and your office have made clear that all communications should be conducted through legal counsel. Specifically, your letter dated January 18, 2017 made clear that, " [The] Rules of Professional Conduct, specifically Rule 4.2, be carefully observed in this matter and that any further communications related to this matter be made through this office and not with the DOE, unless a communication is expressly required to be made directly to the DOE by statute or rule."

Although we recognize that DOE employees are not specifically subject to HRPC, Rule 4.2, we ask that your office make clear to the DOE that it should not be discussing the merits of the Protests with Robert's employees. Again, Robert's has existing contractual obligations to perform, and the DOE should not be taking the time of Robert's employees, and distracting them from their duties, in order to assert their personal views on this matter.

II. Discussions Regarding "Transition" Are Premature

Mr. Kauhi's discussion with Ms. Sagiao centered largely around the "transition" of the contracts from Robert's to the incoming vendor. This included discussion about the DOE's past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity. In that discussion, Mr. Kauhi stated, "I am concerned with transition discussions that we have to have moving forward…" He also raised concern that any such "transition" discussions could be used against the DOE.

At this point in time, Robert's has submitted its Protests and has had no response from the DOE for over a month. Under Hawaii Revised Statutes ("HRS") § 103D-701(c), the chief procurement officer or designee, "***shall promptly*** issue a decision in writing to uphold or deny the protest." (emphasis added). Rather than promptly issuing a decision in writing, the DOE has done nothing. Instead, it has pushed forward with awarding contracts resulting from the flawed RFP process.

Further, both HRS § 103D-701(f) and Hawaii Administrative Rules § 3-126-5 require that no further action be taken on the solicitation or the award of the contract until the "chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect the substantial interests of the State." We note that such a determination was apparently made by the State on January 11, 2017, although we disagree with that determination, particularly as existing contracts could have been extended with no interruption to service. That being said, it appears the DOE is set on charging ahead with these contracts, despite the fact that nothing has been done to address the Protests or the underlying flaws with the RFP and procurement process.

In addition, Robert's raised significant concerns with the RFP process both before and after the DOE awarded contracts to other vendors. To the extent that HRS §§ 103D-706 and 707 both contemplate situations where the contracts may be declared null and void, it appears inappropriate for the DOE to be solely focused on pushing forward on a "transition" when it should be working to determine if Robert's Protests raise valid concerns.

Robert's is not prepared to accept that "transition" is the only possible outcome, and believes it is inappropriate for the DOE to be having discussions on that topic with Robert's employees.

III. Mr. Kauhi's Characterization of Robert's Position is Incorrect

Despite Mr. Kauhi not being present when Mr. Joseph was discussing recruiting matters related to Ground Transportation Incorporated's ("GTI's") performance with Robert's employees (as outlined in our prior letter dated January 27, 2017), he attempted to convince Ms. Sagiao that the alleged "inappropriate behavior by Mr. Joseph" merely consisted of statements related to bringing about a smooth transition between contracts. That is not factually correct.

First, it appears that Mr. Kauhi believes the only conversation that Mr. Joseph had took place with Kris Kim, which is not the case. Mr. Joseph also had multiple other conversations that were the primary source of contention, and the reason for our prior letter. As previously noted, those conversations were specifically aimed at "alerting" Robert's employees to the transition Mr. Joseph believes is taking place, further encouraging them to seek employment with GTI by visiting GTI's Oahu facilities. We need not rehash the impropriety of those statements, but would like to reiterate that Mr. Joseph has already caused irreversible damage to the stability of Robert's operations as employees now believe their jobs may be at risk based on his statements. As such, Mr. Joseph should be prohibited from having any further communications with Robert's employees.

Second, Mr. Kauhi characterized the current situation between Robert's and the DOE as being similar to a "pending divorce" and further that in such a situation, "your opponent is going to throw everything at you to discredit you and the people you work for." In making this statement, Mr. Kauhi implied that Mr. Joseph's prior statements were "misinterpreted" and used against him and the DOE because "corporate Robert's has a serious issue with Kathy Matayoshi". These dismissive statements are untrue, and Mr. Kauhi should not be making any such allegations to Robert's employees.

Finally, it should be noted that on December 19, 2013 by way of email sent at 10:00 a.m. to Aaron Kimura of Robert's with copy to Bruce Ellerman, Mr. Kauhi pointed out the importance of avoiding "employee attrition" during transition periods. Clearly Robert's was not given the same deference here. The relevant portion of Mr. Kauhi's prior email states:

> **Our *most prominent concern* is avoiding employee attrition**, where bus drivers and aides **prematurely transition from one employer to the next because of uncertainty**. It is our desire to mitigate any instance of service disruption. We trust that all of our vendor partners will agree. While we know it is important for incoming vendors to secure a qualified team of experienced drivers and aides as quickly as possible, **it is equally important to ensure that those efforts do not disturb existing levels of service**. For this reason, we are **asking incoming partners to delay all**

> **attempts to approach current bus drivers and aides until current vendors agree to making their employees available for such discussions**. Your cooperation on this front is paramount to protecting student health and safety.

Id. (emphasis added). This is precisely the reason that Robert's finds Mr. Joseph's actions so objectionable. Please let us know if you would like us to furnish you with a copy of this email.

IV. Robert's Disputes the Determination of Substantial State Interests

On January 17, 2017, Robert's received a contract for execution in relation to Maui Cluster 1 (Makawao), which was awarded under RFP No D17-001. Robert's and this law firm were surprised to receive this contract given it submitted its two Protests nearly a month prior with no response from the DOE. Robert's was under the assumption that the DOE was carefully reviewing the merits of the Protests so that it could rectify the numerous problems presented, and solicit new proposals given the clear errors and problems with the prior awards. Instead, it appears the DOE charged forward with its awards, simply turning a blind eye to Robert's concerns. It appears the DOE believes that the further it can progress towards implementing the wrongfully awarded contracts, the less likely its actions will be overturned. This is the reason why, "Under most circumstances, public projects cannot proceed while a protest is pending." Nihi Lewa, Inc. v. Dep't Of Budget And Fiscal Services, 103 Hawai`i 163, 167, 80 P.3d 984, 988 (2003)

Further, Robert's only became aware of the DOE's Determination of Substantial State Interests ("DSSI") when your office responded on January 20, 2017 to an email this law firm sent to the DOE two days prior following up on Robert's Protests. That prior email specifically cited HRS § 103D-701(f), which imposes a stay on contracting activities when a timely protest has been received by the agency issuing the solicitation. It is unclear why the DOE did not immediately inform all proposers when the DSSI was issued on January 11, 2017. Robert's finds the secretive issuance of the DSSI to be highly suspicious.

As to the merits of the DSSI, there are none. The only stated bases for the DSSI are that, (1) school bus service must begin on August 7, 2017, (2) to meet the aforementioned deadline, "several critical milestones must be accomplished," including acquisition of fleet assets, dry runs for bus routes, DOE start up meetings with vendors, vendor recruitment, and land/base of operations acquisition, (3) that there will be a significant economic impact if the 178 bus driver positions are not put in place immediately, and (4) that delay will impact the State's ability to "realize the pricing and operational efficiencies provided for in the RFPs."

As to issues (1) and (2) above, this is a problem of the DOE's own making that could be easily cured by an extension of Robert's existing contracts while the Protests are reviewed. The DOE has already mentioned to Robert's its past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity, as noted above. Extension of Robert's contracts would easily solve this problem. Further, allowing the DOE to

press forward on the improperly awarded contracts on this basis will serve as a perverse incentive for all State procurement agencies to delay the issuance of any RFP to the point where the State will be harmed if not permitted to move forward, regardless of faults in the procurement process. Surely the DOE and other agencies should not be permitted to delay the issuance of RFPs to the point where there is no time to review valid protests before issuing awards. The Procurement Code is already designed to accommodate expedited review, and that review would have been completed already if the DOE had not delayed addressing the Protests by over a month. This dubious practice is inconsistent with the purposes of the procurement code, which are to (i) provide fair and equitable treatment of all persons dealing with the government procurement system; (ii) foster broad-based competition among vendors while ensuring accountability, fiscal responsibility, and efficiency in the procurement process; and (3) increase public confidence in the integrity of the system. See, Sen. Stand. Comm. Rep. No. S8-93, in 1993 Senate Journal at 39; CARL Corp. v. State, Dept. of Educ., 85 Hawai'i 431, 455-56, 946 P.2d 1, 25-26 (1997). These issues, "cannot be ignored when determining whether it is in the best interests of the State to ratify an unlawfully awarded contract." Id.

It should also be noted that the above timing problems are the direct result of the DOE selecting GTI on Maui, a vendor with no current operations on the island. This was an issue raised in Robert's Maui Protest, which highlighted the fact that Robert's has had a presence on Maui for over 30 years, has an existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 base yards. In particular, Mr. Joseph somehow scored GTI with maximum points, while providing a lower score to Robert's. This issue was covered in detail in Section III.E of Robert's Maui Protest.

Issue 3) above is a red herring. It assumes that other bus drivers will not be driving busses during the pendency of the Protests, which is logically and factually incorrect. Bus drivers are currently servicing routes, and will continue to do so until the new contracts are put in place. To argue that the "178 bus driver positions will not be contributing to the local economy" is simply fallacious reasoning.

As to the State's ability to realize "pricing and operational efficiencies" under (4), this is also unsupportable. The State is not entitled to "realize" these benefits (to the extent there are any) if they are obtained through unlawfully awarded contracts. To the extent the Protests are later denied, this risk is already contemplated by the procurement law, which requires a cash or protest bond directly related to the amount of the procurement. See, HRS § 103D-709(e). In addition, as discussed below Robert's would be prepared to post a bond to cover the risk of the apparent $750,000 "savings" that would occur in the first year if required to do so, although this solution has never been proposed by the DOE.

Finally, both HRS § 103D-701(f) and HAR § 3-126-5 state that no further action shall be taken until and unless "**the *chief procurement officer* makes** a written determination" that the award is necessary to protect the interests of the State (emphasis added). The DSSI dated January 11, 2017 is not a written determination *by* the chief procurement officer, here Kathryn S. Matayoshi. Rather, it is a memo *from* James Kauhi (who is implicated in numerous ways of

biased conduct as noted in the Protests), "*through*" Dann Carlson, Assistant Superintendent, ***to*** Kathryn S. Matayoshi. It is ***not*** a determination by Kathryn S. Matayoshi herself. This memo states, "*Your approval is requested* for a Determination of Substantial State Interest.." and thus cannot be the actual Determination. The memo is then signed "for" Superintendent Matayoshi by Dann Carlson, which also appears improper if this document is intended to be the actual DSSI, and not simply a request for one.

Overall, the DSSI is logically and factually incorrect and should not serve to thwart the purposes of the Procurement Code.

V. Robert's Will Initiate Further Legal Action Due to the State's Lack of Response

"The overall framework of the Hawai'i Public Procurement Code indicates that the Legislature ***intended to create an expeditious process for resolving disputes*** over the awarding of contracts. See CARL Corp. v. State, 85 Hawai'i 431, 453, 946 P.2d 1, 24 (1997) (emphasis added) ("the [Procurement] Code both shortens deadlines for filing protests and applications for review and expedites the administrative hearings process"). By delaying any response to Robert's Protests while moving simultaneously forward with the unlawfully awarded contracts, DOE is working in direct contravention to the legislative intent of the Procurement Code. It does not seem consistent with this intent that Robert's should be forced to submit its Protests within five working days of its debriefings, so that the DOE can delay any response for nearly two months.

Robert's is entitled to an expeditious remedy and will take immediate action to pursue its rights. If a response to the Protests is not received by **Thursday, February 9th, 2017 at 4:00 p.m.**, Robert's intends on filing an action either with the DCCA or in the Courts so that it can limit the damage caused thus far by the DOE's inexcusable actions.

Finally, Robert's will be seeking documents from the DOE, either during administrative or court proceedings, or through a Uniform Information Practices Act (Chapter 92F) request. Robert's will be requesting all communications between the DOE and any vendors, documents and communications regarding internal discussions regarding Robert's, and specifically communications between the members of the scoring panel. Please instruct your client as to the importance of the preservation of evidence, including all emails, text messages, memos, and other relevant documents so that we can be sure these records remain intact.

VI. Robert's Is Prepared to Discuss Resolution Prior to Taking Further Action

As you know, HRS § 103D-701 allows the chief procurement officer or a designee to settle and resolve a protest concerning the solicitation or award of a contract, prior to the commencement of an administrative proceeding. There has been no effort on the DOE's part to settle and resolve the Protests; however, Robert's is still willing to engage in those negotiations.

To that end, Robert's is prepared to post a bond for the full $750,000.00 claimed by the DOE as its "savings" from operational efficiencies during the first year, if the DOE will halt any further action towards pursuing the protested contracts until the Protests have been resolved. Robert's is also willing to stipulate to an extension of its existing contracts so that there will be no interruption to services if a new vendor is not in place by August 7, 2017. These two concessions on Robert's part should allow the DOE to step back and follow the proper procedure contemplated by the Procurement Code. Robert's believes the option of resolving the Protests will not be available once it commences other legal proceedings. Thus, time is of the essence as Robert's will take immediate action following the above stated February 9th deadline.

We appreciate your consideration of these matters.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

From:	Susan M. Koide
To:	James.E.Raymond@hawaii.gov
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	RHSB"s Protest of Award of RFP #D17-001 and RFP #D17-002
Date:	Monday, February 06, 2017 3:16:05 PM
Attachments:	img-206150813-0001.pdf

Mr. James Raymond,

Please see the attached letter dated February 6, 2017 from Jonathan S. Moore, Esq. and Charles D. Hunter, Esq.

Thank you.

Susan M.P. Koide | Legal Assistant
KOBAYASHI, SUGITA & GODA LLP
999 Bishop Street, Suite 2600, Honolulu, HI 96813 | Tel: 808-535-5700 | Fax: 808-535-5799 |
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DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES
(Sent via email: jsm@ksglaw.com, cdh@ksglaw.com)

Certified Mail No. 7013 1090 0001 2087 3877
Return Receipt Requested

February 24, 2017

Jonathan S. Moore, Esq.
Charles D. Hunter, Esq.
Kobayashi, Sugita & Goda
999 Bishop Street, 26th Floor
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s
Protest of Awards for Request for Proposals No. RFP D17-001

Dear Messrs. Moore & Hunter:

The Department of Education (DOE) is in receipt of your protest on behalf of Robert's Hawaii School Bus, Inc. (RHSB) in the above referenced matter. The DOE finds numerous alleged quotes of DOE personnel cited in the protest. This can only be accounted for by the use of a recording device which the DOE was neither informed of prior to its use, nor given a copy of the resulting recording/transcript. In the future, we request that the use of any recording device be announced prior to the beginning of any oral exchange with DOE staff and that the DOE be offered a copy of the recording/transcript.

RHSB raises six issues in their protest – we respond as follows:

1. **RHSB Claims the DOE Did Not Abide By Its Own Stated Scoring Procedure**

   A. Robert's Claims the DOE Represented that Cost Evaluations Would Only Take Place AFTER the Completion of the Technical Evaluation

RHSB takes exception to the fact that the DOE rescored proposals after the evaluators were exposed to the pricing data during the initial evaluation. RHSB cites section C.2 of the Request for Proposals (RFP) in support of their assertion that the isolation of the pricing information was integral to the scoring methodology. RHSB argues that failure to keep the evaluation committee isolated from the pricing data in the subsequent re-scoring of proposals violated the terms of the RFP and thus nullifying the process. The relevant portion of section C.2 states:

> .....Cost will be a significant factor in the evaluation process. However, cost will be a factor only after the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources.
>
> .....C. Cost Evaluation – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the cost analyzed... [See Exhibit A]

Exhibit "F"

FEB 27 2017

RHSB goes on to acknowledge in its protest on page six that the separation of the pricing data as part of the scoring process was presumptive on their part. RHSB states:

> **Presumably,** the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information in a *separate and sealed envelope.* [See Exhibit B]

The DOE acknowledges the pricing information was requested separately from the response; however it takes exception to RHSB's argument that the DOE was not permitted to accommodate the re-scoring process as it did. The DOE's position is supported on the basis of the following:

The Hawaii Public Procurement Code (Procurement Code) does not require that the evaluation committee make a final evaluation of the technical proposals prior to viewing the price proposals (what we will refer to as "blind" evaluation of the technical proposals). The two primary rules relating to how RFPs are to be structured and how proposals are to be evaluated are Hawaii Administrative Rules (HAR) § 3-122-46, Preparing a Request for Proposals and HAR § 3-122-52, Evaluations of Proposals. They contain no provisions requiring that evaluators be isolated from price proposals when evaluating technical proposals. The only requirement is that the award be based on price and the evaluation factors set forth in the RFP (see HRS § 103D-303(g); HAR § 3-122-57).

As RHSB points out in the protest, the DOE feels it is a good practice, but also explains that the RFP provisions relating to evaluating price proposals were included as an extra, but not required step (see statements attributed to Chris Butt on p. 7 and 9 of the protest). In fact, the DOE followed this process until the discovery of minor errors in the evaluation process necessitated a re-evaluation after the prices had become known to the members of the evaluation committee. This was not anticipated and no express provision of the RFP covered this circumstance, but it was not prohibited by the Procurement Code or by the RFP.

In a decision reversing an agency's inflexible adherence to procedural minutia, leading to the rejection of a low bid, a Hearings Officer concluded that the Procurement Code allowed for reasonable flexibility and quoted a Senate Committee Report on the bill creating the Procurement Code:

> This bill lays the foundation and sets the standards for the way government purchases will be made, but allows for flexibility and the use of common sense by purchasing officials to implement the law in a manner that will be economical and efficient and will benefit the people of the State.
>
> S. Comm. Rep. SS-93, Spec. Sess., Senate Journal at page 39 (1993) as quoted in: *The Systemcenter, Inc. v. State Dept. of Transportation,* p. 8, PCH 98-9 (December 10, 1998).

Another Office of Administrative Hearings decision, *Fletcher Pacific Construction Co., Ltd., v. State Dept. of Transportation*, PCH 98-2 (May 19, 1998) addresses an issue that arose during a flawed evaluation process for a construction solicitation. The central issue was whether or not the pre-award or post-award remedies should apply. After considering the options, the Hearings Officer

adopted the remedy to order the re-evaluation of the solicitation rather than cancelling the solicitation and starting over again. By doing so, the Hearings Officer avoided the more serious problem of requiring bidders to submit bids for a new solicitation **after** the original bid prices had been disclosed:

> In view of the findings and conclusions resulting from this hearing, it would appear that a fair, equitable, and expeditious resolution would be to remand the matter to the Respondent with instructions to: 1) withdraw its January 12, 1998 notification letter to Murphy stating that it was awarded the contract; 2) make a specific determination as to whether Murphy met the DBE good faith efforts goal [Disadvantaged Business Enterprise, a procurement preference], and if so; 3) make a specific determination as to whether allowing Murphy to add a licensed subcontractor to meet the soil treatment requirements after bid opening would be in the best interests of the State. **In other words, to fully and correctly perform (and document) the bid evaluation process as it should have been done, but without rebidding the project.** The Respondent could then proceed with an award - to either Murphy or such other responsive low bidder as might properly be selected from the remaining four bids.
>
> *****
>
> **Furthermore, the advantages such a remedy would include: minimizing the impact of the Respondent's errors on Murphy, on Fletcher, and on the other bidders; eliminating the substantial costs inevitably associated with the issuance of a new invitation for bids; protecting current bidders from the potential misuse of their now disclosed bid costs by other competitors; reducing further loss of time on initiating the underlying project; and, enhancing public confidence in the procurement code by its application in a manner consistent with the elements of common sense and legislative intent.** *Fletcher Pacific*, at p. 22 (emphasis added).

In *Fletcher Pacific*, the Hearings Officer, when confronted with a flawed evaluation process, determined that the best way forward was to have the state agency re-perform the evaluation process and adjust the award accordingly. This was much preferred over the alternative of re-bidding the whole project which would result in greater harm to the field of bidders – especially the potential misuse of the now disclosed bid costs. Obviously, there are many differences in the facts and context that generated the *Fletcher Pacific* decision, but it clearly shows that re-evaluation is not only allowed, but preferable in circumstances where the alternative is to re-bid once pricing has been disclosed. This is precisely the situation that the DOE was confronted with after the first debriefing and the resulting determination that the original evaluation of the technical proposals had some minor errors. And, like the Hearings Officer in *Fletcher Pacific*, the DOE made a carefully weighed judgment call and opted to re-evaluate. The minor impact of having to forgo "blind" evaluation of the technical proposals was outweighed by the benefits of avoiding the much more harmful impact of potential misuse of disclosed pricing information that would result from a re-bidding.

RHSB stated that their "proposal strategy" relied on "blind" evaluation of the technical proposals as described in the RFP (see p. 4 of protest). However, the only reason for the DOE to take the "extra step" of structuring the RFP for "blind" evaluation was to add the extra measure of isolation from any possible influence that a proposer's pricing might have when evaluating the technical

proposals – a belt and suspenders approach. RHSB did not state how their "proposal strategy" would be influenced or in any way be different if the RFP did not provide for "blind" evaluations. The DOE can find no basis that would cause a proposer to alter their "proposal strategy" by the inclusion or non-inclusion of a structural element to isolate evaluators from any potential bias – or how an additional safeguard against bias changed the way a technical proposal or pricing proposal was written.

Another factor that bears on the issue of "blind" evaluation of the technical proposals is that the evaluators were in fact exposed to the pricing information before scores were finalized. The RFP states in Section C.2(d and e):

> *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score.** The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. **The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed**. [See Exhibit A]

So by the express process detailed in the solicitation, the evaluators were privy to the pricing information while still evaluating responses and before scores on the technical proposals were finalized. Therefore, RHSB's argument that the evaluators were barred from seeing the pricing data, as set forth under the terms of the solicitation, holds no validity. RHSB was a participant in the interview for the Maui award, and did not object to the evaluators revising their scores after having been exposed to the pricing information to determine the preferred vendors. The pricing scores were revised as part of the re-scoring based on a concern raised by RHSB, and so the evaluation committee awarded their points before they knew the revised pricing scores.

RHSB raised a concern in their first debriefing that the DOE did not follow the information in Addendum 3 by considering the bus aide rate in the price evaluation. The DOE, as part of its efforts to ensure fairness to all vendors, subsequently re-calculated the points to be awarded to each vendor through the cost proposals. This recalculation did not change any overall results regarding contract awards. Consequently, the previous price score the committee was exposed to were no longer valid. The re-scoring process for the cost portion of the proposals was performed without providing these results to the committee while they were re-scoring the technical portion of the proposals. Ergo, despite there being no prohibition to the committee knowing the results of the cost portion scoring, re-scoring was performed without committee knowledge of the changes to the cost scores.

B. Robert's Claims that the DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates

RHSB claims that the DOE erred by not using just the bus aide rate to calculate the four points available for supplemental services. After the first debriefing, the DOE issued Addendum 3 to clarify how cost proposals would be evaluated and revised Attachment B, the Pricing Form by adding a place for contractors to include a separate "Hourly Rate for Bus Aide" (see Addendum 3, p. 4, 6, 8, and 10).

Section D.3 of the RFP explained how the supplemental services were to be scored by stating:

> A total of 36 points will be applied to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in **Attachment B.**

Furthermore, Addendum 3, explained the requirement for bus aides and how the added element of "Hourly Rate for Bus Aide" was to be scored:

1. Are we required to provide aides for each special education vehicle?

   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

****

6. What will the cost per hour for bus aide be used for?

   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor. (emphasis added --See Exhibit C)

As Section D.3 of the RFP was not deleted or replaced, its provisions still governed the scoring of the four available points for supplemental services. Addendum 3 is clear that the bus aide rate was to be used in conjunction with the supplemental services rate to derive a price for evaluation of the four point component – nowhere in the Addendum does it state that the bus aid rate is to replace the supplemental services rate. RHSB's position that the bus aide rate alone was to be used is not consistent with the express language of the RFP. Furthermore, whether the bus aide rate was used alone or in conjunction with the supplemental service rate, the overall results of the award would not change. RHSB claims that "Robert's strategized its bid rates based on what the Addendum stated." (see Protest at p.11). With this claim, RHSB indicates that its bid was based on using only the bus aide rate and leaving out the supplemental services rate. However, this is inconsistent with the fact that when calculated using RHSB's method, RHSB's score goes down. As the scoring shows, the DOE did not harm RHSB by using the bus aid rate in conjunction with the supplemental services rate as called for in Addendum 3.

2. **RHSB Claims the Re-scoring Shows the Procedure was Arbitrary and Shows Bias**

RHSB argues that since the scores changed from the first evaluation to the second, without any input or changes from RHSB, the process was either flawed or arbitrary. However, this position fails to consider the DOE's determination to re-score the proposals in the first place: RHSB took exception to the discrepancy between the evaluator's notes and the final scores. Upon review, the DOE discovered the evaluators did not go back and adjust their notes resulting from adjustments arising from the interviews and simply reflected their changes in the scoring tally sheet. Rather than proceeding with a discrepancy between the evaluators' notes and the total sheet, the DOE, in an abundance of caution and giving RHSB the benefit of the doubt, chose to have the evaluator's re-score the responses. This was after the benefit of the interviews, and so RHSB's assertion that no changes or new information was available to the evaluators is not accurate. Given the benefit of the interview, it is foreseeable that scores could change.

Additionally, evaluation of technical proposals by committee members is by definition, to some extent subjective and the only thing that would be truly "astounding," to use the characterization in the protest, would be that all evaluators gave precisely the same score as each other, or that the scores were identical from the first to second evaluation. If this were not the case, the Procurement Code would not require a minimum of three members so that averaging will minimize the subjective element inherent in the process (see HAR § 3-122-45.01). Despite the characterization of "astounding" attributed to the difference of one committee member's first and second score, when the scoring is viewed as a whole, the variations are remarkably consistent and certainly within the bounds of normal variation – it is also relevant that the second re-scoring did not change the overall results with respect to contract awards.

3. **RHSB Claims the Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

RHSB takes exception to the fact that two of the evaluators are related by marriage. Specifically, Robert Joseph is married to the Student Transportation Services Branch (STSB) manager James Kauhi's sister. This relationship coupled with a perceived correlation in scoring is the proof offered by RHSB as evidence of a conflict of interest and collusion. However, HRS § 84-14 as it pertains to governmental employees states:

> Conflicts of interests. (a) No employee shall take any official action directly affecting:
>
> (1) A business or other undertaking in which the employee has a substantial financial interest;

In making its allegation, RHSB does not claim that the Procurement Code or other state law precludes either Mr. Kauhi or Mr. Joseph from serving on the evaluation committee. RHSB claims that the very existence of the relationship raises "serious issues of partiality and conflict." (see Protest at p. 16).

RHSB fails to offer anything linking Mr. Kauhi or Mr. Joseph to any financial interest with any of the bus contractors submitting proposals to this solicitation – the familial relationship is only to each other. All members of the evaluation committee signed declarations that they have no conflicts of interest. [See Exhibit D]. RHSB's argument does not distinguish the fact that both Mr. Kauhi and

Mr. Joseph are employed by the DOE, and work for STSB. Determining the winning vendor pursuant to the terms of legally solicited procurement, subject to a fair degree of cooperation and interaction, is both natural, routine, and in and of itself does not provide any basis for the unsupported allegation of collusion RHSB seeks to level. As such, the relationship between Mr. Kauhi and Mr. Joseph is irrelevant.

RHSB also cites the changes by Mr. Kauhi and Mr. Joseph in their re-score as evidence of improper conduct. As noted above, the two gentlemen are colleagues. There is no prohibition from evaluators discussing a proposal during evaluation. The Hearings Officer in *Kiewit Infrastructure West Co. v. Department of Transportation, State of Hawaii, PCX-2011-001 (June 6, 2011)* found that consensus scoring of proposals was acceptable and in light of that ruling, it is illogical to assert that evaluators are barred from discussing an ongoing evaluation. It is the DOE's position that the change in scores from Mr. Kauhi and Mr. Joseph is not dispositive of any improper conduct in the absence of any other evidence. Of further note is the fact that Mr. Joseph's and Mr. Kauhi's scores for Ground Transport, Inc. (GTI) diverged in the re-scoring process and Mr. Kauhi's nominal and percentage score change was notably greater than the change to RHSB. It should be noted Mr. Joseph served on the evaluation committee for RFP D14-012 for similar services on the Island of Hawaii. In that solicitation, RHSB was the top scoring response, and RHSB had no issue with Mr. Joseph or Mr. Kauhi at that time. It appears RHSB objects to the outcome as opposed to the composition of the committee.

RHSB also objects to DOE's break from past practice of not utilizing on-island Transportation Officers (TO) to evaluate proposals. The operative term is "past practice". The DOE never employed any such criteria in determining qualifications. Any such consideration, if at all, was completely informal and subject to the Purchasing Agency's discretion.

RHSB objects to the qualification of Ms. Pualani Foster as she has no experience with the island of Maui and only 2 years of experience as a TO. The duties of a TO involve monitoring and overseeing the delivery of transportation services in the various districts the DOE services; exactly the services this solicitation seeks to purchase. The DOE finds that the fact that Ms. Foster qualified for her position as a TO under the civil service laws is sufficient to determine she is qualified to serve on the committee. Her inclusion was subject to review and approval by the delegated Chief Procurement Officer [See Exhibit E]. RHSB's argument contradicts its earlier assertion that the DOE is enjoined by past practice from using an "on-island TO" to evaluate this solicitation. That is exactly what Ms. Foster is, an off-island TO, and the DOE finds the contradiction of RHSB's own arguments unpersuasive.

4. **RHSB Claims the Evaluations Were Inconsistent with the Stated Method in the RFP**

RHSB asserts that the inconsistency among individual evaluators and the divergence between scores demonstrates that the evaluators did not follow the scoring criteria. However, there is a distinction between disagreeing with the evaluator's interpretation of the **content** of the response, as opposed to claiming the evaluator did not follow the criteria set forth in the RFP. RHSB claims that differences between RHSB's scoring and the scoring of other proposers (most notably Ground Transportation, Inc.) are proof that the evaluators failed to follow the evaluation criteria. In supporting this allegation, RHSB brings up numerous instances where points were deducted from RHSB's response. However, the DOE maintains that those deductions were based on the **content** of RHSB's response and that RHSB fails to show anything to support the claim that the evaluation

criteria were not followed. RHSB also claims the deductions were made in error because RHSB felt they addressed the issue in the interview and that on that basis, the deductions should have been removed. RHSB contends that another proposer failed to address the same issue and yet received no deductions. The Hawaii Public Procurement Code addresses the issue of how evaluations are to be conducted:

HAR § 3-122-52(a) States:

> Evaluation factors shall be set out in the request for proposals and the evaluation shall be based only on the evaluation factors. Evaluation factors not specified in the request for proposals may not be considered.

In this case, RHSB's objections do not relate to whether the criteria were in fact followed, rather the objections focus on the **content** of the finding and a disagreement with the interpretation of their proposal by the evaluators. The DOE does not find sufficient evidence presented that the scores awarded did not correspond to the criteria set forth in the solicitation. All evaluators documented supporting reasoning for any point deducted, and all deductions were according to Section D of the RFP. The DOE does not find the level of divergence among committee members' scores to be dispositive of a failure to follow the scoring criteria; rather it is a natural consequence of having multiple points of view among the committee members. This is the rationale behind having multiple members on the evaluation committee in the first place.

5. **RHSB Claims the DOE Did Not Abide by the "Fair and Equal Standard"**

RHSB claims the DOE did not adhere to HAR § 3-122-53(d) which states:

> (d) Priority-listed offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.
>
> (1) Any substantial oral clarification of a proposal shall be reduced to writing by the priority-listed offeror;
>
> (2) If, during discussions there is a need for any substantial clarification or change in the request for proposals, the request for proposals shall be amended by an addendum to incorporate the clarification or change.

RHSB asserts that representations made by Ground Transportation, Inc. during their interview (conducted as set forth in the RFP Section C.2(E.)) were both substantial and subject to submission in writing as provided for in the rule. The DOE disagrees with this interpretation. As stated in the RFP, the interview allows for clarifications and it is the DOE's position that the clarifications raised during the interview were not substantial. Both RHSB and GTI were afforded equal opportunity to clarify their responses. RHSB did not submit any of their clarifications from their interview in writing. The DOE maintains that it adhered to the provisions of the subject rule and that all parties were treated fairly and equally.

6. **RHSB Claims that Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

RHSB asserts that documentation selecting the evaluation committee members and their declarations were not in the procurement file. This is not correct. [See Exhibits D and E] The documentation was not initially provided to RHSB as part of their document request due to an oversight, but were subsequently supplied via e-mail to Mr. Aaron Kimura on January 25, 2017.

RHSB claims that Bruce Ellerman was a paid consultant and that the rules governing his participation were not followed by the DOE. HAR § 3-122-45.01 states:

> Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. A copy of the document identifying any committee members and any subsequent changes thereto shall be placed in the contract file.
>
> (1) The evaluation committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services, or construction to be procured;
>
> (2) Private consultants may also serve on the committee and shall:
>
> (A) Have sufficient knowledge to serve on the committee;
>
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
>
> (C) Sign an affidavit:
>
> (i) Attesting to having no personal, business, or any other relationship that will influence their decision in the evaluation process;
>
> (ii) Agreeing not to disclose any information on the evaluation process to other than an employee of a governmental body; and
>
> (iii) Agreeing that their names will become public information upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
>
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

RHSB "believes that there were numerous violations of HAR § 3-122-45.01." (See Protest at p. 24). The documents show that the DOE observed all the requirements of the rule (see Exhibits D and E) and that if there are any deviations (such as the use of a declaration rather than an affidavit), they are only technical requirements and not the basis for requesting a re-solicitation. The Hearings Officer in *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7, January 2, 1998, provides helpful guidance in assigning the proper role of technical requirements:

A savings of $21,000 of public funds would do more to foster public confidence in the integrity of the procurement system than would a strict adherence to a largely technical requirement. The requirement of HAR § 3-122-108(a) was not meant to cost public bodies thousands of dollars by requiring acceptance of higher bids for mere technical violations. *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7 at p. 9, January 2, 1998).

Based on the facts and events that transpired, it is clear that the DOE fulfilled the essential requirements of the rule.

Conclusion

Based on the foregoing, and subject to H.R.S. § 103D-701(c), your protest on this matter is hereby denied. This decision is final. Pursuant to Hawaii Administrative Rule, Chapter 126, Subchapter 5, you have the right to an administrative proceeding. Should you file such a request, your request must be made directly to the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs within seven (7) calendar days of the issuance of this determination. You must also notify this office of such a decision within the same time period.

Very truly yours,

FOR Kathryn S. Matayoshi
Superintendent

KSM:cak
Enclosures

c: Student Transportation Services Branch
James E. Raymond, Deputy Attorney General
Project Control Section

Mandatory interviews – The DOE will require an onsite presentation of the top two proponents' proposals for each cluster and interview of key staff as part of the selection process. These interviews will be conducted on Oahu and will be scheduled on the dates indicated in the Calendar of Events.

Notice of award(s) – The DOE will publicly announce the award of contract(s) to the successful proponents on the date indicated in the Calendar of Events.

Contract start date, services commence – This will be the effective date of the contracts. The successful proponents shall be fully prepared with all required resources and services as per the contract. Earlier readiness may be sufficient to support Extended School Year services prior to the start of regular 2017/18 school year services. The State will evaluate readiness for inclusion of any new contractor to provide services and such services will be provided at the contracted rates and at the option of the proponent.

2. Proposal Evaluation & Vendor Selection Process

This is a value-based procurement. The successful proponents must have the demonstrable experience and qualifications, staffing, and financial resources to deliver the required services for the entire term of the contract. Cost will be a significant factor in the evaluation process. However, cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* – The proposal must be received in good order, with all required forms, tabs, and information as required.

B. *Technical Evaluation* – An evaluation committee will evaluate the proponent's Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated service volume in each identified category on **Attachment B** to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The lowest cost proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the maximum available points.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

F. *Notice of Award* – the final results will be shared with the preferred vendors and with the next highest scoring vendor in each service cluster.

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.

D. PROPOSAL SUBMISSION REQUIREMENTS

1. Instructions to Proponents

A. GENERAL

Proponents shall be incorporated or organized under the laws of the State or be registered to do business in the State as a separate branch or division that is capable of fully performing under the contract. The following definitions are used in the solicitation documents:

Hawaii Business §3-122-112 HAR: A Proponent who is registered and incorporated or organized under the laws of the State is a "Hawaii Business" and eligible for an award.

Compliant non-Hawaii Business §3-122-112 HAR: A Proponent not incorporated or organized under the laws of the State, but is registered to do business in the State and complies with or is exempt from the requirements of §3-122-112 HAR, is a "Compliant Non-Hawaii Business" and eligible for an award.

Non-compliant Proponent: If a Proponent is a non-Hawaii business and is not registered with the DCCA Business Registration Division (BREG) or cannot comply with §3-122-112 HAR, than the Proponent is non-compliant and is ineligible for an award.

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope.*

On November 1, 2016, the DOE issued a Notice of Award noting that Robert's was awarded Cluster 1 (Makawao), with Ground Transport Incorporated ("GTI") being awarded Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference.**

EXHIBIT C

DEPARTMENT OF EDUCATION

PROJECT CONTROL SECTION

September 22, 2016

RFP D17-001

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF MAUI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 3

Below is the third addendum to RFP D17-001 for student transportation services on the island of Maui. This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

2. Is the cost of aide to be included in the Daily Rate for 3.5 hour minimum for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

3. Is the cost of aide to be included in the additional cost over 3.5 hours for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

4. Is the cost of aide to be included in the driving rate for supplemental services, (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

5. Is the cost of aide to be included in the layover & wait time rate for supplemental services (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

6. What will the cost per hour for bus aide be used for?

   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

Attachment B – Pricing Form

Cluster 1 – Makawao

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	21		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	9		180				
Count of Special Needs Buses (Type II) with no special equipment	6		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	4		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Baldwin

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	10		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	3		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Lahaina

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	13		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 4 – Maui

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	18		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	7		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

BE
10/12/16

EXHIBIT D

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

EXHIBIT E

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

KOBAYASHI SUGITA & GODA, LLP
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Robert K. Ichikawa*
Christopher T. Kobayashi*
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Anthony Suetsugu
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Thao T. Tran
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Of Counsel:
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Larry L.Myers

January 27, 2017

Via Electronic Mail
Mr. James E. Raymond, Esq.
Deputy Attorney General
State of Hawaii, Department of Attorney General
Education Division
Leiopapa A Kamehameha Bldg.
235 South Beretania Street, Room 304
Honolulu, Hawai'i 96813
James.e.raymond@hawaii.gov

Re: Robert's Hawaii School Bus, Inc.'s ("RHSB") Protest of Award of RFP No. D17-001 and RFP D17-002 (the "Protests") – Committee appointments and declaration forms; Cease and desist interference with Robert's Maui operations

Dear Mr. Raymond:

As you know, Robert's Hawaii School Bus, Inc. ("RHSB") has two pending protests in relation to the above procurements. This letter is being sent to highlight flaws in documents recently received by RHSB from the DOE, and also to alert your office to highly inappropriate behavior by Mr. Robert Joseph that took place yesterday at RHSB's Maui base yard.

I. Memoranda of Record and Declarations for Panel Members

On January 25, 2017, RHSB received an email from Kelsey Soma Turek, State of Hawaii Department of Education ("DOE") transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "A" (email and attached documents).

RHSB's protests both contained sections protesting on the basis that documentation regarding the evaluation committee was not in the file, and that no affidavit was signed. The Protests each contain the following:

Exhibit "G"

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.

(1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services,** or construction **to be procured;**

(2) **Private consultants** may also serve on the committee and shall:
(A) Have sufficient knowledge to serve on the committee;
(B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
(C) **Sign an affidavit**:

(i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
(ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
(iii) **Agreeing that their names will become public information** upon award of the contract;

(3) The contract administrator shall serve as a member of the committee;
(4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

> This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

See, Protests at § III.G (emphasis in original). It is important to highlight the use of the phrase "*Prior* to the preparation of the request for proposals", and further that a copy of the document identifying any committee members "*shall* be placed in the contract file." Simply put, this was not done.

None of these documents are dated, with the exception of the Declaration of Bruce Ellerman, which is dated *October 12, 2016.* It is unclear how these Declarations (even assuming all were signed on October 12, 2016) could have been completed "*prior* to the preparation of the request for proposals" and "placed in the contract file" when the RFPs were issued on July 20, 2016, with a proposal deadline of October 5, 2016.

Further, assuming Bruce Ellerman was a paid consultant, it is unclear whether a determination in writing was made by the head of the DOE that the compensation was justified. In addition, Mr. Ellerman's Declaration makes no statement that he agreed to having his name become public information upon the award of the contract as required by subsection (2)(C)(iii).

Finally, the above statute requires private consultants like Mr. Ellerman to sign "an affidavit", not a Declaration. As you likely know, an affidavit must be witnessed by an official such as a notary public. Mr. Ellerman's statement is not notarized, and therefore does not constitute "an affidavit".

II. Highly Inappropriate Conduct by the DOE

On the morning of January 25, 2017, while Robert Joseph was at RHSB's Maui base yard, he approached two RHSB's employees and told them that Ground Transportation Incorporated ("GTI") would be taking over the contract for Maui. Mr. Joseph stated that RHSB's Protests had been denied. Mr. Joseph further stated that GTI has begun their recruiting process and that these employees should visit Oahu to see GTI's operations.

In a separate incident on January 24, 2017, Mr. Joseph approached another RHSB employee and stated that the contracts subject to the Protests have been awarded to GTI, and that the Protests would not change the outcome. Mr. Joseph then proceeded to tell the RHSB employee that he scored RHSB's Proposals low because RHSB "got sloppy and cheap" because it used the same proposal for each island. He further stated that this is why RHSB was also not awarded the Kauai contracts.

Obviously it is highly inappropriate for Mr. Joseph (as a State employee) to be acting on GTI's behalf in its recruiting efforts. RHSB considers this to be direct interference with contractual and business relations, which are separate grounds for legal action. It is also

inappropriate for Mr. Joseph to be discussing the scoring, Protests, or other related matters with RHSB employees. As such, Mr. Joseph should be reprimanded and ordered to cease and desist any such activity. Mr. Joseph should be immediately and indefinitely prohibited from entering RHSB's Maui base yard or otherwise interfering with its operations. Mr. Joseph's actions are particularly unacceptable given the DOE's disregard for the active Protests, which also highlight numerous conflicts of interest and bias.

In addition, Mr. Joseph's conduct indicates a lack of consistency with respect to how the DOE treats transitions between contracts (if a transition occurs). During prior transitions on Oahu, the DOE has asked that successful bidders not approach employees of competitors to recruit them, as that would interfere with the performance of existing contracts. Here, Mr. Joseph is actively doing just the opposite by spreading misinformation and encouraging RHSB employees to seek employment with GTI. This would be unacceptable if it were done by GTI, but is particularly egregious when done at the hands of a State DOE employee who was involved in the evaluation panel for the RFPs.

Regardless of the outcome of the Protests, RHSB is obligated to perform as to one of the Maui clusters going forward, and wishes to retain all of its drivers to that end. Mr. Joseph's actions are a direct interference with the existing and future contractual relations between RHSB and the DOE.

Finally, the fact Mr. Joseph is helping GTI in recruiting employees should be a clear indication that GTI is unqualified and unable to properly perform on any Maui contract awarded, which was also an issue raised numerous times in RHSB's Protests.

Swift and strict action must be taken to prevent any further interference by Mr. Joseph. The DOE and your office should ensure that he takes no further action on behalf of GTI, a State contractor and competitor to RHSB.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

Enclosures: Exhibit "A"

From: Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us [mailto:Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us]
Sent: Wednesday, January 25, 2017 1:55 PM
To: Aaron Kimura
Cc: Christian Butt/AUX/HIDOE@notes.k12.hi.us; James Kauhi/FACILITIES/HIDOE@notes.k12.hi.us
Subject: Committee appointments and declaration forms for RFP D17-001 and -002

Hi Aaron,

In the rush to produce the documents requested for RFP D17-001 and RFP D17-002, these documents were overlooked. We apologize for the inconvenience. Please find attached the committee appointments and declaration forms for RFP D17-001 and RFP D17-002.

(See attached file: Committee Appointments RFP D17-001 and -002.pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Bruce Ellerman).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (James Kauhi).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Pualani Foster).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Robert Joseph).pdf)

Thank you,

Kelsey Soma Turek
State of Hawaii Department of Education
Office of School Facilities and Support Services
Auxiliary Services Branch; Project Control Section
3633 Waialae Ave Bldg E
Honolulu HI 96816
Phone (direct): (808) 784-5022
Fax: (808) 733-2102

NOTE: EFFECTIVE MARCH 2, 2015, DOE PROJECT CONTROL SECTION IS NOW LOCATED AT THE QUEEN LILIUOKALANI ELEMENTARY SCHOOL (QLES) IN KAIMUKI. [DRIVEWAY ENTRANCE IS ON KOKO HEAD AVE]

Confidentiality Notice: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and/or privileged information. Any review, use, disclosure, or distribution by unintended recipients is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

BPE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

SR
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce E Ellerman
Signature

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

From:	Lana DeCambra
To:	"James.E.Raymond@hawaii.gov"
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	Letter from Jonathan Moore and Charles Hunter
Date:	Friday, January 27, 2017 2:26:24 PM
Attachments:	Roberts HI School Bus Letter to Raymond dated Jan 27 2017.PDF FW Committee appointments and declaration forms for RFP D17-001 and -002.msg

Dear Mr. Raymond,

Please see attached letter from Mr. Jonathan S. Moore, Esq. and Mr. Charles D. Hunter Esq. dated January 27, 2017.

Also enclosed is Exhibit "A" (email and attached documents).

Thank you.

Lana DeCambra | Legal Assistant
KOBAYASHI, SUGITA & GODA LLP
999 Bishop Street, Suite 2600, Honolulu, HI 96813 | Tel: 808-535-5700 | Fax: 808-535-5799 |
www.ksglaw.com | LND@ksglaw.com

This communication (and any attachments) are confidential and are intended only for the individual(s) or entity named above and others who have been specifically authorized to receive it. This communication and the information herein are protected by the Electronic Communications Privacy Act, 18 U.S.C. sections 2510-2521 and may be subject to legal, professional, work product and/or other legal protection. If you are not the intended recipient, please do not read, copy, use or disclose the contents of this communication to others. Please notify the sender that you have received this email in error by replying to the email or by telephoning 808-535-5700, and delete this email and any attachments from all computers without reading or saving the same in any manner whatsoever. Thank you.

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

From:	Lana DeCambra
To:	"James.E.Raymond@hawaii.gov"
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	Letter from Jonathan Moore and Charles Hunter
Date:	Friday, January 27, 2017 2:26:24 PM
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Thank you.

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DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI'I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI'I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

January 11, 2017

TO: Kathryn S. Matayoshi, Superintendent

THROUGH: Dann Carlson, Assistant Superintendent
Office of School Facilities And Support Services

FROM: James Kauhi, Branch Manager
Student Transportation Services Branch

SUBJECT: **Determination of Substantial State Interest in Contracting Activity Relating to Request for Proposals RFP D17-001 and RFP D17-002 for School Bus Services on the Islands of Maui and Kauai**

Your approval is requested for a Determination of Substantial State Interest in continuing solicitation and contracting activity relating to the Subject Projects.

Background

In an effort to address concerns of spiraling cost escalation and in response to recommendations from an August 2012 report by the State Office of the Auditor, and a November 2012 report by Management Partnership Services, Inc. ("MPS"), an independent consultant of the Department of Education ("DOE"), the DOE has undertaken an overhaul of the contracting process for bus service. Requests for Proposals were issued for Bus services on Oahu and the Big Island in previous years, and were recently issued for Maui and Kauai.

In July 2016, the Student Transportation Services Branch (STSB) released the final round of Requests for Proposals to support the transportation reform effort that started in July 2013. The final two islands to be incorporated into the reform process were the islands of Maui and Kauai. RFP D17-001 for Maui and RFP D17-002 for Kauai were issued on July 20, 2016. On November 1, 2016 Notices of Award were first provided to vendors with Cluster 1 awarded to Robert's Hawaii School Bus, Inc. (RHSB) and Clusters 2 through 4 awarded to Ground Transport, Inc. (GTI) for Maui, and Cluster 1 to Yamaguchi Bus Service, Inc. (YBS) and Clusters 2 and 3 to Akita

Exhibit "H"

Enterprises, Ltd. (AEL) for Kauai. Following a debriefing meeting with RHSB on November 16, 2016, notices were distributed to all participating vendors rescinding the initial award in order to allow for a rescoring of the responses. On November 30, 2016 the evaluation committee met to rescore the responses and on December 5, 2016 updated Notices of Award were distributed to the vendors. While there were small adjustments to the individual scores, the awards as previously discussed remained unchanged.

In a letter dated December 23, 2016, RHSB mailed the DOE two formal protests objecting to the award of the solicitations for Maui and Kauai. These protests were received by the DOE on December 27, 2016. RHSB alleges in both its protests that the DOE failed to follow the criteria set forth in the RFP for scoring and that the evaluators were both unqualified and several were biased.

All contracting and procurement activity was suspended pending the resolution of the protest as required by Hawaii Revised Statutes ("HRS") §103D-701(f) which states:

> (f) In the event of a timely protest under subsection (a), no further action shall be taken on the solicitation or the award of the contract ***until the chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the State.*** (emphasis added)

Additionally, Hawaii Administrative Rules ("HAR") §3-126-5, in relevant part states:

> .....no further action shall be taken until the protest has been settled, ***unless the chief procurement officer makes a written determination, after consulting with the head of the purchasing agency, that the award of the contract is necessary to protect the interests of the State.*** (emphasis added)

Substantial Interests of the State

For the following reasons, the Student Transportation Services Branch requests that the Chief Procurement Officer approve this determination that further contracting activity must be undertaken as soon as possible, but no later than January 11, 2017 to protect the substantial interests of the State.

1. The DOE has a mandate to provide compulsory education for students in grades Kindergarten through 12th grade. See Article X of the Hawaii State Constitution. Within this mandate is the authority to transport students safely to and from school. See HRS §302A-406. The resulting contracts from this current solicitation will provide bus service to approximately 10,000 students commencing on the first day of school, which is August 7, 2017. See DOE Official Calendar. If the services to be provided through this solicitation cannot be delivered on August 7, 2017, these students will be without subsidized transportation. Without subsidized transportation, some students will have no other method

to get to school and thus, are less likely to attend school. For those students who are fortunate enough to be able to arrange alternate transportation, attending school will come at other costs that will likely include disruption in their caretakers' arrangements resulting in missed work and other various social and economic impacts such as an increase in the number of cars on the road during rush hour traffic. In addition, some students may resort to walking or taking public transportation which may expose them to a number of other safety concerns. The forgoing adverse impacts will only be compounded for each day transportation services are not provided.

2. In order to have transportation available beginning August 7, 2017, several critical milestones must be accomplished in sequence in order for the vehicles and the supporting infrastructure to be in place for the start of school. The critical events are set forth in reverse chronological order:

   a) Acquisition of fleet assets: GTI indicated they must order buses no later than January 13, 2017 to have them available for the start of the contract as indicated by their letter dated December 14, 2016. AEL indicated they must order buses by January 15, 2017 as stated in their letter dated December 13, 2016. YBS indicated they must order buses no later than January 12, 2017 as indicated in their letter dated December 12, 2016. This contemplates 90 to 120 days for the manufacturer to fill the order, and then allow for the logistical challenge of shipping them to Hawaii. Shippers typically have to book space on transport vessels months prior to the actual shipping event. See State Auditor's Report Aug. 2012, pg. 27. RHSB is the existing vendor on Maui and currently possesses an excess of equipment required to perform the contract on that island for Cluster 1 and does not face the challenge of ordering new equipment. As awarded, RHSB is not scheduled to perform work on Kauai.

   b) Dry runs for all bus routes: This must occur within 10 calendar days of the start of the contract (start of school) which places the latest date for this to occur as July 24, 2017. See RFP Contract Service Specifications 2(f)(i). The purpose of the dry runs is to ensure the planned routes are feasible and allow sufficient time to adjust routes to ensure they run smoothly on the first day of school.

   c) DOE start up meetings with vendors: This must occur prior to the dry runs and must occur no later than the week following the July 4th, 2017 holiday break as we have done over the last two startups for the contracts using the new RFP methodology. The purpose of the meeting is to make all vendors aware of the statutory, regulatory, and procedural requirements for the provision of transportation to Hawaii's students. Vendors must be made aware of these requirements prior to the dry runs to ensure actual simulated conditions during the dry runs in order for the DOE to evaluate and monitor compliance, and make any necessary corrections or adjustments prior to actual transportation of students.

d) Vendor recruitment of drivers, bus aides, and other personnel: Based on previous experience on other islands and the experiences of DOE's transportation management firm, this process will take approximately 3 months and must begin no later than May 1, 2017. The time for this process is further impacted by the requirement to obtain fingerprinting and background checks which often adds delays to this process. This is particularly important for services on the island of Maui where the winning vendor will be required to stand up a new operation supporting 63 percent of all operations without existing facilities on the island.

e) Land/base of operations acquisition: It is estimated that this process will require six months resulting in the date the acquisition activity must begin is on or about January 13, 2017, at the latest. As mentioned, GTI who will be serving the largest portion of operations on Maui will be required to standup a completely new operation. Additionally, the structure of this RFP again disrupts the traditional geography served by current vendors. Consequently, the need for new facilities will impact both current and new vendors. As it is across nearly all islands, commercial land is at a premium on the island of Maui, which will necessitate an extensive search and negotiation process in order to ensure that vendors are able to find and secure the facilities required to provide the transportation services. The DOE's transportation management vendor estimates that this six months is an aggressive but feasible timeline. This estimate was confirmed when the three winning vendors (except for RHSB) were polled to determine what is the latest date of award that would allow them to timely perform the contracts – they all indicated that notice of award would be required by approximately January 13, 2016. RHSB has indicated in its two protests that it believes that, as of Dec. 23, 2016, there was still time to re-solicit the bids, so it was not polled and deemed able to perform if notified along with other winning bidders.

f) Given the chain of events that must occur prior to providing service on the first day of school, the final notice of award must be provided no later than January 13, 2017.

3. There will be a significant economic impact if the 113 affected buses on Maui and the 65 buses on Kauai (RFP D17-001 and D17-002 Attachment B) are not operating for the start of school. The 178 bus driver positions will not be contributing to the local economy, as well as the trickle-down effect of the business generated by this service.
4. Further delay will impact the ability of the State to realize the pricing and operational efficiencies provided for in the RFPs. Total costs are expected to be reduced by approximately $750,000 annually for these two islands or approximately $5.3 million over the seven year term of the contracts. However, these savings will not be realized and service quality would likely be jeopardized if the necessary timelines are not provided for.

Should you have any questions, please contact James Kauhi, Student Transportation Services Branch Administrator, at 586-0170.

☑ APPROVED ☐ DISAPPROVED

JAN 1 1 2017

FOR KATHRYN S. MATAYOSHI
SUPERINTENDENT

DATE

From: Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us
[mailto:Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us]
Sent: Wednesday, January 25, 2017 1:55 PM
To: Aaron Kimura
Cc: Christian Butt/AUX/HIDOE@notes.k12.hi.us; James Kauhi/FACILITIES/HIDOE@notes.k12.hi.us
Subject: Committee appointments and declaration forms for RFP D17-001 and -002

Hi Aaron,

In the rush to produce the documents requested for RFP D17-001 and RFP D17-002, these documents were overlooked. We apologize for the inconvenience. Please find attached the committee appointments and declaration forms for RFP D17-001 and RFP D17-002.

(See attached file: Committee Appointments RFP D17-001 and -002.pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Bruce Ellerman).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (James Kauhi).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Pualani Foster).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Robert Joseph).pdf)

Thank you,

Kelsey Soma Turek
State of Hawaii Department of Education
Office of School Facilities and Support Services
Auxiliary Services Branch; Project Control Section
3633 Waialae Ave Bldg E
Honolulu HI 96816
Phone (direct): (808) 784-5022
Fax: (808) 733-2102

NOTE: EFFECTIVE MARCH 2, 2015, DOE PROJECT CONTROL SECTION IS NOW LOCATED AT THE QUEEN LILIUOKALANI ELEMENTARY SCHOOL (QLES) IN KAIMUKI. [DRIVEWAY ENTRANCE IS ON KOKO HEAD AVE]

Confidentiality Notice: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and/or privileged information. Any review, use, disclosure, or distribution by unintended recipients is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

Exhibit "I"

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

BE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

BR
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce E Ellerman
Signature

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
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I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
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I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
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I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee; and they have cleared my participation.
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I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
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I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
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I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	Docket No. _____ CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Appeal was served on the above-identified party at their respective address by ***hand delivery*** on MAR 03 2017.

JAMES E. RAYMOND, ESQ.
Deputy Attorney General
State of Hawaii, Department of Attorney General
Education Division
Leiopapa A Kamehameha Bldg.
235 South Beretania Street, Room 304
Honolulu, Hawai'i 96813

Attorney for Respondent
KATHRYN S. MATAYOSHI in her capacity as
SUPERINTENDENT / CHIEF PROCUREMENT OFFICER,
STATE OF HAWAII
DEPARTMENT OF EDUCATION

DATED: Honolulu, Hawai'i, MAR 03 2017.

JONATHAN S. MOORE
CHARLES D. HUNTER
Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

KOBAYASHI, SUGITA & GODA

JONATHAN S. MOORE 8902-0
CHARLES D. HUNTER 9759-0
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999 Bishop Street, Suite 2600
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Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

DEPT. OF COMMERCE AND CONSUMER AFFAIRS
2011 MAR -3 P 1:35
HEARINGS OFFICE

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	Docket No. _____ PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S APPEAL OF DENIAL OF PROTEST OF AWARDS FOR REQUEST FOR PROPOSAL NO. RFP D17-002; BOND; DECLARATION OF CHARLES D. HUNTER; EXHIBITS "A" – "I"; CERTIFICATE OF SERVICE Hearing: Date: _____ Time: _____ Hearings Officer: _____

PETITIONER ROBERT'S HAWAII SCHOOL BUS, INC.'S APPEAL OF DENIAL OF PROTEST OF AWARDS FOR REQUEST FOR PROPOSAL NO. RFP D17-002

Petitioner Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this Appeal of Denial of Protest of Awards for Request For Proposal No. RFP D17-002 for Student Transportation Services on the Island of Kauai (hereinafter "Appeal"). This Appeal is filed by Robert's as a result of the letter by Respondent Kathryn S. Matayoshi, in her capacity as Superintendent and Chief Procurement Officer, State of

Hawaii, Department of Education, which denied Robert's protest of the awards of Request For Proposal No. RFP D17-002 ("Protest") on February 24, 2017. Under HRS § 103D-712(a), this Appeal must be submitted within seven (7) calendar days, meaning March 3, 2017. Therefore this Appeal is timely.

I. IDENTIFICATION OF THE PROCUREMENT

RFP No. D17-002 ("RFP") for Student Transportation Services on the Island of Kauai for the State Department of Education (DOE) was published by the State of Hawaii, Department of Education ("DOE") on July 20, 2016. The following table shows the significance of this procurement to both the DOE, and to Robert's. It is calculated using 2% annual increases in revenue and results in **$41,589,011 total revenue** over the 7yr + 3yr extension term based on the maximum number of clusters that can be awarded:

KAUAI	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	TOTAL
Kapaa	1,928,700	1,967,274	2,006,619	2,046,752	2,087,687	2,129,441	2,172,029	2,215,470	2,259,779	2,304,975	
Aide	124,740	127,235	129,779	132,375	135,023	137,723	140,478	143,287	146,153	149,076	
	2,053,440	***2,094,509***	***2,136,399***	***2,179,127***	***2,222,709***	***2,267,164***	***2,312,507***	***2,358,757***	***2,405,932***	***2,454,051***	***22,484,595***
Kauai	1,620,000	1,652,400	1,685,448	1,719,157	1,753,540	1,788,611	1,824,383	1,860,871	1,898,088	1,936,050	
Aide	124,740	127,235	129,779	132,375	135,023	137,723	140,478	143,287	146,153	149,076	
	1,744,740	***1,779,635***	***1,815,227***	***1,851,532***	***1,888,563***	***1,926,334***	***1,964,861***	***2,004,158***	***2,044,241***	***2,085,126***	***19,104,416***
	3,798,180	**3,874,144**	**3,951,626**	**4,030,659**	**4,111,272**	**4,193,498**	**4,277,368**	**4,362,915**	**4,450,173**	**4,539,177**	**41,589,011**

II. THE PROTEST

A. Procedural History

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai

respectively). On November 2, 2016, Robert's submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section - requesting debriefing and information ("First Request for Debriefing"). The First Request for Debriefing notes,

* * *

> In addition, it should be noted that the Non-Award Notice states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:
>
> > (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.
> >
> > Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

See, Exhibit "A", First Request for Debriefing at pps. 1-2 (underline in original). The First Debriefing took place on November 16, 2016 ("First Debriefing"). The First Debriefing was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. The timing of the First Debriefing would generally require a protest be submitted on or before November 23, 2016; however, in a telephone conversation held on November 17, 2016 with Mr. Butt, he indicated that because there were outstanding questions from the debriefing, the five day deadline to file a protest would begin as of November 17th, meaning the deadline to file a protest would be November 24, 2016.

On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals could be submitted. See, Exhibit "B". The letter made clear that Robert's believed the awards were issued in violation of law.

On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for RFP D17-001 and RFP D17-002 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring.** Upon review, the DOE concurs and **has decided to re score both RFPs. *****

(emphasis added). Rather than allowing proposers to resubmit proposals, the DOE simply re-scored the original submissions using the same panel of scorers.

The Second Debriefing took place on December 16, 2016, which required the Protest be submitted on or before December 23, 2016. The DOE received the Protest in writing as required by HRS § 103D-701 on December 23, 2016. See, Exhibit "C" (Kauai Protest).

The DOE sent a letter to Robert's on January 20, 2017, attaching the DOE's January 11, 2017 Determination of Substantial State Interest ("DSSI") relating to the RFP. See, Exhibit "D". As discussed in detail below, Robert's disputed the DSSI in a letter dated February 6, 2017. See, Exhibit "E".

On February 24, 2017, the DOE sent a letter to Robert's counsel denying the Protest under Hawaii Revised Statutes ("HRS") § 103D-701(c), further stating that the decision is final. See, Exhibit "F" (Protest denial for Kauai). Under HRS § 103D-712(a), this Appeal must be submitted within seven (7) calendar days, meaning March 3, 2017, therefore this Appeal is timely.

B. **Robert's Has Secured and Attached a Bond as Required by HRS § 103D-709(e)**

HRS § 103D-709(e) provides:

> (e) The party initiating a proceeding falling within subsection (d) **shall pay to the department of commerce and consumer affairs a cash or protest bond in the amount of**:
>
> (1) $1,000 for a contract with an estimated value of less than $500,000;
> (2) $2,000 for a contract with an estimated value of $500,000 or more, but less than $1,000,000; or
> (3) One-half per cent of the estimated value of the contract if the estimated value of the contract is $1,000,000 or more; **provided that in no event shall the required amount of the cash or protest bond be more than $10,000**.
>
> If the initiating party prevails in the administrative proceeding, the cash or protest bond shall be returned to that party. If the initiating party does not prevail in the administrative proceeding, the cash or protest bond shall be deposited into the general fund.

Id. (emphasis added). As such, Robert's includes with this Appeal a cash or protest bond in the amount of $10,000.

C. **The DOE Did Not Abide By Its Own Stated Scoring Procedure**

The DOE solicited proposals through the RFP, which specifically outlines the scoring method that the DOE represented to Robert's it would employ. Robert's drafted and submitted its proposal relying on the terms of that RFP and the DOE's obligation to score by its stated method. Instead of following its own process, the DOE adapted it mid-stream in an attempt to remedy both mathematical errors and other procedural flaws.

1. **The DOE Represented that Cost Evaluation Would Only Take Place AFTER the Completion of the Technical Evaluation**

The RFP is clear that the cost portion of the evaluation would take place only "AFTER the technical evaluation is completed..." (CAPS IN *ORIGINAL*). The DOE represented that it would segregate the technical evaluation from the cost evaluation, yet completely abandoned the

agreed upon scoring method by allowing the same evaluators to score proposals AFTER each knew the pricing figures supplied by each proposer. Rather than amending the RFP to make clear to all proposers that the technical and cost evaluations would no longer be separate (and allowing them to resubmit proposals taking that into consideration), or selecting a new panel of scorers following the initial scoring, the DOE charged forward with its process nonetheless.

The following statements within the RFP make it clear that the bifurcation of the technical evaluation and cost evaluation was important to the fairness of the process. Robert's proposal strategy relied on the following from Section C.2 of the RFP:

> **This is a value-based procurement**... Cost will be a significant factor in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:
>
> A. *Determination of Proposal Qualification* - * * *
>
> B. *Technical Evaluation* - **An evaluation committee will evaluate the proponent's Technical Proposal**. The members of the committee **will evaluate each proposal individually**. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.
>
> C. *Cost Evaluation* – **AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:
>
> • The **lowest cost** proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
>
> • Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points

> available for price, divided by the estimated total aggregated annual cost.
> • **This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.**
>
> D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai

respectively). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation.** *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will.** And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are.** So that's generally the process of how it worked…

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking…**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so**

> **we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever***. **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

Following the First Debriefing, on November 17, 2016, Mr. Butt called Aaron Kimura and offered to re-score the proposals submitted by all proponents. On November 18, 2016, Robert's sent a letter to the DOE entitled "Request for re-solicitation of proposals", which notes in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * *
>
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders**. However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring**.
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring**.

Id. (emphasis added).

On November 21, 2016, Robert's received the "Notice of Re-score" from the DOE. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it simply stated that the evaluation panel would re-score the existing proposals.

Despite the representations in the RFP (including the requirement that pricing be submitted in a separate and sealed envelope), and also the importance of keeping the pricing evaluation isolated from the technical evaluation as stated above by both Mr. Butt and Mr. Kauhi, the DOE conducted its re-scoring process with the same panel of evaluators, *each of whom knew pricing information from the initial scoring process*. The RFP was never amended. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure. The result is that each evaluator knew the pricing information of each proposer *during the scoring of the technical proposals*.

During the Second Debriefing which took place on December 16th, 2016, the following discussion took place:

> Aaron Kimura: ... **the panel now had access to the outcome of the prices... the rates.** **Now that is different from the initial process, right, where it was kept away from them**, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to... **you were the only one who had access to the pricing**...
>
> James Kauhi: **Right**...
>
> Aaron Kimura: **So that's a difference**...
>
> James Kauhi: **Yeah**...
>
> Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing... On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**...

* * *

Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind... we just did that as an extra step.** But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores. *I don't know if they have a photographic memory or not***, but again, I don't think...

Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing...

James Kauhi: So... let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well... but they were not involved in that process.

Christian Butt: So again... **yeah Chad... they did see it... but no, they didn't have it in front of them when they re-evaluated, so**...

* * *

Charles Hunter (counsel for Robert's): This is Charles Hunter here. Excuse my ignorance here, but **can you tell me why the pricing was done as a separate process?**

James Kauhi: ***That's unfortunate* because this discussion was already had... I was hoping that this debrief would center around those what was not discussed... I apologize**...

Christian Butt: Well... I don't mind answering the question... I mean... **there is nothing under the procurement code or anything that requires that... It was just the way that we chose to do the process. That's all... agency preference**.

Charles Hunter: **Why?**

James Kauhi: **Why not?**

Charles Hunter: **I'm just asking for the logic on why that decision was made**. I just, I don't know.

James Kauhi: I'm sorry... **I think Aaron and Roy and Chad should be able to explain that to you no problem**.

> Charles Hunter: They can explain *your* logic as to why…?
>
> James Kauhi: They can explain why the pricing presentations were reevaluated…
>
> Charles Hunter: I don't know that that is true…

As it turns out, Robert's *could* have explained the DOE's logic to Mr. Hunter based upon the First Debriefing, where Mr. Butt stated,

> …we didn't expose the price to the evaluators **so they are not influenced by that**. So again **they were blind to that**. So again, we didn't want to say oh well, **I'm going to score this guy up because his price was kind of low or whatever**. So again **we try to remove that barrier**. So again you know, that **these guys scored it they don't know how it's going to turn out**...

Yet somehow, during the Second Debriefing the DOE took the positions that, (i) the procurement code does not require the technical and price scoring to be bifurcated, despite the clear language of the RFP, (ii) that the scorers somehow forgot the price rankings because they do not have photographic memories, (iii) that they did not wish to discuss the logic as to why the initial decision was made to keep the technical and price evaluations separate, and (iv) that Robert's should somehow be able to explain the DOE's reasoning behind structuring the RFP in the way it did.

If the DOE preferred to eliminate the pricing-blind process that was stated in the RFP, and which was determined to be an important procedure during the First Debriefing, it should have issued an addendum to the RFP making clear the change in procedure. Further, the DOE should have allowed proposers to resubmit proposals with the new procedure taken into consideration, as specifically requested in Robert's November 18, 2016 letter. Instead, the DOE ignored the importance of that procedure, claimed its evaluation panel somehow forgot the pricing results, and rushed forward with its process.

2. **DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates**

The initial RFP stated that for the pricing score, the proponent's supplemental rates would be used; however, Addendum 3 to the RFP noted that the aides rate would be used in the pricing scores. In fact, the DOE used the supplemental rates, which was misleading as Robert's strategized its bid rates based on what the Addendum stated.

Addendum 3 to the RFP states in part:

> ... This addendum **provides clarification for submission requirements** of the RFP related to the need to provide bus aides for special needs services. **This response is hereby incorporated and made a part of the RFP**.
>
> ... for purposes of developing their response **vendors should plan to provide a bus aide** for all identified special needs buses shown on Attachment B.
>
> ... The **cost of the bus aide should be identified** on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum. [This statement is contained four (4) times in Addendum 3.]
>
> ... **The cost of the bus aide will be used in the evaluation of cost provided by each vendor**.

Id. (emphasis added).

During the First Debriefing, Aaron Kimura stated on behalf of Robert's:

> There were calculation errors in the scores. For the pricing score, **proponents' supplemental rates were used, as stated in the initial RFP documents, but it was mentioned in an addendum that the Aides rate would be used in the pricing scores**; and used by RHSB. In the past two RFP series (Oahu and Big Island), the **RFP documents stated the use of the supplemental rates for pricing scores, but the DOE used the aide rates. This is misleading as RHSB strategized its bid rates based on what the Addendum stated**; regarding use of the Aide rates for scoring. (Summarized).

Christian Butt and James Kauhi both eventually agreed that it was an error to use the supplemental, rather than the aide rates, and this was part of the basis for the re-scoring of the

proposals. On November 17, 2016, Mr. Butt telephoned Aaron Kimura and agreed that there was an error on this point. Mr. Butt stated that the language in Addendum 3 was in conflict with that of the RFP as to the financial scoring and the use of the aides rates versus using the supplemental rates and agreed with Robert's concerns.

During the Second Debriefing, Aaron Kimura raised the issue that the DOE *again* used the supplemental rate, and added the aides rate to the daily rate portion contrary to the RFP description in Addendum 3:

> Christian Butt: So you're saying then that we should have just used the supplemental rate… or just the aide rate?
>
> Aaron Kimura: No, the aide rate.
>
> Christian Butt: **So we should have just used the aide rate, that is your position?**
>
> Aaron Kimura: **That's not *our* position, that's what was in the addendum.**
>
> Christian Butt: Well, **that's your interpretation of reading it**…

The language above of Addendum 3 is unambiguous. Even the re-scoring erred on this issue to Robert's detriment. This error is clear and unmistakable. Based on the First Debriefing and the Second Debriefing, it appears the DOE agrees.

D. **The Rescoring Shows the Procedure was Arbitrary and Shows Bias**

The re-scoring of proposals without any changes to the materials being evaluated effectively created a double-blind study in the flawed and arbitrary nature of the DOE's re-scoring procedure. This is clear looking at the total scores for Robert's, Yamaguchi, and Akita (all clusters were scored identically):

ROBERT'S		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	50.25	59.25
Robert Joseph	45.00	50.25
James Kauhi	56.25	54.00
Bruce Ellerman	55.50	56.25

YAMAGUCHI		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	53.75	55.50
Robert Joseph	51.00	54.75
James Kauhi	59.25	54.00
Bruce Ellerman	53.00	53.00

AKITA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	49.75	59.50
Robert Joseph	54.25	54.25
James Kauhi	53.50	53.50
Bruce Ellerman	55.00	55.75

This data shows significant changes in scores, despite the fact that *nothing* changed in any of the proposals. This is the very definition of arbitrary.

Interestingly, James Kauhi, who had unlimited access to the pricing figures following the first scoring and the First Debriefing, reduced Robert's score by 4.00%, while all other scorers increased their scores, with an average increase of 9.95%. Mr. Kauhi was the only scorer to give a lower score (to any proponent) during the re-scoring process, and that single lower score was to Robert's.

Pualani Foster's score for Robert's increased by an astounding 17.91% to a score of 59.25 points. Ms. Foster also increased Akita's score by 19.60%, awarding 59.50 points.

It is unclear how scoring identical proposals could result in such varied scores. Given Mr. Kauhi and Mr. Butt's apparent confidence in the scoring panel, it is difficult to see how the rescoring would result in such drastic revisions when there was no change to the proposals submitted.

During the First Debriefing session, James Kauhi confidently stated that the Evaluation Committee was "hand-selected" and highly qualified. Furthermore, Mr. Butt described the committee members to be "well versed, competent and qualified." However during the Second Debriefing, Mr. Kauhi and Mr. Butt stated that they "didn't have confidence in the veracity of their scoring.." and "I did not have high confidence to decide which of the differing scores were the right ones....not terribly confident in knowing exactly what was my true score." This highlights yet another flaw in the re-scoring procedure employed by the DOE.

E. **The Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

HRS § 103D-101 provides in relevant part:

> (a) **All public employees shall conduct and participate in public procurement in an ethical manner**. In conducting and participating in procurement, **public employees shall**:
>
> (1) Act as a fiduciary and trustee of public moneys;

> (2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;
>
> (3) Act only in the public interest;
>
> (4) Abide by the statutes and administrative rules relating to public procurement;
>
> (5) Identify and maximize efficiencies in the public procurement process;
>
> (6) Encourage economic competition by:
>
> > (A) **Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment**; and
> >
> > (B) Researching innovative goods and services to meet the public's needs;
>
> (7) **Avoid the intent and appearance of unethical behavior**;
>
> (8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;
>
> (9) Maintain confidentiality in a manner that ensures a fair procurement process;
>
> (10) **Remain impartial in dealings** with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and
>
> (11) **Identify *and eliminate* any conflicts of interest**.
>
> * * *
>
> (c) **All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith**.

HRS § 103D-101 (emphasis added). Further, HAR § 3-120-1(a) outlines the following purposes of the rules, which are aimed to "promote economy, efficiency, and effectiveness in the procurement of goods and services… for the State and counties":

> (1) Simplifying, clarifying, and modernizing the law governing procurement;

> (2) Requiring the continued development of procurement policies and practices;
> (3) Making the procurement laws of the State and counties as consistent as possible;
> (4) **Ensuring the fair and equitable treatment of all persons who deal with the procurement system of the State and counties**;
> (5) Providing increased economy in procurement activities and **maximizing best value to the fullest extent practicable**;
> (6) **Fostering effective broad-based competition within the free enterprise system**;
> (7) **Providing safeguards for the maintenance of a procurement system of quality and integrity**; and
> (8) **Increasing public confidence in the procedures followed in public procurement.**

HAR § 3-120-1 (emphasis added).

Here, it is clear that there were numerous conflicts of interest. One such conflict of interest involved Robert Joseph. Mr. Joseph was selected as an evaluator by James Kauhi, Manager of the DOE Student Transportation Services Branch. Mr. Kauhi is Robert Joseph's manager. In addition, Mr. Joseph is married to Mr. Kauhi's sister. The result is that two out of four evaluators were directly related, raising serious issues of partiality and conflict.

In addition, Ms. Foster, the DOE's Kauai Transportation Officer ("TO"), is believed to have approximately 2 years of experience as a TO with the student transportation industry, with that experience being limited to duties on the Island of Kauai, handling "older" contracts for student transportation services. Ms. Foster was not qualified to reasonably evaluate Robert's proposal, and it is highly likely that her evaluation and scores were based on influences from Mr. Joseph and Mr. Kauhi. Furthermore, Ms. Foster's role as an evaluator is a break from the DOE's past practice of not using on-island TO's to evaluate proposals within their own districts. In addition, Ms. Foster's drastic change in scoring (an 18% discrepancy for Robert's and an average 13.33% change for all bidders), shows her lack of experience as a significant issue, and that she was not fit to serve as an evaluator.

Finally, Mr. Kauhi stated to Robert's that the evaluation of its proposal could be affected if the working relationship between Robert's Maui Operations Manager (Kris Kim) and Joseph (acting as Maui TO) did not improve. Apparently Mr. Kauhi also discussed historical difficulties with Ms. Kim during his tenure as the DOE's Maui TO.

The following table shows Mr. Joseph's scores compared to the average of other evaluators for the Maui and Kauai RFPs:

RFP	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Maui	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	2.50	4.00	2.00	**48.75**
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	2.75	3.00	4.00	2.00	55.50
Kauai	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	54.00
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	3.00	3.00	4.00	2.00	55.25

The various conflicts of interest present during the scoring process resulted in significant bias against Robert's. This bias was allowed to further permeate the scoring process through the "**one-day collaboration** with all four evaluators" that Mr. Kauhi noted took place while he discussed the scoring process during the First Debriefing (cited above in full). This "collaboration" was in violation of the terms of the RFP, which specifically stated that, "The members of the committee **will evaluate each proposal individually**." See, RFP at p. 9 (emphasis added). It appears Messrs. Kauhi and Joseph used this meeting to influence the other panelists. In Mr. Kauhi's words, this meeting was, "an opportunity to voice their perspectives, their concerns there, interpretations if you will. And whether it had an influence **or whether my interpretation had an influence on another evaluator's interpretation**, same thing **would be entirely up to each individual right...**" Thus, Mr. Kauhi admits the possibility or probability

that his interpretation influenced other evaluators, yet he dismisses this improper influence stating the decision on whether to follow his recommendation was "entirely up to each individual". It is for this very reason that the RFP submissions were intended to be evaluated individually, and the scoring clearly shows that Mr. Kauhi's "interpretation" *did* have a strong influence on other evaluators.

Mr. Kauhi also failed to raise important issues during this "collaboration" as to Robert's performance when compared to others operating in the same market. For example, based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with* ***21.5 missing assets, compared with GTI's 245***. Mr. Kauhi knew this information, yet was selective in whether to provide it to other scorers or to raise it in the "collaboration" process.

The "collaboration" process also allowed Mr. Joseph to negatively influence the minds of other panel members by raising complaints regarding Robert's Maui Operations Manager. As noted earlier, the scoring panel was "hand-selected" by Mr. Kauhi. It appears Mr. Kauhi selected Mr. Joseph not only because he could exert influence over him, but also because Mr. Kauhi knew that Mr. Joseph would have negative feelings towards Robert's from his position as Maui TO.

The data in both the initial and re-scoring process shows clearly that Mr. Kauhi and Mr. Joseph worked together to influence the process by raising issues that would be detrimental to Robert's, while failing to discuss *actual data* that was known to all and in Robert's favor.

F. Other Conduct by the DOE Showing Bias Resulting from Conflicts of Interest

On the morning of January 25, 2017, while Robert Joseph was at Robert's Maui base yard, he approached at least two Robert's employees and told them that GTI would be taking over the contracts for Maui. Mr. Joseph stated that Robert's Protests had been denied (which had not yet occurred). Mr. Joseph further stated that GTI has begun their recruiting process and that these employees should visit Oahu to see GTI's operations.

In a separate incident on January 24, 2017, Mr. Joseph approached another Robert's employee and stated that the contracts subject to the Protests have been awarded to GTI, and that the Protests would not change the outcome. Mr. Joseph then proceeded to tell the Robert's employee that he scored Robert's Proposals low because Robert's "got sloppy and cheap" because it used the same proposal for each island. He further stated that this is why Robert's was also not awarded the Kauai contracts under RFP No. RFP D17-002.

It was highly inappropriate for Mr. Joseph (as a State employee) to be acting on GTI's behalf in its recruiting efforts. RHSB considered this to be direct interference with contractual and business relations. It was also inappropriate for Mr. Joseph to discuss the scoring, Protest, or other related matters with Robert's employees. On January 27, 2017, Robert's sent a letter to counsel for the DOE stating that Mr. Joseph should be reprimanded and ordered to cease and desist any such activity, and further that he should be immediately and indefinitely prohibited from entering Robert's Maui base yard or otherwise interfering with its operations. Mr. Joseph's actions were particularly unacceptable given the DOE's disregard for the active Protest.

In addition, Mr. Joseph's conduct indicated a lack of consistency with respect to how the DOE treats transitions between contracts (if a transition occurs). During prior transitions on Oahu, the DOE has asked that successful bidders not approach employees of competitors to recruit them, as that would interfere with the performance of existing contracts. Here, Mr.

Joseph was actively doing just the opposite by spreading misinformation and encouraging Robert's employees to seek employment with GTI. This was particularly egregious when done at the hands of a State DOE employee who was involved in the evaluation panel for the RFPs.

Finally, the fact Mr. Joseph was helping GTI in recruiting employees should be a clear indication that GTI was unqualified and unable to properly perform on any Maui contract awarded, which was also an issue raised numerous times in Robert's Protest.

On January 30, 2017, Mr. James Kauhi discussed Mr. Joseph's inappropriate conduct with Ms. Gail Sagiao (a Robert's employee). Mr. Kauhi made specific reference to the letter sent by Robert's to counsel for the DOE on January 27, 2017 (Exhibit "G"), stating further that "Mr. Carlson called me and asked me to remind everyone on my evaluation team…Robert, Pua, Bruce, myself… that because there is a challenge to the RFP, that we should not be discussing anything that has to do with the RFP with everybody until the legal matter is settled." Despite that instruction, Mr. Kauhi then proceeded to discuss the matter with Ms. Sagiao in detail, including offering defense of Mr. Joseph's (Mr. Kauhi's brother-in-law) actions. Robert's counsel sent a letter to counsel for the DOE on February 6, 2017 alerting the DOE to these inappropriate contacts, telling the DOE that discussions regarding the "transition" of contracts are premature, and further informing the DOE that Mr. Kauhi's characterization of Robert's position regarding DOE recruiting of Robert's employees was incorrect.

As of the filing of this Appeal, the DOE is conducting an investigation into Mr. Joseph's actions, and numerous Robert's employees will be interviewed as part of that investigation.

G. **Robert's Disputes the Determination of Substantial State Interests**

On January 17, 2017, Robert's received a contract for execution in relation to Maui Cluster 1 (Makawao), which was awarded under RFP No D17-001. Robert's was surprised to receive this contract given it submitted its Protest nearly a month prior with no response from the

DOE. Robert's was under the assumption that the DOE was carefully reviewing the merits of the Protest so that it could rectify the numerous problems presented, and solicit new proposals given the clear errors and problems with the prior awards. Instead, the DOE charged forward with its awards. This is the reason why, "Under most circumstances, public projects cannot proceed while a protest is pending." Nihi Lewa, Inc. v. Dep't Of Budget And Fiscal Services, 103 Hawai`i 163, 167, 80 P.3d 984, 988 (2003)

Robert's only became aware of the DOE's Determination of Substantial State Interests ("DSSI") (Exhibit "H") when counsel for the DOE responded on January 20, 2017 to an email sent by Robert's counsel to the DOE two days prior following up on Robert's Protest. That prior email specifically cited HRS § 103D-701(f), which imposes a stay on contracting activities when a timely protest has been received by the agency issuing the solicitation. The DOE should have immediately informed all proposers when the DSSI was issued on January 11, 2017, but did not.

The DSSI should not have been issued. The only stated bases for the DSSI are that, (1) school bus service must begin on August 7, 2017, (2) to meet the aforementioned deadline, "several critical milestones must be accomplished," including acquisition of fleet assets, dry runs for bus routes, DOE start up meetings with vendors, vendor recruitment, and land/base of operations acquisition, (3) that there will be a significant economic impact if the 178 bus driver positions are not put in place immediately, and (4) that delay will impact the State's ability to "realize the pricing and operational efficiencies provided for in the RFPs."

As to issues (1) and (2) above, this is a problem of the DOE's own making that could have been cured by an extension of Robert's existing contracts while the Protest is reviewed. The DOE had already mentioned to Robert's its past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity, as noted above.

Extension of Robert's contracts would have solved this problem. Further, public policy would not support allowing the DOE to press forward on improperly awarded contracts because it creates a perverse incentive for all State procurement agencies to delay the issuance of any RFP to the point where the State will be harmed if not permitted to move forward, regardless of faults in the procurement process. The DOE should not be permitted to delay the issuance of RFPs to the point where there is no time to review valid protests before issuing awards. The Procurement Code is already designed to accommodate expedited review, and that review would have been completed in a timely manner if the DOE had not delayed addressing the Protest by over a month. This dubious practice is inconsistent with the purposes of the procurement code, which are to (i) provide fair and equitable treatment of all persons dealing with the government procurement system; (ii) foster broad-based competition among vendors while ensuring accountability, fiscal responsibility, and efficiency in the procurement process; and (3) increase public confidence in the integrity of the system. See, Sen. Stand. Comm. Rep. No. S8-93, in 1993 Senate Journal at 39; CARL Corp. v. State, Dept. of Educ., 85 Hawai'i 431, 455-56, 946 P.2d 1, 25-26 (1997). These issues, "cannot be ignored when determining whether it is in the best interests of the State to ratify an unlawfully awarded contract." Id.

It should also be noted that the above timing problems are the direct result of the DOE selecting GTI on Maui, a vendor with no current operations on the island. This issue was raised in the Protest, which highlights the fact that Robert's has had a presence on Maui for over 30 years, has an existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 base yards. In particular, Mr. Joseph somehow scored GTI with maximum points, while providing a lower score to Robert's. This issue was covered in detail in Section III.E of the Protest.

Issue 3) in relation to the DSSI is a red herring. It assumes that other bus drivers will not be driving busses during the pendency of the Protests, which is logically and factually incorrect. Bus drivers are currently servicing routes, and would continue to do so until the new contracts are put in place. To argue that the "178 bus driver positions will not be contributing to the local economy" is simply fallacious reasoning.

As to the State's ability to realize "pricing and operational efficiencies" under (4), this is also unsupportable. The State is not entitled to "realize" these benefits (to the extent there are any) if they are obtained through unlawfully awarded contracts. To the extent that a protest is later denied, this risk is already contemplated by the procurement law, which requires a cash or protest bond directly related to the amount of the procurement. See, HRS § 103D-709(e). In addition, Robert's was be prepared to post a bond to cover the risk of the apparent $750,000 "savings" that would occur in the first year if required to do so, although this solution was not accepted by the DOE.

Finally, both HRS § 103D-701(f) and HAR § 3-126-5 state that no further action shall be taken until and unless "**the *chief procurement officer* makes** a written determination" that the award is necessary to protect the interests of the State (emphasis added). The DSSI dated January 11, 2017 was not a written determination *by* the chief procurement officer, here Kathryn S. Matayoshi. Rather, it is a memo *from* James Kauhi (who is implicated in numerous ways of biased conduct as noted in the Protest), "*through*" Dann Carlson, Assistant Superintendent, ***to*** Kathryn S. Matayoshi. It is *not* a determination by Kathryn S. Matayoshi herself. This memo states, "*Your approval is requested* for a Determination of Substantial State Interest.." and thus is not the actual Determination. The memo is then signed "for" Superintendent Matayoshi by Dann

Carlson, which also appears improper if this document was intended to be the actual DSSI, and not simply a request for one.

Overall, the DSSI is logically and factually incorrect and should not serve to thwart the purposes of the Procurement Code.

H. **Evaluations Were Inconsistent with the Stated Scoring Method**

Mr. Kauhi had previously explained to Robert's that a respondent would receive the maximum possible points for each category, if minimum requirements were met. The scores from each evaluator, including Mr. Kauhi, show significant inconsistency for the same categories when Robert's proposal is compared to other proposals. The following table shows the RFP scores by all evaluators, and clearly shows that Mr. Kauhi, and Mr. Joseph did not score according to the stated method:

KAUAI	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	**60.00**
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	**54.00**
Joseph	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	**50.25**
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	2.25	2.25	4.00	2.00	**56.25**
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	2.25	4.00	2.00	**59.25**
Avg.	**2.81**	**2.81**	**9.00**	**6.00**	**7.31**	**13.13**	**2.81**	**2.81**	**2.25**	**4.00**	**2.00**	**54.94**
Yam. Avg	3.00	2.63	8.44	6.00	7.88	12.19	3.00	2.44	3.00	3.75	2.00	**54.33**
Akit. Avg	3.00	2.81	9.00	6.00	7.88	13.13	2.81	2.81	2.81	4.00	1.50	**55.75**

1. Category 1: Transmittal Letter

One example of inconsistent scoring on this issue is for category 1, dealing with the Transmittal Letter. This section had 3 points possible. In this section, Robert's noted that "RHSB shall pursue Proposal Option A" and further that it was bidding on "(Multiple clusters, unlimited award) for all three (3) Clusters."

Despite Robert's satisfying the requirements of this section, Joseph scored just 2.25 points, stating wrongly that, "Proponent failed to provide a list of the three clusters they are bidding for." Other scorers fully recognized that Robert's satisfied all of the requirements of this section.

2. Category 2: Executive Summary

In this category, Robert's highlighted numerous reasons why it is well suited to the State's requirements, including its presence on Kauai for over 30 years, its existing fleet of 22 school buses, , 23 certified school bus drivers, 6 maintenance personnel, 7 administrative support personnel, 10 additional bus drivers, and an existing baseyard that is geographically situated to accommodate each services cluster.

In the scoring, Mr. Joseph scored 2.25 points out of the possible 3 points for the category. Similar to the Maui RFP, Mr. Joseph questioned Robert's existing baseyard and asked for reasoning behind Robert's having a north shore baseyard. He further asked the hypothetical question as to whether Robert's would "consider a westside baseyard" if awarded the Waimea cluster. Mr. Joseph made no such comments as to Yamaguchi's proposal, despite the fact that it merely states, "We have base yard [sic] located near schools and near students' homes that makes us familiar with both." A deduction was made to Yamaguchi's score only because the statement that it "has more than 10% spare busses & CDL Drivers" was unclear. Similarly, Mr. Joseph's evaluation of Akita raises serious concerns regarding two recent incidents and "inability to end route cancellation" as stated in the comments, yet Akita is awarded the same score as Robert's.

3. Category 3: Qualifications & Experience

Robert's and Akita both received full points for this category despite the fact that Robert's has significantly more capacity and experience.

4. Category 4: Reference and Testimonials

Mr. Joseph awarded the full 6 points to Akita, despite raising serious concerns in his comments. The comments include disputing a statement that Haiku and Hana contracts were not renewed by the DOE, and that Akita "turned it down due to driver shortage caused by employee dispute." Mr. Joseph also notes that the reference letters provided by Akita did not relate to home-school-home school bus service. It is unclear why Akita received full points on this section.

5. Category 5: Proponent's Service Approach

Robert's received a score of 6.75 from Mr. Joseph, who commented regarding Robert's "preparedness to acquire a baseyard location on north shore" stating "...so what if Waimea cluster was awarded to RHSB." Yamaguchi received the full 9 points for this category despite the fact that its nearest baseyard to the Waimea cluster is located in Kalaheo. Akita also received full points for this category, with Mr. Joseph stating only that "rank changed to CR" because baseyard concerns were addressed during Akita's interview.

Mr. Kauhi also awarded just 6.75 points to Robert's in this category. Somehow Yamaguchi received an identical score from Mr. Kauhi, despite that he raised serious concerns as to its ability to integrate with the DOE's data systems and also as to Yamaguchi's failure to respond satisfactorily as to protocols for emergency situations.

6. Category 6: Commitment to Safety

This category had a possible 15 points per evaluator. Mr. Joseph awarded just 11.25 points, stating, "Much of this section referred to RHSE's overall practices statewide and one could assume that those values & practices will be taught and practiced there on Kauai, however, very little if any factual data directly related to RHSB's Kauai operations itself was provided..."

Yamaguchi received an identical score despite failing to show proper protocol as to accidents and follow up in safety meetings.

Mr. Kauhi also awarded just 11.25 points on this category. He states, "Presentation does not sufficiently [show] how metrics...changed over the years." Robert's proposal outlines the metrics used, by Robert's, and further states that Robert's is "consistently reviewing and improving existing procedures and processes."

7. Category 10: Financial Stability

Robert's is clearly in a stronger financial position than both Yamaguchi and Akita, yet all arbitrarily received the same score.

I. **DOE Did Not Abide by the "Fair and Equal Standard"**

HAR § 3-122-53 requires the fair and equal treatment with respect to discussions and revisions of proposals:

* * *

(d) Priority-listed offerors ***shall*** **be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.**

(1) **Any substantial oral clarification of a proposal shall be reduced to writing** by the priority-listed offeror;

(2) If during discussions there is a need for any substantial clarification or change in the request for proposals, **the request for proposals shall be amended by an addendum to incorporate the clarification or change.**

* * *

Id. (emphasis added). This standard was not followed by the DOE in subsequent discussions with priority listed offerors.

J. **Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

> **Prior to the preparation of the request for proposals**, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.
>
> (1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;
>
> (2) **Private consultants** may also serve on the committee and shall:
> (A) Have sufficient knowledge to serve on the committee;
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
> (C) **Sign an affidavit**:
>
> (i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
> (ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
> (iii) **Agreeing that their names will become public information** upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

On January 25, 2017, Robert's received an email from Kelsey Soma Turek, State of Hawaii DOE transmitting (i) Memoranda for Record related to the approval of appointments of

James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "I" (email and attached documents).

It is important to highlight the HAR's use of the phrase "*Prior* to the preparation of the request for proposals", and further that a copy of the document identifying any committee members "*shall* be placed in the contract file." This was not done.

None of the documents received by Roberts on January 25, 2017 is dated, with the exception of the Declaration of Bruce Ellerman, which is dated *October 12, 2016*. It is unclear how these Declarations (even assuming all were signed on October 12, 2016) could have been completed "*prior* to the preparation of the request for proposals" and "placed in the contract file" when the RFPs were issued on July 20, 2016, with a proposal deadline of October 5, 2016.

Further, assuming Bruce Ellerman was a paid consultant, it is unclear whether a determination in writing was made by the head of the DOE that the compensation was justified. In addition, Mr. Ellerman's Declaration makes no statement that he agreed to having his name become public information upon the award of the contract as required by subsection (2)(C)(iii).

Finally, the above statute requires private consultants like Mr. Ellerman to sign "an affidavit", not a Declaration. Mr. Ellerman's statement is not notarized, and therefore did not constitute "an affidavit".

III. RELEVANT LEGAL AUTHORITY

A. The Hawaii Public Procurement Code, HRS Chapter 103D, contains an administrative review process codified as HRS § 103D-709, which was amended to contain bonding requirements which must be satisfied when filing an administrative appeal. **Enclosed with this appeal is the appropriate cash or protest bond.**

B. This Appeal is based upon HRS § 103D-709.

C. Pursuant to section 103D-709 and HAR § 3-126-51 Roberts requests the right to depose the following individuals prior to the hearing on appeal: James Kauhi, Robert Joseph, Pualani Foster, and Bruce Ellerman and such others as are required. The depositions will be set for four to seven hours each. Roberts also requests full discovery of all relevant documents.

D. Robert's requests a recording of the proceedings as it will appeal, if the circumstances require.

IV. CONCLUSION

For the reasons set forth hereinabove, Robert's respectfully requests that the DCCA: (1) reverse the DOE's final decision to deny Robert's Protest; (2) order the DOE to rescind all awards made under the RFP; (3) order the DOE to implement a new RFP process with a new panel of unbiased scorers.

DATED: Honolulu, Hawai'i, MAR 03 2017.

JONATHAN S. MOORE
CHARLES D. HUNTER
Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

STATE OF HAWAII

PROCUREMENT PROTEST BOND

CASH OR CASHIER'S CHECK

(10/01/09)

PURCHASING AGENCY (Department/Division/Agency): Department of Education

IFB/RFP Solicitation Title & No.: RFP No. D17-002

KNOW ALL PERSONS BY THESE PRESENTS:

That we, Robert's Hawaii School Bus, Inc.
(full legal name and street address of Protestor)

as Protestor, hereinafter called Protestor, is held and firmly bound unto the STATE OF HAWAII, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, its successors and assigns, as Obligee, hereinafter called Obligee, in the amount of Ten Thousand Dollars and 00/100 DOLLARS ($10,000.00), lawful money of the United States of America, for the payment of which to the said Obligee, well and truly to be made, Protestor binds itself, its heirs, executors, administrators, successors and assigns, firmly by these presents. Said amount is evidenced by:

☐ Legal tender;

☒ Cashier's Check No.2840316, dated , issued March 2, 2017
by Bank of Hawaii (Waikamilo Branch),
drawn on March 2, 2017,
a bank, savings institution or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, payable at sight or unconditionally assigned to State of Hawaii, DCCA;

WHEREAS:

The Protestor has initiated an administrative protest hearing with the State of Hawaii, Department of Commerce and Consumer Affairs (DCCA) regarding the above-named Purchasing Agency's decision pertaining to IFB/RFP No.RFP No. D17-002. Said protest hearing is conditioned upon posting of a bond at the time of filing for an administrative hearing with the DCCA.

NOW, THEREFORE,

The condition of this Bond is such that, if Protestor, after conclusion or termination of the administrative hearing process regarding the protest does not prevail, this Bond shall be forfeited in total to the State of Hawaii, Department of Commerce and Consumer Affairs for deposit into the general fund. In the event the Protestor prevails, then the obligation shall be null and void; otherwise it shall remain in full force and effect.

AND IT IS HEREBY STIPULATED AND AGREED that suit on this Bond may be brought before a state court of competent jurisdiction in Honolulu, Hawaii, without a jury, and that the sum or sums specified in this Bond shall be forfeited to the Obligee, its successors or assigns, in the event of a breach of any, or all, or any part of, the covenants, agreements, conditions, or stipulations contained in this Bond in accordance with the terms thereof.

Signed this 2nd day of March, 2017.

ROBERT'S HAWAII SCHOOL BUS, INC. INCORPORATED AUG. 23, 1983 STATE OF HAWAII (Seal)

Robert's Hawaii School Bus, Inc.
Name of Protestor

Roy Pfund

Signature

VP

Title

*ALL SIGNATURES MUST BE ACKNOWLEDGED
BY A NOTARY PUBLIC

PROTESTOR ACKNOWLEDGMENT

PROTESTOR ACKNOWLEDGMENT:

STATE OF Hawaii)
: SS.
City and COUNTY OF Honolulu)

On this 2nd day of March, 20 17, before me appeared Roy Pfund and _____ to me known to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are Vice President and _____ of Robert's Hawaii School Bus, Inc. the Protestor named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument in behalf of the Protestor, and acknowledges that he/she/they executed said instrument as the free act and deed of the Protestor.

(Notary Seal)

Notary Public (Signature) Bernadette Coen

State of Hawaii

My commission expires: 08/12/2020

Doc. Date: 03/02/17 # Pages: 3
Notary Name: Bernadette Coen First Circuit
Doc. Description: State of Hawaii Procurement Bond - cash or cashier's check.
RFP No. D17-002

03/02/17
Notary Signature Date

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	) Docket No. _____) DECLARATION OF CHARLES D. HUNTER

DECLARATION OF CHARLES D. HUNTER

I, CHARLES D. HUNTER, make the following statements based upon my personal knowledge:

1. I am an attorney at the law firm of Kobayashi, Sugita & Goda, counsel to the Petitioner in the above entitled matter;

2. Attached hereto as Exhibit "A" is a true and correct copy of the First Request for Debriefing submitted to the Department of Education ("DOE') by Roberts Hawaii School Bus, Inc. ("RHSB") dated November 2, 2016;

3. Attached hereto as Exhibit "B" is a true and correct copy of a letter to the DOE sent by RHSB on November 21, 2016;

4. Attached hereto as Exhibit "C" is a true and correct copy of the Protest in writing as required by HRS § 103D-701 submitted on December 23, 2016;

5. Attached hereto as Exhibit "D" is a true and correct copy of a letter sent by the DOE to RHSB on January 20, 2017, attaching the DOE's January 11, 2017 Determination of Substantial State Interest ("DSSI") relating to the RFP;

6. Attached hereto as Exhibit "E" is a true and correct copy of a letter dated February 6, 2017 sent by RHSB to the DOE disputing the DSSI;

7. Attached hereto as Exhibit "F" is a true and correct copy of a letter sent to RHSB's counsel by the DOE on February 24, 2017 denying the Protest;

8. Attached hereto as Exhibit "G" is a true and correct copy of the letter sent by RHSB to counsel for the DOE on January 27, 2017;

9. Attached hereto as Exhibit "H" is a true and correct copy of the DOE's Determination of Substantial State Interests ("DSSI");

10. Attached hereto as Exhibit "I" is a true and correct copy of an email RHSB received on January 25, 2017 from Kelsey Soma Turek, State of Hawaii DOE transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals.

I, CHARLES D. HUNTER, declare under penalty of law that the foregoing is true and correct.

DATED: Honolulu, Hawai'i, MAR 03 2017.

CHARLES D. HUNTER

Roberts Hawaii

phone 808 523 7750
fax 808 522 7866

Roberts Hawaii, Inc.
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817

robertshawaii.com

November 2, 2016

Mr. Christian H. Butt (Christian Butt/AUX/HIDOE@notes.k12.hi.us)
Section Administrator
Auxiliary Services Branch - Project Control Section
State of Hawaii - Department of Education
3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

RE: RFP D17-002 (Kauai) – Request for debriefing and information.

Dear Mr. Butt:

We have received the Non-Award Notice for RFP D17-002.

Pursuant to your notice and the provisions within Hawaii Revised Statutes (HRS) 103D, we request the following:

- Debriefing for RFP D17-002.
- Immediate receipt of all documents, including the final tabulation worksheet; evaluation, notes and scoring sheets of all evaluators; and copies of written (technical requirements) proposals and pricing forms (Attachment B) for all respondents.

In addition, it should be noted that the Non-Award Notice states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:

> (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.

Exhibit "A"

Roberts Hawaii

Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

If you have any questions, please do not hesitate to contact me at (808) 539-9477 or via email at aaron.kimura@robertshawaii.com.

Sincerely,

Aaron Kimura
Vice President – Contract Management

Cc: Mr. Bert T. Kobayashi, Jr.
Mr. Jonathan S. Moore
Kobayashi, Sugita & Goda LLP
999 Bishop St., Suite 2600
Honolulu, HI 96813

Roberts Hawaii

November 18, 2016

phone 808 523 7750
fax 808 522 7866

Roberts Hawaii, Inc.
680 Iwilei Road
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Honolulu, Hawaii 96817

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Mr. Christian H. Butt (Christian Butt/AUX/HIDOE@notes.k12.hi.us)
Section Administrator
Auxiliary Services Branch - Project Control Section
State of Hawaii - Department of Education
3633 Waialae Avenue, Building E, 1st Floor
Honolulu, Hawaii 96816

RE: RFP D17-002 (Kauai) – Request for re-solicitation of proposals.

Dear Mr. Butt:

This letter is being sent to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, rescission of the award and cancellation of the awarded contracts is required. RHSB will file its protest no later than November 24, 2016 (you've indicated to Aaron Kimura on the phone yesterday, November 17, 2016, that because there were outstanding questions from the debriefing, the five-day deadline to file a protest would begin as of November 17, 2016). Nonetheless, RHSB plans on filing its protest on Tuesday, November 22, 2016, so that resolution will not be further delayed.

It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.

As you know, HRS 103D-701(b) allows the DOE to, "settle and resolve a protest concerning the solicitation or award of a contract." This section precludes any further actions taken in furtherance of establishing or completing the contract, but not actions to terminate or cancel the contract. International Display Systems, Inc.

Exhibit "B"

Roberts Hawaii

v. Okimoto, 2013, 300 P.3d 601, 129 Hawai'i 335. Further, under HAR 3-126-7(d), "...If the protest is sustained, the available remedies include, but are not limited to, those set forth in this section and subchapter 4..." Under HAR 3-126-38 (part of subchapter 4), when there is no bad faith by the contractor, and "[i]f the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated..." HAR § 3-126-38(a)(3) (emphasis added). Please note the use of the term "shall".

Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders. However, we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring.

Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or re-scores the existing proposals, the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring.

If you have any questions, please do not hesitate to contact me at (808) 523-7750 or via email at roy.pfund@robertshawaii.com.

Sincerely,

Roy Pfund
Executive Vice President

KOBAYASHI SUGITA & GODA, LLP
Attorneys at Law

Bert T. Kobayashi, Jr.*
Kenneth Y. Sugita*
Alan M. Goda*

John R. Aube*
Wendell H. Fuji*
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Anthony Suetsugu
Brian D. Tongg
Thao T. Tran
Maria Y.Y. Wang

Of Counsel:
John F. Lezak
Larry L.Myers

December 23, 2016

Via US Mail, Certified, return receipt requested, Facsimile, and Electronic Mail

The Hon. Kathryn Matayoshi
Mr. Christian Butt

U.S. Mail: The Hon. Kathryn Matayoshi
Superintendent / Chief Procurement Officer
1390 Miller Street, Room 309
Honolulu, HI 96813

Mr. Christian Butt / Section Administrator
Project Control Section
Department of Education
State Procurement Office
PO Box 119
Honolulu HI 96810-0119

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3633 Waialae Avenue, Building E, 1st Floor
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Email: kathryn_matayoshi@notes.k12.hi.us
Christian_Butt@notes.k12.hi.us

Facsimile: 808-586-3314/808-586-0969

Re: Robert's Hawaii School Bus, Inc.'s HRS § 103D-701 Protest of Request For Proposals No. RFP D17-002 Student Transportation Services on the Island of Kauai for the State of Hawaii Department of Education (DOE)

Exhibit "C"

Dear Superintendent Matayoshi and Mr. Butt:

Robert's Hawaii School Bus, Inc. ("Robert's"), by and through its attorneys Kobayashi, Sugita & Goda, hereby files this protest ("Protest") of the award of RFP No. D17-002 ("RFP"), which RFP was published by the State of Hawaii, Department of Education ("DOE") on July 20, 2016. This timely protest is made pursuant to Hawaii Revised Statutes ("HRS") § 103D-701 and HRS § 103D-303, and Hawaii Administrative Rules ("HAR") §§ 3-126-4, and addresses Robert's concerns regarding the award of Cluster 1 (Waimea) to Yamaguchi Bus Service, Inc. ("Yamaguchi") and Clusters 2 and 3 (Kapaa and Kauai respectively) to Akita Enterprises, Limited ("Akita").

I. PROTESTOR INFORMATION

Robert's Hawaii School Bus, Inc. ("Roberts")
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817
Phone: (808) 523-7750
Fax: (808) 522-7866

LEGAL COUNSEL

Jonathan S. Moore
Charles D. Hunter
Kobayashi, Sugita & Goda
999 Bishop Street, Ste. 2600
Honolulu, Hawaii 96813
Phone: (808) 535-5700
Fax: (808) 535-5799
Email: jsm@ksglaw.com

II. IDENTIFICATION OF THE PROCUREMENT:

RFP No. D17-002 ("RFP") for Student Transportation Services on the Island of Kauai for the State Department of Education (DOE). The following table shows the significance of this procurement to both the DOE, and to Robert's. It is calculated using 2% annual increases in revenue and results in **$41,589,011 total revenue** over the 7yr + 3yr extension term based on the maximum number of clusters that can be awarded:

KAUAI	YR-1	YR-2	YR-3	YR-4	YR-5	YR-6	YR-7	YR-8	YR-9	YR-10	TOTAL
Kapaa	1,928,700	1,967,274	2,006,619	2,046,752	2,087,687	2,129,441	2,172,029	2,215,470	2,259,779	2,304,975	
Aide	124,740	127,235	129,779	132,375	135,023	137,723	140,478	143,287	146,153	149,076	
	2,053,440	*2,094,509*	*2,136,399*	*2,179,127*	*2,222,709*	*2,267,164*	*2,312,507*	*2,358,757*	*2,405,932*	*2,454,051*	*22,484,595*
Kauai	1,620,000	1,652,400	1,685,448	1,719,157	1,753,540	1,788,611	1,824,383	1,860,871	1,898,088	1,936,050	
Aide	124,740	127,235	129,779	132,375	135,023	137,723	140,478	143,287	146,153	149,076	
	1,744,740	*1,779,635*	*1,815,227*	*1,851,532*	*1,888,563*	*1,926,334*	*1,964,861*	*2,004,158*	*2,044,241*	*2,085,126*	*19,104,416*
	3,798,180	3,874,144	3,951,626	4,030,659	4,111,272	4,193,498	4,277,368	4,362,915	4,450,173	4,539,177	41,589,011

III. SUMMARY OF PROTEST

A. The Protest is Timely

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). On November 2, 2016, Robert's submitted a letter to Mr. Christian H. Butt, Section Administrator for the DOE Auxiliary Services Branch – Project Control Section - requesting debriefing and information ("First Request for Debriefing"). The First Request for Debriefing notes,

* * *

> In addition, it should be noted that the Non-Award Notice states, "If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing." It is our understanding that under HRS § 103D-303(h), the time to file a protest is reset to hinge from the time of the completion of the debriefing:
>
> > (h) In cases of awards made under this section, non-selected offerors may submit a written request for debriefing to the procurement officer within three working days after the posting of the award of the contract. Thereafter, the procurement officer shall provide the non-selected offeror a prompt debriefing.
> >
> > Any protest by the non-selected offeror pursuant to section 103D-701 following debriefing shall be filed in writing with the procurement officer within five working days after the date upon which the debriefing is completed.

See, First Request for Debriefing at pps. 1-2 (underline in original). The First Debriefing took place on November 16, 2016 ("First Debriefing"). The First Debriefing was attended by Christian Butt, James Kauhi, Kelsey Soma Turek, and Tim Ammon on behalf of the DOE, and Percy Higashi, Chad Iwamoto, Roy Pfund, Aaron Kimura, and Gail Sagiao on behalf of Robert's. The timing of the First Debriefing would generally require a protest be submitted on or before November 23, 2016; however, in a telephone conversation held on November 17, 2016 with Mr. Butt, he indicated that because there were outstanding questions from the debriefing, the five day deadline to file a protest would begin as of November 17th, meaning the deadline to file a protest would be November 24, 2016.

On November 18, 2016, Robert's sent a letter to the DOE to request the awards related to the RFP be rescinded, and further requesting that the RFP be reissued so that new proposals could be submitted. The letter made clear that Robert's believed the awards were issued in violation of law.

On November 21, 2016, Robert's received the "Notice of Re-score" as to RFP D17-001 and RFP D17-002. The Notice of Re-score acknowledges the prior scoring errors:

> You are being notified that the awards for REP Dl 7-001 and REP D17-O02 are being rescinded. **It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring**. Upon review, the DOE concurs and **has decided to re score both RFPs. *****

(emphasis added). Rather than allowing proposers to resubmit proposals, the DOE simply re-scored the original submissions using the same panel of scorers.

The Second Debriefing took place on December 16, 2016, which requires this Protest be submitted on or before December 23, 2016.

B. <u>The DOE Did Not Abide By Its Own Stated Scoring Procedure</u>

The DOE solicited proposals through the RFP, which specifically outlines the scoring method that the DOE represented to Robert's it would employ. Robert's drafted and submitted its proposal relying on the terms of that RFP and the DOE's obligation to score by its stated method. Instead of following its own process, the DOE adapted it mid-stream in an attempt to remedy both mathematical errors and other procedural flaws.

1. The DOE Represented that Cost Evaluation Would Only Take Place AFTER the Completion of the Technical Evaluation

The RFP is clear that the cost portion of the evaluation would take place only "AFTER the technical evaluation is completed..." (CAPS IN ORIGINAL). Presumably the DOE believed it important to segregate the technical evaluation from the cost evaluation, yet completely abandoned the agreed upon scoring method by allowing the same evaluators to score proposals AFTER each knew the pricing figures supplied by each proposer. Rather than amending the RFP to make clear to all proposers that the technical and cost evaluations would no longer be separate (and allowing them to resubmit proposals taking that into consideration), or selecting a new panel of scorers following the initial scoring, the DOE charged forward with its process nonetheless.

The following statements within the RFP make it clear that the bifurcation of the technical evaluation and cost evaluation was important to the fairness of the process. Robert's proposal strategy relied on the following from Section C.2 of the RFP:

This is a value-based procurement... Cost will be a significant factor in the evaluation process. However, **cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources**. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* - * * *

B. *Technical Evaluation* - **An evaluation committee will evaluate the proponent's Technical Proposal**. The members of the committee **will evaluate each proposal individually**. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – **AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed** based on a model that extends the proposed prices against the estimated service volume in each identified category on Attachment B to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The **lowest cost** proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the **maximum available points**.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- **This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.**

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score** for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope.*

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

James Kauhi then stated:

> Particularly on Kauai. You saw the difference right? And clearly the Kauai vendors over there had plenty motivation…on Kauai that seems to be the big difference. **Your technical presentation as it turns out came in well, just under Ground's technical presentation scores on Maui but, same thing right, on Maui obviously your price and everyone's price was much closer because on Kauai, like I said, those two guys over there had plenty motivation**. *** I thought the evaluation team did a terrific job. **We did spend two weeks with individuals sort of evaluating each technical presentation on their own, gathered their own thoughts. We did do a one-day collaboration with all four evaluators and got their input on every one of the technical presentations which was key because it was at that point the evaluators were given an opportunity to voice their perspectives, their concerns there, interpretations if you will.** And whether it had an influence or whether my interpretation had an influence on another evaluator's interpretation, same thing would be entirely up to each individual right, but **that was the time where we weigh in on all of the different components of the technical presentations and then we finalized the scores the very next day and everything was turned over to merry up with the pricing scores and ended up where we are.** So that's generally the process of how it worked…

Christian Butt also stated later in the First Debriefing:

> One thing to that like I said, I was just looking…**actually price was the determinant**. But one of the things, again **I don't know if you were aware of part of the process where I asked you to do it separately, so we gave you technical proposal and we gave you price**. And **we didn't expose the price to the evaluators so they are not influenced by that. So again they were blind to that**. So again, ***we didn't want to say oh well, I'm going to score this guy up because his price was kind of low or whatever.*** **So again we try to remove that barrier**. So again you know, that these guys scored it **they don't know how it's going to turn out**...

Following the First Debriefing, on November 17, 2016, Mr. Butt called Aaron Kimura and offered to re-score the proposals submitted by all proponents. On November 18, 2016, Robert's sent a letter to the DOE entitled "Request for re-solicitation of proposals", which notes in part:

> This letter is being sent **to request that the awards related to the above RFP be rescinded, and that the RFP be reissued so that new proposals can be submitted**. It is the belief of Roberts Hawaii School Bus, Inc. (RHSB) that the awards under the RFP were issued in violation of law for some of the reasons we have already discussed during our debriefing on November 16, 2016. Because of that fact, **rescission of the award and cancellation of the awarded contracts is required**...
>
> It is clear at this point, based on our conversations and the surrounding facts, that RHSB has sufficient basis for a protest of the award, and that the protest should be upheld. Given the circumstances, **there is no way for the Department of Education (DOE) to waive the violations in question without prejudice to the bidders**. Performance has not yet begun, and there is certainly adequate time for resoliciting bids.
>
> * * *
>
> **Clearly there is time to resolicit bids. RHSB requests that this action be taken to avoid any further prejudice to the bidders.** However, **we understand that what you have instead offered to do is rescind the awards and then re-score the existing proposals. Should the DOE choose to re-score the existing RFP responses rather than resolicit entirely new proposals, RHSB reserves all of its rights to protest the result of the re-scoring**.
> Finally, RHSB believes that regardless of whether the DOE reissues a new RFP or rescores the existing proposals, **the DOE should utilize a new scoring panel composed of entirely different members to reduce the possibility of bias in the scoring**.

Id. (emphasis added).

On November 21, 2016, Robert's received the "Notice of Re-score" from the DOE. The Notice of Re-score did not allow proposers to resubmit proposals as requested by Robert's. Rather, it simply stated that the evaluation panel would re-score the existing proposals.

Despite the representations in the RFP (including the requirement that pricing be submitted in a separate and sealed envelope), and also the importance of keeping the pricing evaluation isolated from the technical evaluation as stated above by both Mr. Butt and Mr. Kauhi, the DOE conducted its re-scoring process with the same panel of evaluators, *each of whom knew pricing information from the initial scoring process*. The RFP was never amended. No addendum was issued to inform proposers that pricing would no longer be part of a separate and blind evaluation. Proposers were not allowed to resubmit their proposals to account for the change in procedure. The result is that each evaluator knew the pricing information of each proposer *during the scoring of the technical proposals*.

During the Second Debriefing which took place on December 16th, 2016, the following discussion took place:

> Aaron Kimura: … **the panel now had access to the outcome of the prices… the rates**. **Now that is different from the initial process, right, where it was kept away from them**, and all they did was they evaluated proposals, the written part, and then they submitted their scores to you, and then you had done the final scoring because you [Butt] had access to… **you were the only one who had access to the pricing**…
>
> James Kauhi: **Right**…
>
> Aaron Kimura: **So that's a difference**…
>
> James Kauhi: **Yeah**…
>
> Chad Iwamoto: **Isn't that contrary to the ways that the RFP was put out?** That's what you told us on our first debriefing… On the first debriefing, **you testified that none of the scorers knew what the monetary score was, and that's what kept the integrity, but on the second one, they knew what the outcome was**…
> * * *
> Christian Butt: Ok, that's different, **but there's nothing in the procurement code that *requires* that to be blind… we just did that as an extra step**. But in any case, **yes, they saw it**, but they didn't have access to the score sheet when they rescored. Again, we kept that, and they didn't do the price evaluation, **so, yeah, they might have had a peek at those scores**. ***I don't know if they have a photographic memory or not***, but again, I don't think…
>
> Chad Iwamoto: Well Jimmy had the scores right in front of him at the first debriefing…
>
> James Kauhi: So… let me say this. The evaluators were asked to re-score the technical presentations, and that is all they did. While your point is well taken in the sense that they had general information on who, on what the price presentations' rankings were at the time that they started the re-evaluation of the technical presentations, the pricing presentations were re-evaluated as well… but they were not involved in that process.
>
> Christian Butt: So again… **yeah Chad… they did see it… but no, they didn't have it in front of them when they re-evaluated, so**…

* * *

Charles Hunter (counsel for Robert's): This is Charles Hunter here. Excuse my ignorance here, but **can you tell me why the pricing was done as a separate process?**

James Kauhi: ***That's unfortunate* because this discussion was already had... I was hoping that this debrief would center around those what was not discussed... I apologize...**

Christian Butt: Well... I don't mind answering the question... I mean... **there is nothing under the procurement code or anything that requires that... It was just the way that we chose to do the process. That's all... agency preference.**

Charles Hunter: **Why?**

James Kauhi: **Why not?**

Charles Hunter: **I'm just asking for the logic on why that decision was made.** I just, I don't know.

James Kauhi: I'm sorry... **I think Aaron and Roy and Chad should be able to explain that to you no problem.**

Charles Hunter: They can explain *your* logic as to why...?

James Kauhi: They can explain why the pricing presentations were reevaluated...

Charles Hunter: I don't know that that is true...

As it turns out, Robert's *could* have explained the DOE's logic to Mr. Hunter based upon the First Debriefing, where Mr. Butt stated,

> ...we didn't expose the price to the evaluators **so they are not influenced by that**. So again **they were blind to that**. So again, we didn't want to say oh well, **I'm going to score this guy up because his price was kind of low or whatever**. So again **we try to remove that barrier**. So again you know, that **these guys scored it they don't know how it's going to turn out**...

Yet somehow, during the Second Debriefing the DOE took the positions that, (i) the procurement code does not require the technical and price scoring to be bifurcated, despite the clear language of the RFP, (ii) that the scorers somehow forgot the price rankings because they do not have photographic memories, (iii) that they did not wish to discuss the logic as to why the initial decision was made to keep the technical and price evaluations separate, and (iv) that Robert's should somehow be able to explain the DOE's reasoning behind structuring the RFP in the way it did.

If the DOE preferred to eliminate the pricing-blind process that was stated in the RFP, and which was determined to be an important procedure during the First Debriefing, it should have issued an addendum to the RFP making clear the change in procedure. Further, the DOE should have allowed proposers to resubmit proposals with the new procedure taken into consideration, as specifically requested in Robert's November 18, 2016 letter. Instead, the DOE ignored the importance of that procedure, claimed its evaluation panel somehow forgot the pricing results, and rushed forward with its process.

2. **DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates**

The initial RFP stated that for the pricing score, the proponent's supplemental rates would be used; however, Addendum 3 to the RFP noted that the aides rate would be used in the pricing scores. In fact, the DOE used the supplemental rates, which was misleading as Robert's strategized its bid rates based on what the Addendum stated.

Addendum 3 to the RFP states in part:

> ... This addendum **provides clarification for submission requirements** of the RFP related to the need to provide bus aides for special needs services. **This response is hereby incorporated and made a part of the RFP**.
>
> ... for purposes of developing their response **vendors should plan to provide a bus aide** for all identified special needs buses shown on Attachment B.
>
> ... The **cost of the bus aide should be identified** on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum. [This statement is contained four (4) times in Addendum 3.]
>
> ... **The cost of the bus aide will be used in the evaluation of cost provided by each vendor**.

Id. (emphasis added).

During the First Debriefing, Aaron Kimura stated on behalf of Robert's:

> There were calculation errors in the scores. For the pricing score, **proponents' supplemental rates were used, as stated in the initial RFP documents, but it was mentioned in an addendum that the Aides rate would be used in the pricing scores**; and used by RHSB. In the past two RFP series (Oahu and Big Island), the **RFP documents stated the use of the supplemental rates for pricing scores, but the DOE used the aide rates. This is misleading as RHSB strategized its bid rates based on what the Addendum stated**; regarding use of the Aide rates for scoring. (Summarized).

Christian Butt and James Kauhi both eventually agreed that it was an error to use the supplemental, rather than the aide rates, and this was part of the basis for the re-scoring of the proposals. On November 17, 2016, Mr. Butt telephoned Aaron Kimura and agreed that there was an error on this point. Mr. Butt stated that the language in Addendum 3 was in conflict with that of the RFP as to the financial scoring and the use of the aides rates versus using the supplemental rates and agreed with Robert's concerns.

During the Second Debriefing, Aaron Kimura raised the issue that the DOE *again* used the supplemental rate, and added the aides rate to the daily rate portion contrary to the RFP description in Addendum 3:

> Christian Butt: So you're saying then that we should have just used the supplemental rate… or just the aide rate?
>
> Aaron Kimura: No, the aide rate.
>
> Christian Butt: **So we should have just used the aide rate, that is your position?**
>
> Aaron Kimura: **That's not *our* position, that's what was in the addendum.**
>
> Christian Butt: Well, **that's your interpretation of reading it**…

The language above of Addendum 3 is unambiguous. Even the re-scoring erred on this issue to Robert's detriment. This error is clear and unmistakable. Based on the First Debriefing and the Second Debriefing, it appears the DOE agrees.

C. **The Rescoring Shows the Procedure was Arbitrary and Shows Bias**

The re-scoring of proposals without any changes to the materials being evaluated effectively created a double-blind study in the flawed and arbitrary nature of the DOE's re-scoring procedure. This is clear looking at the total scores for Robert's, Yamaguchi, and Akita (all clusters were scored identically):

ROBERT'S		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	50.25	59.25
Robert Joseph	45.00	50.25
James Kauhi	56.25	54.00
Bruce Ellerman	55.50	56.25

YAMAGUCHI		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	53.75	55.50
Robert Joseph	51.00	54.75
James Kauhi	59.25	54.00
Bruce Ellerman	53.00	53.00

AKITA		
Scorer	**Initial Scoring**	**Re-score**
Pualani Foster	49.75	59.50
Robert Joseph	54.25	54.25
James Kauhi	53.50	53.50

Bruce Ellerman	55.00	55.75

This data shows significant changes in scores, despite the fact that *nothing* changed in any of the proposals. This is the very definition of arbitrary.

Interestingly, James Kauhi, who had unlimited access to the pricing figures following the first scoring and the First Debriefing, *reduced* Robert's score by 4.00%, while *all other scorers increased their scores*, with an average increase of 9.95%. Mr. Kauhi was the only scorer to give a lower score (to any proponent) during the re-scoring process, and that single lower score was to Robert's.

Pualani Foster's score for Robert's increased by an astounding 17.91% to a score of 59.25 points. Ms. Foster also increased Akita's score by 19.60%, awarding 59.50 points.

It is unclear how scoring *identical* proposals could result in such varied scores. Given Mr. Kauhi and Mr. Butt's apparent confidence in the scoring panel, it is difficult to see how the rescoring would result in such drastic revisions when there was no change to the proposals submitted.

During the First Debriefing session, James Kauhi confidently stated that the Evaluation Committee was "hand-selected" and highly qualified. Furthermore, Mr. Butt described the committee members to be "well versed, competent and qualified." However during the Second Debriefing, Mr. Kauhi and Mr. Butt stated that they "didn't have confidence in the veracity of their scoring.." and "I did not have high confidence to decide which of the differing scores were the right ones....not terribly confident in knowing exactly what was my true score." This highlights yet another flaw in the re-scoring procedure employed by the DOE.

D. **The Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

HRS § 103D-101 provides in relevant part:

> (a) **All public employees shall conduct and participate in public procurement in an ethical manner**. In conducting and participating in procurement, **public employees shall**:
>
> (1) Act as a fiduciary and trustee of public moneys;
>
> (2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;
>
> (3) Act only in the public interest;
>
> (4) Abide by the statutes and administrative rules relating to public procurement;

> (5) Identify and maximize efficiencies in the public procurement process;
> (6) Encourage economic competition by:
> (A) **Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment**; and
> (B) Researching innovative goods and services to meet the public's needs;
> (7) **Avoid the intent and appearance of unethical behavior**;
> (8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;
> (9) Maintain confidentiality in a manner that ensures a fair procurement process;
> (10) **Remain impartial in dealings** with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and
> (11) **Identify *and eliminate* any conflicts of interest**.
> * * *
> (c) **All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith**.

HRS § 103D-101 (emphasis added). Further, HAR § 3-120-1(a) outlines the following purposes of the rules, which are aimed to "promote economy, efficiency, and effectiveness in the procurement of goods and services… for the State and counties":

> (1) Simplifying, clarifying, and modernizing the law governing procurement;
> (2) Requiring the continued development of procurement policies and practices;
> (3) Making the procurement laws of the State and counties as consistent as possible;
> (4) **Ensuring the fair and equitable treatment of all persons who deal with the procurement system of the State and counties**;
> (5) Providing increased economy in procurement activities and **maximizing best value to the fullest extent practicable**;
> (6) **Fostering effective broad-based competition within the free enterprise system**;
> (7) **Providing safeguards for the maintenance of a procurement system of quality and integrity**; and
> (8) **Increasing public confidence in the procedures followed in public procurement**.

HAR § 3-120-1 (emphasis added).

Here, it is clear that there were numerous conflicts of interest. One such conflict of interest involved Robert Joseph. Mr. Joseph was selected as an evaluator by James Kauhi, Manager of the DOE Student Transportation Services Branch. Mr. Kauhi is Robert Joseph's manager. In addition, Mr. Joseph is married to Mr. Kauhi's sister. The result is that two out of four evaluators were directly related, raising serious issues of partiality and conflict.

In addition, Ms. Foster, the DOE's Kauai Transportation Officer ("TO"), is believed to have approximately 2 years of experience as a TO with the student transportation industry, with that experience being limited to duties on the Island of Kauai, handling "older" contracts for student transportation services. Ms. Foster was not qualified to reasonably evaluate Robert's proposal, and it is highly likely that her evaluation and scores were based on influences from Mr. Joseph and Mr. Kauhi. Furthermore, Ms. Foster's role as an evaluator is a break from the DOE's past practice of not using on-island TO's to evaluate proposals within their own districts. In addition, Ms. Foster's drastic change in scoring (an 18% discrepancy for Robert's and an average 13.33% change for all bidders), shows her lack of experience as a significant issue, and that she was not fit to serve as an evaluator.

Finally, Mr. Kauhi stated to Robert's that the evaluation of its proposal could be affected if the working relationship between Robert's Maui Operations Manager (Kris Kim) and Joseph (acting as Maui TO) did not improve. Apparently Mr. Kauhi also discussed historical difficulties with Ms. Kim during his tenure as the DOE's Maui TO.

The following table shows Mr. Joseph's scores compared to the average of other evaluators for the Maui and Kauai RFPs:

RFP	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	*3.00*	*3.00*	*9.00*	*6.00*	*9.00*	*15.00*	*3.00*	*3.00*	*3.00*	*4.00*	*2.00*	*60.00*
Maui	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	2.50	4.00	2.00	48.75
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	2.75	3.00	4.00	2.00	55.50
Kauai	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	54.00
Oth Avg	3.00	3.00	9.00	6.00	7.50	13.75	3.00	3.00	3.00	4.00	2.00	55.25

The various conflicts of interest present during the scoring process resulted in significant bias against Robert's. This bias was allowed to further permeate the scoring process through the "**one-day collaboration** with all four evaluators" that Mr. Kauhi noted took place while he discussed the scoring process during the First Debriefing (cited above in full). This "collaboration" was in violation of the terms of the RFP, which specifically stated that, "The members of the committee **will evaluate each proposal individually**." See, RFP at p. 9 (emphasis added). It appears Messrs. Kauhi and Joseph used this meeting to influence the other panelists. In Mr. Kauhi's words, this meeting was, "an opportunity to voice their perspectives, their concerns there, interpretations if you will. And whether it had an influence **or whether my**

interpretation had an influence on another evaluator's interpretation, same thing **would be entirely up to each individual right…**" Thus, Mr. Kauhi admits the possibility or probability that his interpretation influenced other evaluators, yet he dismisses this improper influence stating the decision on whether to follow his recommendation was "entirely up to each individual". It is for this very reason that the RFP submissions were intended to be evaluated individually, and the scoring clearly shows that Mr. Kauhi's "interpretation" *did* have a strong influence on other evaluators.

Mr. Kauhi also failed to raise important issues during this "collaboration" as to Robert's performance when compared to others operating within the same market. For example, based on the DOE's own Oahu invoice data provided to Oahu contractors, there is documented proof as to reliability when GTI performs in the same market as Robert's. *The 2015-2016 missing assets numbers for GTI were more than ten (10) times that of Robert's. This report shows Robert's with **21.5 missing assets, compared with GTI's 245***. Mr. Kauhi knew this information, yet was selective in whether to provide it to other scorers or to raise it in the "collaboration" process.

The "collaboration" process also allowed Mr. Joseph to negatively influence the minds of other panel members by raising complaints regarding Robert's Maui Operations Manager. As noted earlier, the scoring panel was "hand-selected" by Mr. Kauhi. It appears Mr. Kauhi selected Mr. Joseph not only because he could exert influence over him, but also because Mr. Kauhi knew that Mr. Joseph would have negative feelings towards Robert's from his position as Maui TO.

The data in both the initial and re-scoring process shows clearly that Mr. Kauhi and Mr. Joseph worked together to influence the process by raising issues that would be detrimental to Robert's, while failing to discuss *actual data* that was known to all and in Robert's favor.

E. Evaluations Were Inconsistent with the Stated Scoring Method

Mr. Kauhi had previously explained to Robert's that a respondent would receive the maximum possible points for each category, if minimum requirements were met. The scores from each evaluator, including Mr. Kauhi, show significant inconsistency for the same categories when Robert's proposal is compared to other proposals. The following table shows the RFP scores by all evaluators, and clearly shows that Mr. Kauhi, and Mr. Joseph did not score according to the stated method:

KAUAI	1	2	3	4	5	6	7	8	9	10	11	TOT
Max Pts	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	3.00	4.00	2.00	**60.00**
Kauhi	3.00	3.00	9.00	6.00	6.75	11.25	3.00	3.00	3.00	4.00	2.00	**54.00**
Joseph	2.25	2.25	9.00	6.00	6.75	11.25	2.25	3.00	1.50	4.00	2.00	**50.25**
Ellerman	3.00	3.00	9.00	6.00	6.75	15.00	3.00	2.25	2.25	4.00	2.00	**56.25**
Foster	3.00	3.00	9.00	6.00	9.00	15.00	3.00	3.00	2.25	4.00	2.00	**59.25**
Avg.	**2.81**	**2.81**	**9.00**	**6.00**	**7.31**	**13.13**	**2.81**	**2.81**	**2.25**	**4.00**	**2.00**	**54.94**
Yam. Avg	3.00	2.63	8.44	6.00	7.88	12.19	3.00	2.44	3.00	3.75	2.00	**54.33**
Akit. Avg	3.00	2.81	9.00	6.00	7.88	13.13	2.81	2.81	2.81	4.00	1.50	**55.75**

1. Category 1: Transmittal Letter

One example of inconsistent scoring on this issue is for category 1, dealing with the Transmittal Letter. This section had 3 points possible. In this section, Robert's noted that "RHSB shall pursue Proposal Option A" and further that it was bidding on "(Multiple clusters, unlimited award) for all three (3) Clusters."

Despite Robert's satisfying the requirements of this section, Joseph scored just 2.25 points, stating wrongly that, "Proponent failed to provide a list of the three clusters they are bidding for." Other scorers fully recognized that Robert's satisfied all of the requirements of this section.

2. Category 2: Executive Summary

In this category, Robert's highlighted numerous reasons why it is well suited to the State's requirements, including its presence on Kauai for over 30 years, its existing fleet of 22 school buses, , 23 certified school bus drivers, 6 maintenance personnel, 7 administrative support personnel, 10 additional bus drivers, and an existing baseyard that is geographically situated to accommodate each services cluster.

In the scoring, Mr. Joseph scored 2.25 points out of the possible 3 points for the category. Similar to the Maui RFP, Mr. Joseph questioned Robert's existing baseyard and asked for reasoning behind Robert's having a north shore baseyard. He further asked the hypothetical question as to whether Robert's would "consider a westside baseyard" if awarded the Waimea cluster. Mr. Joseph made no such comments as to Yamaguchi's proposal, despite the fact that it merely states, "We have base yard [sic] located near schools and near students' homes that makes us familiar with both." A deduction was made to Yamaguchi's score only because the statement that it "has more than 10% spare busses & CDL Drivers" was unclear. Similarly, Mr. Joseph's evaluation of Akita raises serious concerns regarding two recent incidents and "inability to end route cancellation" as stated in the comments, yet Akita is awarded the same score as Robert's.

3. Category 3: Qualifications & Experience

Robert's and Akita both received full points for this category despite the fact that Robert's has significantly more capacity and experience.

4. Category 4: Reference and Testimonials

Mr. Joseph awarded the full 6 points to Akita, despite raising serious concerns in his comments. The comments include disputing a statement that Haiku and Hana contracts were not renewed by the DOE, and that Akita "turned it down due to driver shortage caused by employee dispute." Mr. Joseph also notes that the reference letters provided by Akita did not relate to

home-school-home school bus service. It is unclear why Akita received full points on this section.

5. Category 5: Proponent's Service Approach

Robert's received a score of 6.75 from Mr. Joseph, who commented regarding Robert's "preparedness to acquire a baseyard location on north shore" stating "...so what if Waimea cluster was awarded to RHSB." Yamaguchi received the full 9 points for this category despite the fact that its nearest baseyard to the Waimea cluster is located in Kalaheo. Akita also received full points for this category, with Mr. Joseph stating only that "rank changed to CR" because baseyard concerns were addressed during Akita's interview.

Mr. Kauhi also awarded just 6.75 points to Robert's in this category. Somehow Yamaguchi received an identical score from Mr. Kauhi, despite that he raised serious concerns as to its ability to integrate with the DOE's data systems and also as to Yamaguchi's failure to respond satisfactorily as to protocols for emergency situations.

6. Category 6: Commitment to Safety

This category had a possible 15 points per evaluator. Mr. Joseph awarded just 11.25 points, stating, "Much of this section referred to RHSE's overall practices statewide and one could assume that those values & practices will be taught and practiced there on Kauai, however, very little if any factual data directly related to RHSB's Kauai operations itself was provided..." Yamaguchi received an identical score despite failing to show proper protocol as to accidents and follow up in safety meetings.

Mr. Kauhi also awarded just 11.25 points on this category. He states, "Presentation does not sufficiently [show] how metrics...changed over the years." Robert's proposal outlines the metrics used, by Robert's, and further states that Robert's is "consistently reviewing and improving existing procedures and processes."

7. Category 10: Financial Stability

Robert's is clearly in a stronger financial position than both Yamaguchi and Akita, yet all arbitrarily received the same score.

F. **DOE Did Not Abide by the "Fair and Equal Standard"**

HAR § 3-122-53 requires the fair and equal treatment with respect to discussions and revisions of proposals:

* * *

(d) Priority-listed offerors ***shall*** **be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.**

(1) **Any substantial oral clarification of a proposal shall be reduced to writing** by the priority-listed offeror;

(2) If during discussions there is a need for any substantial clarification or change in the request for proposals, **the request for proposals shall be amended by an addendum to incorporate the clarification or change.**

* * *

Id. (emphasis added). This standard was not followed by the DOE in subsequent discussions with priority listed offerors.

G. **Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.

(1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services**, or construction **to be procured**;

(2) **Private consultants** may also serve on the committee and shall:

(A) Have sufficient knowledge to serve on the committee;

(B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and

(C) **Sign an affidavit**:

(i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
(ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
(iii) **Agreeing that their names will become public information** upon award of the contract;

(3) The contract administrator shall serve as a member of the committee;

(4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

IV. CONCLUSION

HRS 103D-701(b) allows the DOE to, "settle and resolve a protest concerning the solicitation or award of a contract." This section precludes any further actions taken in furtherance of establishing or completing the contract, but not actions to terminate or cancel the contract. International Display Systems, Inc. v. Okimoto, 2013, 300 P.3d 601, 129 Hawai'i 335. Further, under HAR 3-126-7(d), "...If the protest is sustained, the available remedies include, but are not limited to, those set forth in this section and subchapter 4..." Under HAR 3-126-38 (part of subchapter 4), when there is no bad faith by the contractor, and "[i]f the violation cannot be waived without prejudice to the State or other bidders or offerors, if performance has not begun, and if there is time for resoliciting bids or offers, the contract shall be terminated..." HAR § 3-126-38(a)(3) (emphasis added). Please note the use of the term "shall".

It is Robert's sincere desire that the DOE does what is required to correct the errors thus far in the process. Robert's further requests that the DOE take all necessary action ensure that all scoring documents, notes, other electronic materials, and any and all other relevant records be preserved by all panel members and others involved in the procurement process.

Clearly there was and is still time to resolicit bids. Robert's requests that this action be taken to avoid any further prejudice to the proposers.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
ATTORNEY GENERAL

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January 20, 2017

Mr. Jonathan S. Moore, Esq. *(via hand delivery)*
Mr. Charles D. Hunter, Esq.
Kobayashi Sugita & Goda LLP
999 Bishop Street, Suite 2600
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s Protest of Award of RFP No. D17-001 and RFP D17-002 -- Award of Contract After Receipt of Protest

Dear Mr. Moore and Mr. Hunter:

We are in receipt of your January 18, 2017 e-mail to Superintendent Matayoshi and Mr. Christian Butt. In your e-mail, you cite HRS § 103D-701(f) which imposes a stay on contracting activity when a timely protest has been received by the agency issuing the solicitation unless the chief procurement officer of the agency makes a written determination that award is necessary without delay to protect substantial interests of the State. The DOE has made such a determination and I have attached a copy for your reference. On the basis of the substantial interest determination, the DOE is proceeding to award contracts under the two subject solicitations and is also preparing a response to your protest of those solicitations.

Very truly yours,

James E. Raymond
Deputy Attorney General
Education Division

attachment

c: Client

Received By:_____ Date:_____

676965_1.DOC

Exhibit "D"

JAN 20 2017

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

January 11, 2017

TO: Kathryn S. Matayoshi, Superintendent

THROUGH: Dann Carlson, Assistant Superintendent
Office of School Facilities And Support Services

FROM: James Kauhi, Branch Manager
Student Transportation Services Branch

SUBJECT: **Determination of Substantial State Interest in Contracting Activity Relating to Request for Proposals RFP D17-001 and RFP D17-002 for School Bus Services on the Islands of Maui and Kauai**

Your approval is requested for a Determination of Substantial State Interest in continuing solicitation and contracting activity relating to the Subject Projects.

Background

In an effort to address concerns of spiraling cost escalation and in response to recommendations from an August 2012 report by the State Office of the Auditor, and a November 2012 report by Management Partnership Services, Inc. ("MPS"), an independent consultant of the Department of Education ("DOE"), the DOE has undertaken an overhaul of the contracting process for bus service. Requests for Proposals were issued for Bus services on Oahu and the Big Island in previous years, and were recently issued for Maui and Kauai.

In July 2016, the Student Transportation Services Branch (STSB) released the final round of Requests for Proposals to support the transportation reform effort that started in July 2013. The final two islands to be incorporated into the reform process were the islands of Maui and Kauai. RFP D17-001 for Maui and RFP D17-002 for Kauai were issued on July 20, 2016. On November 1, 2016 Notices of Award were first provided to vendors with Cluster 1 awarded to Robert's Hawaii School Bus, Inc. (RHSB) and Clusters 2 through 4 awarded to Ground Transport, Inc. (GTI) for Maui, and Cluster 1 to Yamaguchi Bus Service, Inc. (YBS) and Clusters 2 and 3 to Akita

Enterprises, Ltd. (AEL) for Kauai. Following a debriefing meeting with RHSB on November 16, 2016, notices were distributed to all participating vendors rescinding the initial award in order to allow for a rescoring of the responses. On November 30, 2016 the evaluation committee met to rescore the responses and on December 5, 2016 updated Notices of Award were distributed to the vendors. While there were small adjustments to the individual scores, the awards as previously discussed remained unchanged.

In a letter dated December 23, 2016, RHSB mailed the DOE two formal protests objecting to the award of the solicitations for Maui and Kauai. These protests were received by the DOE on December 27, 2016. RHSB alleges in both its protests that the DOE failed to follow the criteria set forth in the RFP for scoring and that the evaluators were both unqualified and several were biased.

All contracting and procurement activity was suspended pending the resolution of the protest as required by Hawaii Revised Statutes ("HRS") §103D-701(f) which states:

> (f) In the event of a timely protest under subsection (a), no further action shall be taken on the solicitation or the award of the contract ***until the chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the State.*** (emphasis added)

Additionally, Hawaii Administrative Rules ("HAR") §3-126-5, in relevant part states:

> .....no further action shall be taken until the protest has been settled, ***unless the chief procurement officer makes a written determination, after consulting with the head of the purchasing agency, that the award of the contract is necessary to protect the interests of the State.*** (emphasis added)

Substantial Interests of the State

For the following reasons, the Student Transportation Services Branch requests that the Chief Procurement Officer approve this determination that further contracting activity must be undertaken as soon as possible, but no later than January 11, 2017 to protect the substantial interests of the State.

1. The DOE has a mandate to provide compulsory education for students in grades Kindergarten through 12th grade. See Article X of the Hawaii State Constitution. Within this mandate is the authority to transport students safely to and from school. See HRS §302A-406. The resulting contracts from this current solicitation will provide bus service to approximately 10,000 students commencing on the first day of school, which is August 7, 2017. See DOE Official Calendar. If the services to be provided through this solicitation cannot be delivered on August 7, 2017, these students will be without subsidized transportation. Without subsidized transportation, some students will have no other method

to get to school and thus, are less likely to attend school. For those students who are fortunate enough to be able to arrange alternate transportation, attending school will come at other costs that will likely include disruption in their caretakers' arrangements resulting in missed work and other various social and economic impacts such as an increase in the number of cars on the road during rush hour traffic. In addition, some students may resort to walking or taking public transportation which may expose them to a number of other safety concerns. The forgoing adverse impacts will only be compounded for each day transportation services are not provided.

2. In order to have transportation available beginning August 7, 2017, several critical milestones must be accomplished in sequence in order for the vehicles and the supporting infrastructure to be in place for the start of school. The critical events are set forth in reverse chronological order:

   a) Acquisition of fleet assets: GTI indicated they must order buses no later than January 13, 2017 to have them available for the start of the contract as indicated by their letter dated December 14, 2016. AEL indicated they must order buses by January 15, 2017 as stated in their letter dated December 13, 2016. YBS indicated they must order buses no later than January 12, 2017 as indicated in their letter dated December 12, 2016. This contemplates 90 to 120 days for the manufacturer to fill the order, and then allow for the logistical challenge of shipping them to Hawaii. Shippers typically have to book space on transport vessels months prior to the actual shipping event. See State Auditor's Report Aug. 2012, pg. 27. RHSB is the existing vendor on Maui and currently possesses an excess of equipment required to perform the contract on that island for Cluster 1 and does not face the challenge of ordering new equipment. As awarded, RHSB is not scheduled to perform work on Kauai.

   b) Dry runs for all bus routes: This must occur within 10 calendar days of the start of the contract (start of school) which places the latest date for this to occur as July 24, 2017. See RFP Contract Service Specifications 2(f)(i). The purpose of the dry runs is to ensure the planned routes are feasible and allow sufficient time to adjust routes to ensure they run smoothly on the first day of school.

   c) DOE start up meetings with vendors: This must occur prior to the dry runs and must occur no later than the week following the July 4th, 2017 holiday break as we have done over the last two startups for the contracts using the new RFP methodology. The purpose of the meeting is to make all vendors aware of the statutory, regulatory, and procedural requirements for the provision of transportation to Hawaii's students. Vendors must be made aware of these requirements prior to the dry runs to ensure actual simulated conditions during the dry runs in order for the DOE to evaluate and monitor compliance, and make any necessary corrections or adjustments prior to actual transportation of students.

d) Vendor recruitment of drivers, bus aides, and other personnel: Based on previous experience on other islands and the experiences of DOE's transportation management firm, this process will take approximately 3 months and must begin no later than May 1, 2017. The time for this process is further impacted by the requirement to obtain fingerprinting and background checks which often adds delays to this process. This is particularly important for services on the island of Maui where the winning vendor will be required to stand up a new operation supporting 63 percent of all operations without existing facilities on the island.

e) Land/base of operations acquisition: It is estimated that this process will require six months resulting in the date the acquisition activity must begin is on or about January 13, 2017, at the latest. As mentioned, GTI who will be serving the largest portion of operations on Maui will be required to standup a completely new operation. Additionally, the structure of this RFP again disrupts the traditional geography served by current vendors. Consequently, the need for new facilities will impact both current and new vendors. As it is across nearly all islands, commercial land is at a premium on the island of Maui, which will necessitate an extensive search and negotiation process in order to ensure that vendors are able to find and secure the facilities required to provide the transportation services. The DOE's transportation management vendor estimates that this six months is an aggressive but feasible timeline. This estimate was confirmed when the three winning vendors (except for RHSB) were polled to determine what is the latest date of award that would allow them to timely perform the contracts – they all indicated that notice of award would be required by approximately January 13, 2016. RHSB has indicated in its two protests that it believes that, as of Dec. 23, 2016, there was still time to re-solicit the bids, so it was not polled and deemed able to perform if notified along with other winning bidders.

f) Given the chain of events that must occur prior to providing service on the first day of school, the final notice of award must be provided no later than January 13, 2017.

3. There will be a significant economic impact if the 113 affected buses on Maui and the 65 buses on Kauai (RFP D17-001 and D17-002 Attachment B) are not operating for the start of school. The 178 bus driver positions will not be contributing to the local economy, as well as the trickle-down effect of the business generated by this service.
4. Further delay will impact the ability of the State to realize the pricing and operational efficiencies provided for in the RFPs. Total costs are expected to be reduced by approximately $750,000 annually for these two islands or approximately $5.3 million over the seven year term of the contracts. However, these savings will not be realized and service quality would likely be jeopardized if the necessary timelines are not provided for.

Should you have any questions, please contact James Kauhi, Student Transportation Services Branch Administrator, at 586-0170.

☑ APPROVED ☐ DISAPPROVED

FOR KATHRYN S. MATAYOSHI
SUPERINTENDENT

JAN 1 1 2017
DATE

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February 6, 2017

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James.e.raymond@hawaii.gov

Re: Robert's Hawaii School Bus, Inc.'s ("RHSB") Protest of Award of RFP No. D17-001 and RFP D17-002 (the "Protests")

Dear Mr. Raymond:

This letter is to follow up on our letter dated January 27, 2017 regarding interference with Robert's Maui operations by Mr. Robert Joseph, and also to address the inexcusable delay by the DOE in responding to Robert's Protests, while simultaneously pushing forward on unlawfully awarded contracts.

Robert's requires immediate action by the Department of Education ("DOE"), or it will be forced to initiate further legal proceedings as outlined below.

I. All Communications Regarding or Related to the RFP and Protests Should Be Conducted Through Legal Counsel

In a telephone conversation that took place on January 30, 2017, Mr. James Kauhi discussed Mr. Joseph's inappropriate conduct with Ms. Gail Sagiao (a Robert's employee). Mr. Kauhi made specific reference to the letter sent to you on January 27, 2017, stating further that "Mr. Carlson called me and asked me to remind everyone on my evaluation team…Robert, Pua, Bruce, myself… that because there is a challenge to the RFP, that we should not be discussing anything that has to do with the RFP with everybody until the legal matter is settled." Despite that instruction, Mr. Kauhi then proceeded to discuss the matter with Ms. Sagiao in detail, including offering defense of Mr. Joseph's (Mr. Kauhi's brother-in-law) actions.

Exhibit "E"

The DOE and your office have made clear that all communications should be conducted through legal counsel. Specifically, your letter dated January 18, 2017 made clear that, " [The] Rules of Professional Conduct, specifically Rule 4.2, be carefully observed in this matter and that any further communications related to this matter be made through this office and not with the DOE, unless a communication is expressly required to be made directly to the DOE by statute or rule."

Although we recognize that DOE employees are not specifically subject to HRPC, Rule 4.2, we ask that your office make clear to the DOE that it should not be discussing the merits of the Protests with Robert's employees. Again, Robert's has existing contractual obligations to perform, and the DOE should not be taking the time of Robert's employees, and distracting them from their duties, in order to assert their personal views on this matter.

II. Discussions Regarding "Transition" Are Premature

Mr. Kauhi's discussion with Ms. Sagiao centered largely around the "transition" of the contracts from Robert's to the incoming vendor. This included discussion about the DOE's past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity. In that discussion, Mr. Kauhi stated, "I am concerned with transition discussions that we have to have moving forward…" He also raised concern that any such "transition" discussions could be used against the DOE.

At this point in time, Robert's has submitted its Protests and has had no response from the DOE for over a month. Under Hawaii Revised Statutes ("HRS") § 103D-701(c), the chief procurement officer or designee, "***shall promptly*** issue a decision in writing to uphold or deny the protest." (emphasis added). Rather than promptly issuing a decision in writing, the DOE has done nothing. Instead, it has pushed forward with awarding contracts resulting from the flawed RFP process.

Further, both HRS § 103D-701(f) and Hawaii Administrative Rules § 3-126-5 require that no further action be taken on the solicitation or the award of the contract until the "chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect the substantial interests of the State." We note that such a determination was apparently made by the State on January 11, 2017, although we disagree with that determination, particularly as existing contracts could have been extended with no interruption to service. That being said, it appears the DOE is set on charging ahead with these contracts, despite the fact that nothing has been done to address the Protests or the underlying flaws with the RFP and procurement process.

In addition, Robert's raised significant concerns with the RFP process both before and after the DOE awarded contracts to other vendors. To the extent that HRS §§ 103D-706 and 707 both contemplate situations where the contracts may be declared null and void, it appears inappropriate for the DOE to be solely focused on pushing forward on a "transition" when it should be working to determine if Robert's Protests raise valid concerns.

Robert's is not prepared to accept that "transition" is the only possible outcome, and believes it is inappropriate for the DOE to be having discussions on that topic with Robert's employees.

III. Mr. Kauhi's Characterization of Robert's Position is Incorrect

Despite Mr. Kauhi not being present when Mr. Joseph was discussing recruiting matters related to Ground Transportation Incorporated's ("GTI's") performance with Robert's employees (as outlined in our prior letter dated January 27, 2017), he attempted to convince Ms. Sagiao that the alleged "inappropriate behavior by Mr. Joseph" merely consisted of statements related to bringing about a smooth transition between contracts. That is not factually correct.

First, it appears that Mr. Kauhi believes the only conversation that Mr. Joseph had took place with Kris Kim, which is not the case. Mr. Joseph also had multiple other conversations that were the primary source of contention, and the reason for our prior letter. As previously noted, those conversations were specifically aimed at "alerting" Robert's employees to the transition Mr. Joseph believes is taking place, further encouraging them to seek employment with GTI by visiting GTI's Oahu facilities. We need not rehash the impropriety of those statements, but would like to reiterate that Mr. Joseph has already caused irreversible damage to the stability of Robert's operations as employees now believe their jobs may be at risk based on his statements. As such, Mr. Joseph should be prohibited from having any further communications with Robert's employees.

Second, Mr. Kauhi characterized the current situation between Robert's and the DOE as being similar to a "pending divorce" and further that in such a situation, "your opponent is going to throw everything at you to discredit you and the people you work for." In making this statement, Mr. Kauhi implied that Mr. Joseph's prior statements were "misinterpreted" and used against him and the DOE because "corporate Robert's has a serious issue with Kathy Matayoshi". These dismissive statements are untrue, and Mr. Kauhi should not be making any such allegations to Robert's employees.

Finally, it should be noted that on December 19, 2013 by way of email sent at 10:00 a.m. to Aaron Kimura of Robert's with copy to Bruce Ellerman, Mr. Kauhi pointed out the importance of avoiding "employee attrition" during transition periods. Clearly Robert's was not given the same deference here. The relevant portion of Mr. Kauhi's prior email states:

> **Our *most prominent concern* is avoiding employee attrition**, where bus drivers and aides **prematurely transition from one employer to the next because of uncertainty**. It is our desire to mitigate any instance of service disruption. We trust that all of our vendor partners will agree. While we know it is important for incoming vendors to secure a qualified team of experienced drivers and aides as quickly as possible, **it is equally important to ensure that those efforts do not disturb existing levels of service**. For this reason, we are **asking incoming partners to delay all**

> **attempts to approach current bus drivers and aides <u>until current vendors agree to making their employees available for such discussions</u>**. Your cooperation on this front is paramount to protecting student health and safety.

Id. (emphasis added). This is precisely the reason that Robert's finds Mr. Joseph's actions so objectionable. Please let us know if you would like us to furnish you with a copy of this email.

IV. Robert's Disputes the Determination of Substantial State Interests

On January 17, 2017, Robert's received a contract for execution in relation to Maui Cluster 1 (Makawao), which was awarded under RFP No D17-001. Robert's and this law firm were surprised to receive this contract given it submitted its two Protests nearly a month prior with no response from the DOE. Robert's was under the assumption that the DOE was carefully reviewing the merits of the Protests so that it could rectify the numerous problems presented, and solicit new proposals given the clear errors and problems with the prior awards. Instead, it appears the DOE charged forward with its awards, simply turning a blind eye to Robert's concerns. It appears the DOE believes that the further it can progress towards implementing the wrongfully awarded contracts, the less likely its actions will be overturned. This is the reason why, "Under most circumstances, public projects cannot proceed while a protest is pending." Nihi Lewa, Inc. v. Dep't Of Budget And Fiscal Services, 103 Hawai`i 163, 167, 80 P.3d 984, 988 (2003)

Further, Robert's only became aware of the DOE's Determination of Substantial State Interests ("DSSI") when your office responded on January 20, 2017 to an email this law firm sent to the DOE two days prior following up on Robert's Protests. That prior email specifically cited HRS § 103D-701(f), which imposes a stay on contracting activities when a timely protest has been received by the agency issuing the solicitation. It is unclear why the DOE did not immediately inform all proposers when the DSSI was issued on January 11, 2017. Robert's finds the secretive issuance of the DSSI to be highly suspicious.

As to the merits of the DSSI, there are none. The only stated bases for the DSSI are that, (1) school bus service must begin on August 7, 2017, (2) to meet the aforementioned deadline, "several critical milestones must be accomplished," including acquisition of fleet assets, dry runs for bus routes, DOE start up meetings with vendors, vendor recruitment, and land/base of operations acquisition, (3) that there will be a significant economic impact if the 178 bus driver positions are not put in place immediately, and (4) that delay will impact the State's ability to "realize the pricing and operational efficiencies provided for in the RFPs."

As to issues (1) and (2) above, this is a problem of the DOE's own making that could be easily cured by an extension of Robert's existing contracts while the Protests are reviewed. The DOE has already mentioned to Robert's its past practice of asking the "outgoing vendor" to continue service beyond the term of the contract in order to preserve continuity, as noted above. Extension of Robert's contracts would easily solve this problem. Further, allowing the DOE to

press forward on the improperly awarded contracts on this basis will serve as a perverse incentive for all State procurement agencies to delay the issuance of any RFP to the point where the State will be harmed if not permitted to move forward, regardless of faults in the procurement process. Surely the DOE and other agencies should not be permitted to delay the issuance of RFPs to the point where there is no time to review valid protests before issuing awards. The Procurement Code is already designed to accommodate expedited review, and that review would have been completed already if the DOE had not delayed addressing the Protests by over a month. This dubious practice is inconsistent with the purposes of the procurement code, which are to (i) provide fair and equitable treatment of all persons dealing with the government procurement system; (ii) foster broad-based competition among vendors while ensuring accountability, fiscal responsibility, and efficiency in the procurement process; and (3) increase public confidence in the integrity of the system. See, Sen. Stand. Comm. Rep. No. S8-93, in 1993 Senate Journal at 39; CARL Corp. v. State, Dept. of Educ., 85 Hawai'i 431, 455-56, 946 P.2d 1, 25-26 (1997). These issues, "cannot be ignored when determining whether it is in the best interests of the State to ratify an unlawfully awarded contract." Id.

It should also be noted that the above timing problems are the direct result of the DOE selecting GTI on Maui, a vendor with no current operations on the island. This was an issue raised in Robert's Maui Protest, which highlighted the fact that Robert's has had a presence on Maui for over 30 years, has an existing fleet of 130 buses, 181 drivers and aides, 28 maintenance personnel, 30 administrative personnel, and 3 base yards. In particular, Mr. Joseph somehow scored GTI with maximum points, while providing a lower score to Robert's. This issue was covered in detail in Section III.E of Robert's Maui Protest.

Issue 3) above is a red herring. It assumes that other bus drivers will not be driving busses during the pendency of the Protests, which is logically and factually incorrect. Bus drivers are currently servicing routes, and will continue to do so until the new contracts are put in place. To argue that the "178 bus driver positions will not be contributing to the local economy" is simply fallacious reasoning.

As to the State's ability to realize "pricing and operational efficiencies" under (4), this is also unsupportable. The State is not entitled to "realize" these benefits (to the extent there are any) if they are obtained through unlawfully awarded contracts. To the extent the Protests are later denied, this risk is already contemplated by the procurement law, which requires a cash or protest bond directly related to the amount of the procurement. See, HRS § 103D-709(e). In addition, as discussed below Robert's would be prepared to post a bond to cover the risk of the apparent $750,000 "savings" that would occur in the first year if required to do so, although this solution has never been proposed by the DOE.

Finally, both HRS § 103D-701(f) and HAR § 3-126-5 state that no further action shall be taken until and unless "**the *chief procurement officer* makes** a written determination" that the award is necessary to protect the interests of the State (emphasis added). The DSSI dated January 11, 2017 is not a written determination *by* the chief procurement officer, here Kathryn S. Matayoshi. Rather, it is a memo *from* James Kauhi (who is implicated in numerous ways of

biased conduct as noted in the Protests), "*through*" Dann Carlson, Assistant Superintendent, *to* Kathryn S. Matayoshi. It is *not* a determination by Kathryn S. Matayoshi herself. This memo states, "*Your approval is requested* for a Determination of Substantial State Interest.." and thus cannot be the actual Determination. The memo is then signed "for" Superintendent Matayoshi by Dann Carlson, which also appears improper if this document is intended to be the actual DSSI, and not simply a request for one.

Overall, the DSSI is logically and factually incorrect and should not serve to thwart the purposes of the Procurement Code.

V. Robert's Will Initiate Further Legal Action Due to the State's Lack of Response

"The overall framework of the Hawai'i Public Procurement Code indicates that the Legislature ***intended to create an expeditious process for resolving disputes*** over the awarding of contracts. See CARL Corp. v. State, 85 Hawai'i 431, 453, 946 P.2d 1, 24 (1997) (emphasis added) ("the [Procurement] Code both shortens deadlines for filing protests and applications for review and expedites the administrative hearings process"). By delaying any response to Robert's Protests while moving simultaneously forward with the unlawfully awarded contracts, DOE is working in direct contravention to the legislative intent of the Procurement Code. It does not seem consistent with this intent that Robert's should be forced to submit its Protests within five working days of its debriefings, so that the DOE can delay any response for nearly two months.

Robert's is entitled to an expeditious remedy and will take immediate action to pursue its rights. If a response to the Protests is not received by **Thursday, February 9th, 2017 at 4:00 p.m.**, Robert's intends on filing an action either with the DCCA or in the Courts so that it can limit the damage caused thus far by the DOE's inexcusable actions.

Finally, Robert's will be seeking documents from the DOE, either during administrative or court proceedings, or through a Uniform Information Practices Act (Chapter 92F) request. Robert's will be requesting all communications between the DOE and any vendors, documents and communications regarding internal discussions regarding Robert's, and specifically communications between the members of the scoring panel. Please instruct your client as to the importance of the preservation of evidence, including all emails, text messages, memos, and other relevant documents so that we can be sure these records remain intact.

VI. Robert's Is Prepared to Discuss Resolution Prior to Taking Further Action

As you know, HRS § 103D-701 allows the chief procurement officer or a designee to settle and resolve a protest concerning the solicitation or award of a contract, prior to the commencement of an administrative proceeding. There has been no effort on the DOE's part to settle and resolve the Protests; however, Robert's is still willing to engage in those negotiations.

To that end, Robert's is prepared to post a bond for the full $750,000.00 claimed by the DOE as its "savings" from operational efficiencies during the first year, if the DOE will halt any further action towards pursuing the protested contracts until the Protests have been resolved. Robert's is also willing to stipulate to an extension of its existing contracts so that there will be no interruption to services if a new vendor is not in place by August 7, 2017. These two concessions on Robert's part should allow the DOE to step back and follow the proper procedure contemplated by the Procurement Code. Robert's believes the option of resolving the Protests will not be available once it commences other legal proceedings. Thus, time is of the essence as Robert's will take immediate action following the above stated February 9th deadline.

We appreciate your consideration of these matters.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

From:	Susan M. Koide
To:	James.E.Raymond@hawaii.gov
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	RHSB"s Protest of Award of RFP #D17-001 and RFP #D17-002
Date:	Monday, February 06, 2017 3:16:05 PM
Attachments:	img-206150813-0001.pdf

Mr. James Raymond,

Please see the attached letter dated February 6, 2017 from Jonathan S. Moore, Esq. and Charles D. Hunter, Esq.

Thank you.

Susan M.P. Koide | Legal Assistant
KOBAYASHI, SUGITA & GODA LLP
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DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
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February 24, 2017

Jonathan S. Moore, Esq.
Charles D. Hunter, Esq.
Kobayashi, Sugita & Goda
999 Bishop Street, 26th Floor
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s
Protest of Awards for Request for Proposals No. RFP D17-002

Dear Messrs. Moore and Hunter:

The Department of Education (DOE) is in receipt of your protest on behalf of Robert's Hawaii School Bus, Inc. (RHSB) in the above referenced matter. The DOE finds numerous alleged quotes of DOE personnel cited in the protest. This can only be accounted for by the use of a recording device which the DOE was neither informed of prior to its use, nor given a copy of the resulting recording/transcript. In the future, we request that the use of any recording device be announced prior to the beginning of any oral exchange with DOE staff and that the DOE be offered a copy of the recording/transcript.

RHSB raises six issues in their protest – we respond as follows:

1. **RHSB Claims the DOE Did Not Abide By Its Own Stated Scoring Procedure**

   A. Robert's Claims the DOE Represented that Cost Evaluations Would Only Take Place AFTER the Completion of the Technical Evaluation

RHSB takes exception to the fact that the DOE rescored proposals after the evaluators were exposed to the pricing data during the initial evaluation. RHSB cites section C.2 of the Request for Proposals (RFP) in support of their assertion that the isolation of the pricing information was integral to the scoring methodology. RHSB argues that failure to keep the evaluation committee isolated from the pricing data in the subsequent re-scoring of proposals violated the terms of the RFP and thus nullifying the process. The relevant portion of section C.2 states:

> .....Cost will be a significant factor in the evaluation process. However, cost will be a factor only after the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources.
>
> .....C. Cost Evaluation – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the cost analyzed... [See Exhibit A]

Exhibit "F"

2017

> RHSB goes on to acknowledge in its protest on page six that the separation of the pricing data as part of the scoring process was presumptive on their part. RHSB states:
>
> **Presumably,** the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information in a *separate and sealed envelope.* [See Exhibit B]

The DOE acknowledges the pricing information was requested separately from the response; however it takes exception to RHSB's argument that the DOE was not permitted to accommodate the re-scoring process as it did. The DOE's position is supported on the basis of the following:

The Hawaii Public Procurement Code (Procurement Code) does not require that the evaluation committee make a final evaluation of the technical proposals prior to viewing the price proposals (what we will refer to as "blind" evaluation of the technical proposals). The two primary rules relating to how RFPs are to be structured and how proposals are to be evaluated are Hawaii Administrative Rules (HAR) § 3-122-46, Preparing a Request for Proposals and HAR § 3-122-52, Evaluations of Proposals. They contain no provisions requiring that evaluators be isolated from price proposals when evaluating technical proposals. The only requirement is that the award be based on price and the evaluation factors set forth in the RFP (see HRS § 103D-303(g); HAR § 3-122-57).

As RHSB points out in the protest, the DOE feels it is a good practice, but also explains that the RFP provisions relating to evaluating price proposals were included as an extra, but not required step (see statements attributed to Chris Butt on p. 7 and 9 of the protest). In fact, the DOE followed this process until the discovery of minor errors in the evaluation process necessitated a re-evaluation after the prices had become known to the members of the evaluation committee. This was not anticipated and no express provision of the RFP covered this circumstance, but it was not prohibited by the Procurement Code or by the RFP.

In a decision reversing an agency's inflexible adherence to procedural minutia, leading to the rejection of a low bid, a Hearings Officer concluded that the Procurement Code allowed for reasonable flexibility and quoted a Senate Committee Report on the bill creating the Procurement Code:

> This bill lays the foundation and sets the standards for the way government purchases will be made, but allows for flexibility and the use of common sense by purchasing officials to implement the law in a manner that will be economical and efficient and will benefit the people of the State.
>
> S. Comm. Rep. SS-93, Spec. Sess., Senate Journal at page 39 (1993) as quoted in: *The Systemcenter, Inc. v. State Dept. of Transportation,* p. 8, PCH 98-9 (December 10, 1998).

Another Office of Administrative Hearings decision, *Fletcher Pacific Construction Co., Ltd., v. State Dept. of Transportation*, PCH 98-2 (May 19, 1998) addresses an issue that arose during a flawed evaluation process for a construction solicitation. The central issue was whether or not the pre-award or post-award remedies should apply. After considering the options, the Hearings Officer

adopted the remedy to order the re-evaluation of the solicitation rather than cancelling the solicitation and starting over again. By doing so, the Hearings Officer avoided the more serious problem of requiring bidders to submit bids for a new solicitation **after** the original bid prices had been disclosed:

> In view of the findings and conclusions resulting from this hearing, it would appear that a fair, equitable, and expeditious resolution would be to remand the matter to the Respondent with instructions to: 1) withdraw its January 12, 1998 notification letter to Murphy stating that it was awarded the contract; 2) make a specific determination as to whether Murphy met the DBE good faith efforts goal [Disadvantaged Business Enterprise, a procurement preference], and if so; 3) make a specific determination as to whether allowing Murphy to add a licensed subcontractor to meet the soil treatment requirements after bid opening would be in the best interests of the State. **In other words, to fully and correctly perform (and document) the bid evaluation process as it should have been done, but without rebidding the project.** The Respondent could then proceed with an award - to either Murphy or such other responsive low bidder as might properly be selected from the remaining four bids.
>
> *****
>
> **Furthermore, the advantages such a remedy would include: minimizing the impact of the Respondent's errors on Murphy, on Fletcher, and on the other bidders; eliminating the substantial costs inevitably associated with the issuance of a new invitation for bids; protecting current bidders from the potential misuse of their now disclosed bid costs by other competitors; reducing further loss of time on initiating the underlying project; and, enhancing public confidence in the procurement code by its application in a manner consistent with the elements of common sense and legislative intent.** *Fletcher Pacific*, at p. 22 (emphasis added).

In *Fletcher Pacific*, the Hearings Officer, when confronted with a flawed evaluation process, determined that the best way forward was to have the state agency re-perform the evaluation process and adjust the award accordingly. This was much preferred over the alternative of re-bidding the whole project which would result in greater harm to the field of bidders – especially the potential misuse of the now disclosed bid costs. Obviously, there are many differences in the facts and context that generated the *Fletcher Pacific* decision, but it clearly shows that re-evaluation is not only allowed, but preferable in circumstances where the alternative is to re-bid once pricing has been disclosed. This is precisely the situation that the DOE was confronted with after the first debriefing and the resulting determination that the original evaluation of the technical proposals had some minor errors. And, like the Hearings Officer in *Fletcher Pacific*, the DOE made a carefully weighed judgment call and opted to re-evaluate. The minor impact of having to forgo "blind" evaluation of the technical proposals was outweighed by the benefits of avoiding the much more harmful impact of potential misuse of disclosed pricing information that would result from a re-bidding.

> RHSB stated that their "proposal strategy" relied on "blind" evaluation of the technical proposals as described in the RFP (see p. 4 of protest). However, the only reason for the DOE to take the "extra step" of structuring the RFP for "blind" evaluation was to add the extra measure of isolation from any possible influence that a proposer's pricing might have when evaluating the technical proposals – a belt and suspenders approach. RHSB did not state how their "proposal strategy" would be influenced or in any way be different if the RFP did not provide for "blind" evaluations. The DOE can find no basis that would cause a proposer to alter their "proposal strategy" by the inclusion or non-inclusion of a structural element to isolate evaluators from any potential bias – or how an additional safeguard against bias changed the way a technical proposal or pricing proposal was written.

Another factor that bears on the issue of "blind" evaluation of the technical proposals is that the evaluators were in fact exposed to the pricing information before scores were finalized. The RFP states in Section C.2 (d and e):

> *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score.** The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. **The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed**. [See Exhibit A]

So by the express process detailed in the solicitation, the evaluators were privy to the pricing information while still evaluating responses and before scores on the technical proposals were finalized. Therefore, RHSB's argument that the evaluators were barred from seeing the pricing data, as set forth under the terms of the solicitation, holds no validity. RHSB was a participant in the interview for the Maui award, and did not object to the evaluators revising their scores after having been exposed to the pricing information to determine the preferred vendors. The pricing scores were revised as part of the re-scoring based on a concern raised by RHSB, and so the evaluation committee awarded their points before they knew the revised pricing scores.

RHSB raised a concern in their first debriefing that the DOE did not follow the information in Addendum 3 by considering the bus aide rate in the price evaluation. The DOE, as part of its efforts to ensure fairness to all vendors, subsequently re-calculated the points to be awarded to each vendor through the cost proposals. This recalculation did not change any overall results regarding contract awards. Consequently, the previous price score the committee was exposed to were no longer valid. The re-scoring process for the cost portion of the proposals was performed

without providing these results to the committee while they were re-scoring the technical portion of the proposals. Ergo, despite there being no prohibition to the committee knowing the results of the cost portion scoring, re-scoring was performed without committee knowledge of the changes to the cost scores.

B. Robert's Claims that the DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates

RHSB claims that the DOE erred by not using just the bus aide rate to calculate the four points available for supplemental services. After the first debriefing, the DOE issued Addendum 3 to clarify how cost proposals would be evaluated and revised Attachment B, the Pricing Form by adding a place for contractors to include a separate "Hourly Rate for Bus Aide" (see Addendum 3, p. 4, 6, 8, and 10).

Section D.3 of the RFP explained how the supplemental services were to be scored by stating:

> A total of 36 points will be applied to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in **Attachment B**.

Furthermore, Addendum 3, explained the requirement for bus aides and how the added element of "Hourly Rate for Bus Aide" was to be scored:

1. Are we required to provide aides for each special education vehicle?
   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

   ****

6. What will the cost per hour for bus aide be used for?
   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor. (emphasis added --See Exhibit C)

As Section D.3 of the RFP was not deleted or replaced, its provisions still governed the scoring of the four available points for supplemental services. Addendum 3 is clear that the bus aide rate was to be used in conjunction with the supplemental services rate to derive a price for evaluation of the four point component – nowhere in the Addendum does it state that the bus aid rate is to replace the supplemental services rate. RHSB's position that the bus aide rate alone was to be used is not consistent with the express language of the RFP. Furthermore, whether the bus aide rate was used alone or in conjunction with the supplemental service rate, the overall results of the award would not change. RHSB claims that "Robert's strategized its bid rates based on what the Addendum stated." (see Protest at p.11). With this claim, RHSB indicates that its bid was based on using only the bus aide rate and leaving out the supplemental services rate. However, this is inconsistent with the fact that when calculated using RHSB's method, RHSB's score goes down. As the scoring shows, the DOE did not harm RHSB by using the bus aid rate in conjunction with the supplemental services rate as called for in Addendum 3.

2. **RHSB Claims the Re-scoring Shows the Procedure was Arbitrary and Shows Bias**

RHSB argues that since the scores changed from the first evaluation to the second, without any input or changes from RHSB, the process was either flawed or arbitrary. However, this position fails to consider the DOE's determination to re-score the proposals in the first place: RHSB took exception to the discrepancy between the evaluator's notes and the final scores. Upon review, the DOE discovered the evaluators did not go back and adjust their notes resulting from adjustments arising from the interviews and simply reflected their changes in the scoring tally sheet. Rather than proceeding with a discrepancy between the evaluators' notes and the total sheet, the DOE, in an abundance of caution and giving RHSB the benefit of the doubt, chose to have the evaluator's re-score the responses. This was after the benefit of the interviews, and so RHSB's assertion that no changes or new information was available to the evaluators is not accurate. Given the benefit of the interview, it is foreseeable that scores could change.

Additionally, evaluation of technical proposals by committee members is by definition, to some extent subjective and the only thing that would be truly "astounding," to use the characterization in the protest, would be that all evaluators gave precisely the same score as each other, or that the scores were identical from the first to second evaluation. If this were not the case, the Procurement Code would not require a minimum of three members so that averaging will minimize the subjective element inherent in the process (see HAR § 3-122-45.01). Despite the characterization of "astounding" attributed to the difference of one committee member's first and second score, when the scoring is viewed as a whole, the variations are remarkably consistent and certainly within the bounds of normal variation – it is also relevant that the second re-scoring did not change the overall results with respect to contract awards.

3. **RHSB Claims the Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

RHSB takes exception to the fact that two of the evaluators are related by marriage. Specifically, Robert Joseph is married to the Student Transportation Services Branch (STSB) manager James Kauhi's sister. This relationship coupled with a perceived correlation in scoring is the proof offered by RHSB as evidence of a conflict of interest and collusion. However, HRS § 84-14 as it pertains to governmental employees states:

> Conflicts of interests. (a) No employee shall take any official action directly affecting:
>
> (1) A business or other undertaking in which the employee has a substantial financial interest;

In making its allegation, RHSB does not claim that the Procurement Code or other state law precludes either Mr. Kauhi or Mr. Joseph from serving on the evaluation committee. RHSB claims that the very existence of the relationship raises "serious issues of partiality and conflict." (see Protest at p. 16).

RHSB fails to offer anything linking Mr. Kauhi or Mr. Joseph to any financial interest with any of the bus contractors submitting proposals to this solicitation – the familial relationship is only to each other. All members of the evaluation committee signed declarations that they have no conflicts of interest. [See Exhibit D]. RHSB's argument does not distinguish the fact that both Mr. Kauhi and

Mr. Joseph are employed by the DOE, and work for STSB. Determining the winning vendor pursuant to the terms of legally solicited procurement, subject to a fair degree of cooperation and interaction, is both natural, routine, and in and of itself does not provide any basis for the unsupported allegation of collusion RHSB seeks to level. As such, the relationship between Mr. Kauhi and Mr. Joseph is irrelevant.

RHSB also cites the changes by Mr. Kauhi and Mr. Joseph in their re-score as evidence of improper conduct. As noted above, the two gentlemen are colleagues. There is no prohibition from evaluators discussing a proposal during evaluation. The Hearings Officer in *Kiewit Infrastructure West Co. v. Department of Transportation, State of Hawaii, PCX-2011-001 (June 6, 2011)* found that consensus scoring of proposals was acceptable and in light of that ruling, it is illogical to assert that evaluators are barred from discussing an ongoing evaluation. It is the DOE's position that the change in scores from Mr. Kauhi and Mr. Joseph is not dispositive of any improper conduct in the absence of any other evidence. Of further note is the fact that Mr. Joseph's and Mr. Kauhi's scores for Ground Transport, Inc. (GTI) diverged in the re-scoring process and Mr. Kauhi's nominal and percentage score change was notably greater than the change to RHSB. It should be noted Mr. Joseph served on the evaluation committee for RFP D14-012 for similar services on the Island of Hawaii. In that solicitation, RHSB was the top scoring response, and RHSB had no issue with Mr. Joseph or Mr. Kauhi at that time. It appears RHSB objects to the outcome as opposed to the composition of the committee.

RHSB also objects to DOE's break from past practice of not utilizing on-island Transportation Officers (TO) to evaluate proposals. The operative term is "past practice". The DOE never employed any such criteria in determining qualifications. Any such consideration, if at all, was completely informal and subject to the Purchasing Agency's discretion.

RHSB objects to the qualification of Ms. Pualani Foster as she has only 2 years of experience as a TO. The duties of a TO involve monitoring and overseeing the delivery of transportation services in the various districts the DOE services; exactly the services this solicitation seeks to purchase. The DOE finds that the fact that Ms. Foster qualified for her position as a TO under the civil service laws is sufficient to determine she is qualified to serve on the committee. Her inclusion was subject to review and approval by the delegated Chief Procurement Officer [See Exhibit E]. RHSB's argument contradicts its earlier assertion that the DOE is enjoined by past practice from using an "on-island TO" to evaluate this solicitation. That is exactly what Ms. Foster is, an off-island TO, and the DOE finds the contradiction of RHSB's own arguments unpersuasive.

RHSB also alleges that Ms. Foster's experience is only with pre-existing contracts, and therefore is unqualified to evaluate this RFP. However, this interpretation is narrow and self-serving as the knowledge in question relates to the delivery of student transportation services. If RHSB's argument was found to be compelling, purchasing agencies would be forever enjoined from adopting service delivery systems that differed in the slightest way from past practice as it would be nearly impossible to empanel an evaluation committee with specific experience in the service delivery model. RHSB's interpretation is both unreasonable and unduly restrictive.

4. <u>RHSB Claims the Evaluations Were Inconsistent with the Stated Method in the RFP</u>

RHSB asserts that the inconsistency among individual evaluators and the divergence between scores demonstrates that the evaluators did not follow the scoring criteria. However, there is a

distinction between disagreeing with the evaluator's interpretation of the **content** of the response, as opposed to claiming the evaluator did not follow the criteria set forth in the RFP. RHSB claims that differences between RHSB's scoring and the scoring of other proposers (most notably Ground Transportation, Inc.) are proof that the evaluators failed to follow the evaluation criteria. In supporting this allegation, RHSB brings up numerous instances where points were deducted from RHSB's response. However, the DOE maintains that those deductions were based on the **content** of RHSB's response and that RHSB fails to show anything to support the claim that the evaluation criteria were not followed. RHSB also claims the deductions were made in error because RHSB felt they addressed the issue in the interview and that on that basis, the deductions should have been removed. RHSB contends that another proposer failed to address the same issue and yet received no deductions. The Hawaii Public Procurement Code addresses the issue of how evaluations are to be conducted:

HAR § 3-122-52(a) States:

> Evaluation factors shall be set out in the request for proposals and the evaluation shall be based only on the evaluation factors. Evaluation factors not specified in the request for proposals may not be considered.

In this case, RHSB's objections do not relate to whether the criteria were in fact followed, rather the objections focus on the **content** of the finding and a disagreement with the interpretation of their proposal by the evaluators. The DOE does not find sufficient evidence presented that the scores awarded did not correspond to the criteria set forth in the solicitation. All evaluators documented supporting reasoning for any point deducted, and all deductions were according to Section D of the RFP. The DOE does not find the level of divergence among committee members' scores to be dispositive of a failure to follow the scoring criteria; rather it is a natural consequence of having multiple points of view among the committee members. This is the rationale behind having multiple members on the evaluation committee in the first place.

5. **RHSB Claims the DOE Did Not Abide by the "Fair and Equal Standard"**

RHSB claims the DOE did not adhere to HAR § 3-122-53(d) which states:

> (d) Priority-listed offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.
>
> (1) Any substantial oral clarification of a proposal shall be reduced to writing by the priority-listed offeror;
>
> (2) If, during discussions there is a need for any substantial clarification or change in the request for proposals, the request for proposals shall be amended by an addendum to incorporate the clarification or change.
>
> RHSB asserts that representations made by Ground Transportation, Inc. during their interview (conducted as set forth in the RFP Section C.2(E.)) were both substantial and subject to submission in writing as provided for in the rule. The DOE disagrees with this interpretation. As stated in the RFP, the interview allows for clarifications and it is the DOE's position that the clarifications raised during the interview were not

substantial. Both RHSB and GTI were afforded equal opportunity to clarify their responses. RHSB did not submit any of their clarifications from their interview in writing. The DOE maintains that it adhered to the provisions of the subject rule and that all parties were treated fairly and equally.

6. **RHSB Claims that Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

RHSB asserts that documentation selecting the evaluation committee members and their declarations were not in the procurement file. This is not correct. [See Exhibits D and E] The documentation was not initially provided to RHSB as part of their document request due to an oversight, but were subsequently supplied via e-mail to Mr. Aaron Kimura on January 25, 2017.

RHSB claims that Bruce Ellerman was a paid consultant and that the rules governing his participation were not followed by the DOE. HAR § 3-122-45.01 states:

> Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. A copy of the document identifying any committee members and any subsequent changes thereto shall be placed in the contract file.
>
> (1) The evaluation committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services, or construction to be procured;
>
> (2) Private consultants may also serve on the committee and shall:
>
> (A) Have sufficient knowledge to serve on the committee;
>
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
>
> (C) Sign an affidavit:
>
> (i) Attesting to having no personal, business, or any other relationship that will influence their decision in the evaluation process;
>
> (ii) Agreeing not to disclose any information on the evaluation process to other than an employee of a governmental body; and
>
> (iii) Agreeing that their names will become public information upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
>
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

RHSB "believes that there were numerous violations of HAR § 3-122-45.01." (See Protest at p. 24). The documents show that the DOE observed all the requirements of the rule (see Exhibits D and E) and that if there are any deviations (such as the use of a declaration rather than an affidavit), they are only technical requirements and not the basis for requesting a re-solicitation. The Hearings Officer in *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7, January 2, 1998, provides helpful guidance in assigning the proper role of technical requirements:

> A savings of $21,000 of public funds would do more to foster public confidence in the integrity of the procurement system than would a strict adherence to a largely technical requirement. The requirement of HAR § 3-122-108(a) was not meant to cost public bodies thousands of dollars by requiring acceptance of higher bids for mere technical violations. *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7 at p. 9, January 2, 1998).

Based on the facts and events that transpired, it is clear that the DOE fulfilled the essential requirements of the rule.

Conclusion

Based on the foregoing, and subject to H.R.S. § 103D-701(c), your protest on this matter is hereby denied. This decision is final. Pursuant to Hawaii Administrative Rule, Chapter 126, Subchapter 5, you have the right to an administrative proceeding. Should you file such a request, your request must be made directly to the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs within seven (7) calendar days of the issuance of this determination. You must also notify this office of such a decision within the same time period.

Very truly yours,

FOR Kathryn S. Matayoshi
Superintendent

KSM:cak
Enclosures

c: Student Transportation Services Branch
James E. Raymond, Deputy Attorney General
Project Control Section

Mandatory interviews – The DOE will require an onsite presentation of the top two proponents' proposals for each cluster and interview of key staff as part of the selection process. These interviews will be conducted on Oahu and will be scheduled on the dates indicated in the Calendar of Events.

Notice of award(s) – The DOE will publicly announce the award of contract(s) to the successful proponents on the date indicated in the Calendar of Events.

Contract start date, services commence – This will be the effective date of the contracts. The successful proponents shall be fully prepared with all required resources and services as per the contract. Earlier readiness may be sufficient to support Extended School Year services prior to the start of regular 2017/18 school year services. The State will evaluate readiness for inclusion of any new contractor to provide services and such services will be provided at the contracted rates and at the option of the proponent.

2. Proposal Evaluation & Vendor Selection Process

This is a value-based procurement. The successful proponents must have the demonstrable experience and qualifications, staffing, and financial resources to deliver the required services for the entire term of the contract. Cost will be a significant factor in the evaluation process. However, cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* – The proposal must be received in good order, with all required forms, tabs, and information as required.

B. *Technical Evaluation* – An evaluation committee will evaluate the proponent's Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated service volume in each identified category on **Attachment B** to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The lowest cost proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the maximum available points.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

F. *Notice of Award* – the final results will be shared with the preferred vendors and with the next highest scoring vendor in each service cluster.

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.

D. PROPOSAL SUBMISSION REQUIREMENTS

1. Instructions to Proponents

A. GENERAL

Proponents shall be incorporated or organized under the laws of the State or be registered to do business in the State as a separate branch or division that is capable of fully performing under the contract. The following definitions are used in the solicitation documents:

Hawaii Business §3-122-112 HAR: A Proponent who is registered and incorporated or organized under the laws of the State is a "Hawaii Business" and eligible for an award.

Compliant non-Hawaii Business §3-122-112 HAR: A Proponent not incorporated or organized under the laws of the State, but is registered to do business in the State and complies with or is exempt from the requirements of §3-122-112 HAR, is a "Compliant Non-Hawaii Business" and eligible for an award.

Non-compliant Proponent: If a Proponent is a non-Hawaii business and is not registered with the DCCA Business Registration Division (BREG) or cannot comply with §3-122-112 HAR, than the Proponent is non-compliant and is ineligible for an award.

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

EXHIBIT C

DEPARTMENT OF EDUCATION

PROJECT CONTROL SECTION

September 22, 2016

RFP D17-002

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF KAUAI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 3

Below is the third addendum to RFP D17-002 for student transportation services on the island of Kauai. This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

2. Is the cost of aide to be included in the Daily Rate for 3.5 hour minimum for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

3. Is the cost of aide to be included in the additional cost over 3.5 hours for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

4. Is the cost of aide to be included in the driving rate for supplemental services, (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

5. Is the cost of aide to be included in the layover & wait time rate for supplemental services (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

6. What will the cost per hour for bus aide be used for?

   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

Attachment B – Pricing Form

Cluster 1 – Waimea

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	14		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	1		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Kapaa

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	19		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Kauai

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	15		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	4		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested In receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

BK
10/12/16

EXHIBIT D

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce E Ellerman
Signature

BK

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr
Signature

EXHIBIT E

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

KOBAYASHI SUGITA & GODA, LLP
Attorneys at Law

Bert T. Kobayashi, Jr.*
Kenneth Y. Sugita*
Alan M. Goda*

John R. Aube*
Wendell H. Fuji*
Charles W. Gall*
Clifford K. Higa*
Robert K. Ichikawa*
Christopher T. Kobayashi*
Jan M. L. Y. Kutsunai*

Burt T. Lau*
Jonathan S. Moore*
Bruce A. Nakamura*
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Aaron Mun
Gabriele V. Provenza
Anthony Suetsugu
Brian D. Tongg
Thao T. Tran
Maria Y.Y. Wang

Of Counsel:
John F. Lezak
Larry L.Myers

January 27, 2017

Via Electronic Mail
Mr. James E. Raymond, Esq.
Deputy Attorney General
State of Hawaii, Department of Attorney General
Education Division
Leiopapa A Kamehameha Bldg.
235 South Beretania Street, Room 304
Honolulu, Hawai'i 96813
James.e.raymond@hawaii.gov

Re: Robert's Hawaii School Bus, Inc.'s ("RHSB") Protest of Award of RFP No. D17-001 and RFP D17-002 (the "Protests") – Committee appointments and declaration forms; Cease and desist interference with Robert's Maui operations

Dear Mr. Raymond:

As you know, Robert's Hawaii School Bus, Inc. ("RHSB") has two pending protests in relation to the above procurements. This letter is being sent to highlight flaws in documents recently received by RHSB from the DOE, and also to alert your office to highly inappropriate behavior by Mr. Robert Joseph that took place yesterday at RHSB's Maui base yard.

I. Memoranda of Record and Declarations for Panel Members

On January 25, 2017, RHSB received an email from Kelsey Soma Turek, State of Hawaii Department of Education ("DOE") transmitting (i) Memoranda for Record related to the approval of appointments of James Kauhi, Pualani Foster, Robert Joseph, and Bruce Ellerman to serve on the evaluation committees for the above RFPs, and (ii) Declaration forms for those same individuals. See, Exhibit "A" (email and attached documents).

RHSB's protests both contained sections protesting on the basis that documentation regarding the evaluation committee was not in the file, and that no affidavit was signed. The Protests each contain the following:

Exhibit "G"

HAR § 3-122-45.01 requires certain procedures in relation to the evaluation committee:

Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. **A copy of the document identifying any committee members and any subsequent changes thereto *shall* be placed in the contract file**.

(1) The evaluation committee shall consist of at least three governmental employees with **sufficient qualifications in the area of the** goods, **services,** or construction **to be procured**;

(2) **Private consultants** may also serve on the committee and shall:
(A) Have sufficient knowledge to serve on the committee;
(B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
(C) **Sign an affidavit**:

(i) **Attesting to having no personal, business, or any other relationship** that will influence their decision in the evaluation process;
(ii) **Agreeing not to disclose** any information on the evaluation process to other than an employee of a governmental body; and
(iii) **Agreeing that their names will become public information** upon award of the contract;

(3) The contract administrator shall serve as a member of the committee;
(4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

HAR § 3-122-45.01 (emphasis added).

Robert's believes there were numerous violations of HAR § 3-122-45.01. First, there was no documentation as to the selection of the evaluation committee members placed in the file. The HAR uses "shall" in this context. Second, it is believed that Bruce Ellerman was a paid consultant while performing the evaluation, yet there is no prior authorization from the head of the purchasing agency. Finally, there is no signed affidavit from him.

> This issue is similar to the bias issues stated above in relation to the other committee members, and cannot be overlooked.

See, Protests at § III.G (emphasis in original). It is important to highlight the use of the phrase "*Prior* to the preparation of the request for proposals", and further that a copy of the document identifying any committee members "*shall* be placed in the contract file." Simply put, this was not done.

None of these documents are dated, with the exception of the Declaration of Bruce Ellerman, which is dated *October 12, 2016.* It is unclear how these Declarations (even assuming all were signed on October 12, 2016) could have been completed "*prior* to the preparation of the request for proposals" and "placed in the contract file" when the RFPs were issued on July 20, 2016, with a proposal deadline of October 5, 2016.

Further, assuming Bruce Ellerman was a paid consultant, it is unclear whether a determination in writing was made by the head of the DOE that the compensation was justified. In addition, Mr. Ellerman's Declaration makes no statement that he agreed to having his name become public information upon the award of the contract as required by subsection (2)(C)(iii).

Finally, the above statute requires private consultants like Mr. Ellerman to sign "an affidavit", not a Declaration. As you likely know, an affidavit must be witnessed by an official such as a notary public. Mr. Ellerman's statement is not notarized, and therefore does not constitute "an affidavit".

II. Highly Inappropriate Conduct by the DOE

On the morning of January 25, 2017, while Robert Joseph was at RHSB's Maui base yard, he approached two RHSB's employees and told them that Ground Transportation Incorporated ("GTI") would be taking over the contract for Maui. Mr. Joseph stated that RHSB's Protests had been denied. Mr. Joseph further stated that GTI has begun their recruiting process and that these employees should visit Oahu to see GTI's operations.

In a separate incident on January 24, 2017, Mr. Joseph approached another RHSB employee and stated that the contracts subject to the Protests have been awarded to GTI, and that the Protests would not change the outcome. Mr. Joseph then proceeded to tell the RHSB employee that he scored RHSB's Proposals low because RHSB "got sloppy and cheap" because it used the same proposal for each island. He further stated that this is why RHSB was also not awarded the Kauai contracts.

Obviously it is highly inappropriate for Mr. Joseph (as a State employee) to be acting on GTI's behalf in its recruiting efforts. RHSB considers this to be direct interference with contractual and business relations, which are separate grounds for legal action. It is also

inappropriate for Mr. Joseph to be discussing the scoring, Protests, or other related matters with RHSB employees. As such, Mr. Joseph should be reprimanded and ordered to cease and desist any such activity. Mr. Joseph should be immediately and indefinitely prohibited from entering RHSB's Maui base yard or otherwise interfering with its operations. Mr. Joseph's actions are particularly unacceptable given the DOE's disregard for the active Protests, which also highlight numerous conflicts of interest and bias.

In addition, Mr. Joseph's conduct indicates a lack of consistency with respect to how the DOE treats transitions between contracts (if a transition occurs). During prior transitions on Oahu, the DOE has asked that successful bidders not approach employees of competitors to recruit them, as that would interfere with the performance of existing contracts. Here, Mr. Joseph is actively doing just the opposite by spreading misinformation and encouraging RHSB employees to seek employment with GTI. This would be unacceptable if it were done by GTI, but is particularly egregious when done at the hands of a State DOE employee who was involved in the evaluation panel for the RFPs.

Regardless of the outcome of the Protests, RHSB is obligated to perform as to one of the Maui clusters going forward, and wishes to retain all of its drivers to that end. Mr. Joseph's actions are a direct interference with the existing and future contractual relations between RHSB and the DOE.

Finally, the fact Mr. Joseph is helping GTI in recruiting employees should be a clear indication that GTI is unqualified and unable to properly perform on any Maui contract awarded, which was also an issue raised numerous times in RHSB's Protests.

Swift and strict action must be taken to prevent any further interference by Mr. Joseph. The DOE and your office should ensure that he takes no further action on behalf of GTI, a State contractor and competitor to RHSB.

Very truly yours,

JONATHAN S. MOORE
CHARLES D. HUNTER
for
KOBAYASHI, SUGITA & GODA

Enclosures: Exhibit "A"

From: Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us
[mailto:Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us]
Sent: Wednesday, January 25, 2017 1:55 PM
To: Aaron Kimura
Cc: Christian Butt/AUX/HIDOE@notes.k12.hi.us; James Kauhi/FACILITIES/HIDOE@notes.k12.hi.us
Subject: Committee appointments and declaration forms for RFP D17-001 and -002

Hi Aaron,

In the rush to produce the documents requested for RFP D17-001 and RFP D17-002, these documents were overlooked. We apologize for the inconvenience. Please find attached the committee appointments and declaration forms for RFP D17-001 and RFP D17-002.

(See attached file: Committee Appointments RFP D17-001 and -002.pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Bruce Ellerman).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (James Kauhi).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Pualani Foster).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Robert Joseph).pdf)

Thank you,

Kelsey Soma Turek
State of Hawaii Department of Education
Office of School Facilities and Support Services
Auxiliary Services Branch; Project Control Section
3633 Waialae Ave Bldg E
Honolulu HI 96816
Phone (direct): (808) 784-5022
Fax: (808) 733-2102

NOTE: EFFECTIVE MARCH 2, 2015, DOE PROJECT CONTROL SECTION IS NOW LOCATED AT THE QUEEN LILIUOKALANI ELEMENTARY SCHOOL (QLES) IN KAIMUKI. [DRIVEWAY ENTRANCE IS ON KOKO HEAD AVE]

Confidentiality Notice: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and/or privileged information. Any review, use, disclosure, or distribution by unintended recipients is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

BE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

BR
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce E Ellerman
Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

From:	Lana DeCambra
To:	"James.E.Raymond@hawaii.gov"
Cc:	Jonathan S. Moore; Charles D. Hunter
Subject:	Letter from Jonathan Moore and Charles Hunter
Date:	Friday, January 27, 2017 2:26:24 PM
Attachments:	Roberts Hi School Bus Letter to Raymond dated Jan 27 2017.PDF FW Committee appointments and declaration forms for RFP D17-001 and -002.msg

Dear Mr. Raymond,

Please see attached letter from Mr. Jonathan S. Moore, Esq. and Mr. Charles D. Hunter Esq. dated January 27, 2017.

Also enclosed is Exhibit "A" (email and attached documents).

Thank you.

Lana DeCambra | Legal Assistant
KOBAYASHI, SUGITA & GODA LLP
999 Bishop Street, Suite 2600, Honolulu, HI 96813 | Tel: 808-535-5700 | Fax: 808-535-5799 |
www.ksglaw.com | LND@ksglaw.com

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DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI'I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

January 11, 2017

TO: Kathryn S. Matayoshi, Superintendent

THROUGH: Dann Carlson, Assistant Superintendent
Office of School Facilities And Support Services

FROM: James Kauhi, Branch Manager
Student Transportation Services Branch

SUBJECT: **Determination of Substantial State Interest in Contracting Activity Relating to Request for Proposals RFP D17-001 and RFP D17-002 for School Bus Services on the Islands of Maui and Kauai**

Your approval is requested for a Determination of Substantial State Interest in continuing solicitation and contracting activity relating to the Subject Projects.

Background

In an effort to address concerns of spiraling cost escalation and in response to recommendations from an August 2012 report by the State Office of the Auditor, and a November 2012 report by Management Partnership Services, Inc. ("MPS"), an independent consultant of the Department of Education ("DOE"), the DOE has undertaken an overhaul of the contracting process for bus service. Requests for Proposals were issued for Bus services on Oahu and the Big Island in previous years, and were recently issued for Maui and Kauai.

In July 2016, the Student Transportation Services Branch (STSB) released the final round of Requests for Proposals to support the transportation reform effort that started in July 2013. The final two islands to be incorporated into the reform process were the islands of Maui and Kauai. RFP D17-001 for Maui and RFP D17-002 for Kauai were issued on July 20, 2016. On November 1, 2016 Notices of Award were first provided to vendors with Cluster 1 awarded to Robert's Hawaii School Bus, Inc. (RHSB) and Clusters 2 through 4 awarded to Ground Transport, Inc. (GTI) for Maui, and Cluster 1 to Yamaguchi Bus Service, Inc. (YBS) and Clusters 2 and 3 to Akita

Exhibit "H"

Enterprises, Ltd. (AEL) for Kauai. Following a debriefing meeting with RHSB on November 16, 2016, notices were distributed to all participating vendors rescinding the initial award in order to allow for a rescoring of the responses. On November 30, 2016 the evaluation committee met to rescore the responses and on December 5, 2016 updated Notices of Award were distributed to the vendors. While there were small adjustments to the individual scores, the awards as previously discussed remained unchanged.

In a letter dated December 23, 2016, RHSB mailed the DOE two formal protests objecting to the award of the solicitations for Maui and Kauai. These protests were received by the DOE on December 27, 2016. RHSB alleges in both its protests that the DOE failed to follow the criteria set forth in the RFP for scoring and that the evaluators were both unqualified and several were biased.

All contracting and procurement activity was suspended pending the resolution of the protest as required by Hawaii Revised Statutes ("HRS") §103D-701(f) which states:

> (f) In the event of a timely protest under subsection (a), no further action shall be taken on the solicitation or the award of the contract ***until the chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the State***. (emphasis added)

Additionally, Hawaii Administrative Rules ("HAR") §3-126-5, in relevant part states:

> .....no further action shall be taken until the protest has been settled, ***unless the chief procurement officer makes a written determination, after consulting with the head of the purchasing agency, that the award of the contract is necessary to protect the interests of the State.*** (emphasis added)

Substantial Interests of the State

For the following reasons, the Student Transportation Services Branch requests that the Chief Procurement Officer approve this determination that further contracting activity must be undertaken as soon as possible, but no later than January 11, 2017 to protect the substantial interests of the State.

1. The DOE has a mandate to provide compulsory education for students in grades Kindergarten through 12th grade. See Article X of the Hawaii State Constitution. Within this mandate is the authority to transport students safely to and from school. See HRS §302A-406. The resulting contracts from this current solicitation will provide bus service to approximately 10,000 students commencing on the first day of school, which is August 7, 2017. See DOE Official Calendar. If the services to be provided through this solicitation cannot be delivered on August 7, 2017, these students will be without subsidized transportation. Without subsidized transportation, some students will have no other method

to get to school and thus, are less likely to attend school. For those students who are fortunate enough to be able to arrange alternate transportation, attending school will come at other costs that will likely include disruption in their caretakers' arrangements resulting in missed work and other various social and economic impacts such as an increase in the number of cars on the road during rush hour traffic. In addition, some students may resort to walking or taking public transportation which may expose them to a number of other safety concerns. The forgoing adverse impacts will only be compounded for each day transportation services are not provided.

2. In order to have transportation available beginning August 7, 2017, several critical milestones must be accomplished in sequence in order for the vehicles and the supporting infrastructure to be in place for the start of school. The critical events are set forth in reverse chronological order:

   a) Acquisition of fleet assets: GTI indicated they must order buses no later than January 13, 2017 to have them available for the start of the contract as indicated by their letter dated December 14, 2016. AEL indicated they must order buses by January 15, 2017 as stated in their letter dated December 13, 2016. YBS indicated they must order buses no later than January 12, 2017 as indicated in their letter dated December 12, 2016. This contemplates 90 to 120 days for the manufacturer to fill the order, and then allow for the logistical challenge of shipping them to Hawaii. Shippers typically have to book space on transport vessels months prior to the actual shipping event. See State Auditor's Report Aug. 2012, pg. 27. RHSB is the existing vendor on Maui and currently possesses an excess of equipment required to perform the contract on that island for Cluster 1 and does not face the challenge of ordering new equipment. As awarded, RHSB is not scheduled to perform work on Kauai.

   b) Dry runs for all bus routes: This must occur within 10 calendar days of the start of the contract (start of school) which places the latest date for this to occur as July 24, 2017. See RFP Contract Service Specifications 2(f)(i). The purpose of the dry runs is to ensure the planned routes are feasible and allow sufficient time to adjust routes to ensure they run smoothly on the first day of school.

   c) DOE start up meetings with vendors: This must occur prior to the dry runs and must occur no later than the week following the July 4th, 2017 holiday break as we have done over the last two startups for the contracts using the new RFP methodology. The purpose of the meeting is to make all vendors aware of the statutory, regulatory, and procedural requirements for the provision of transportation to Hawaii's students. Vendors must be made aware of these requirements prior to the dry runs to ensure actual simulated conditions during the dry runs in order for the DOE to evaluate and monitor compliance, and make any necessary corrections or adjustments prior to actual transportation of students.

d) Vendor recruitment of drivers, bus aides, and other personnel: Based on previous experience on other islands and the experiences of DOE's transportation management firm, this process will take approximately 3 months and must begin no later than May 1, 2017. The time for this process is further impacted by the requirement to obtain fingerprinting and background checks which often adds delays to this process. This is particularly important for services on the island of Maui where the winning vendor will be required to stand up a new operation supporting 63 percent of all operations without existing facilities on the island.

e) Land/base of operations acquisition: It is estimated that this process will require six months resulting in the date the acquisition activity must begin is on or about January 13, 2017, at the latest. As mentioned, GTI who will be serving the largest portion of operations on Maui will be required to standup a completely new operation. Additionally, the structure of this RFP again disrupts the traditional geography served by current vendors. Consequently, the need for new facilities will impact both current and new vendors. As it is across nearly all islands, commercial land is at a premium on the island of Maui, which will necessitate an extensive search and negotiation process in order to ensure that vendors are able to find and secure the facilities required to provide the transportation services. The DOE's transportation management vendor estimates that this six months is an aggressive but feasible timeline. This estimate was confirmed when the three winning vendors (except for RHSB) were polled to determine what is the latest date of award that would allow them to timely perform the contracts – they all indicated that notice of award would be required by approximately January 13, 2016. RHSB has indicated in its two protests that it believes that, as of Dec. 23, 2016, there was still time to re-solicit the bids, so it was not polled and deemed able to perform if notified along with other winning bidders.

f) Given the chain of events that must occur prior to providing service on the first day of school, the final notice of award must be provided no later than January 13, 2017.

3. There will be a significant economic impact if the 113 affected buses on Maui and the 65 buses on Kauai (RFP D17-001 and D17-002 Attachment B) are not operating for the start of school. The 178 bus driver positions will not be contributing to the local economy, as well as the trickle-down effect of the business generated by this service.
4. Further delay will impact the ability of the State to realize the pricing and operational efficiencies provided for in the RFPs. Total costs are expected to be reduced by approximately $750,000 annually for these two islands or approximately $5.3 million over the seven year term of the contracts. However, these savings will not be realized and service quality would likely be jeopardized if the necessary timelines are not provided for.

Should you have any questions, please contact James Kauhi, Student Transportation Services Branch Administrator, at 586-0170.

☑ APPROVED ☐ DISAPPROVED

FOR KATHRYN S. MATAYOSHI
SUPERINTENDENT

JAN 1 1 2017
DATE

From: Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us
[mailto:Kelsey Soma Turek/AUX/HIDOE@notes.k12.hi.us]
Sent: Wednesday, January 25, 2017 1:55 PM
To: Aaron Kimura
Cc: Christian Butt/AUX/HIDOE@notes.k12.hi.us; James Kauhi/FACILITIES/HIDOE@notes.k12.hi.us
Subject: Committee appointments and declaration forms for RFP D17-001 and -002

Hi Aaron,

In the rush to produce the documents requested for RFP D17-001 and RFP D17-002, these documents were overlooked. We apologize for the inconvenience. Please find attached the committee appointments and declaration forms for RFP D17-001 and RFP D17-002.

(See attached file: Committee Appointments RFP D17-001 and -002.pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Bruce Ellerman).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (James Kauhi).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Pualani Foster).pdf)(See attached file: Declaration Forms RFP D17-001 and -002 (Robert Joseph).pdf)

Thank you,

Kelsey Soma Turek
State of Hawaii Department of Education
Office of School Facilities and Support Services
Auxiliary Services Branch; Project Control Section
3633 Waialae Ave Bldg E
Honolulu HI 96816
Phone (direct): (808) 784-5022
Fax: (808) 733-2102

NOTE: EFFECTIVE MARCH 2, 2015, DOE PROJECT CONTROL SECTION IS NOW LOCATED AT THE QUEEN LILIUOKALANI ELEMENTARY SCHOOL (QLES) IN KAIMUKI. [DRIVEWAY ENTRANCE IS ON KOKO HEAD AVE]

Confidentiality Notice: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and/or privileged information. Any review, use, disclosure, or distribution by unintended recipients is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

Exhibit "I"

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

BE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

BE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce E Ellerman
Signature

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

OFFICE OF ADMINISTRATIVE HEARINGS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

In the Matter of ROBERT'S HAWAII SCHOOL BUS, INC., Petitioner, vs. KATHRYN S. MATAYOSHI in her capacity as SUPERINTENDENT / CHIEF PROCUREMENT OFFICER, STATE OF HAWAII DEPARTMENT OF EDUCATION; Respondent.	) Docket No. _____) CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Appeal was served on the above-identified party at their respective address by ***hand delivery*** on MAR 03 2017.

JAMES E. RAYMOND, ESQ.
Deputy Attorney General
State of Hawaii, Department of Attorney General
Education Division
Leiopapa A Kamehameha Bldg.
235 South Beretania Street, Room 304
Honolulu, Hawai'i 96813

Attorney for Respondent
KATHRYN S. MATAYOSHI in her capacity as
SUPERINTENDENT / CHIEF PROCUREMENT OFFICER,
STATE OF HAWAII
DEPARTMENT OF EDUCATION

DATED: Honolulu, Hawai'i, MAR 03 2017.

JONATHAN S. MOORE
CHARLES D. HUNTER
Attorneys for Petitioner-Appellant
ROBERT'S HAWAII SCHOOL BUS, INC.

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor

CATHERINE P. AWAKUNI COLÓN
Director

JO ANN M. UCHIDA TAKEUCHI
Deputy Director

OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
MEDICAL INQUIRY AND CONCILIATION PANEL
DESIGN CLAIMS CONCILIATION PANELS
STATE OF HAWAI`I

CRAIG H. UYEHARA
Senior Hearings Officer

RICHARD A. YOUNG
ROWENA A. SOMERVILLE
Administrative Hearings Officers

FAX TRANSMITTAL

March 14, 2017

To: Craig K. Shikuma, Esq.
Charles D. Hunter, Esq.

Fax Number: 535-5799

To: Gary S. Suganuma, Esq.
Anne T. Horiuchi, Esq.

Fax Number: 586-1488

To: Arsima A. Muller, Esq.

Fax Number: 523-0842

From: Carlie, Legal Clerk

Telephone: 586-2828

Fax Number: 586-3097

Number of Pages (including cover): 3

Comments: **PDH-2017-001 and PDH-2017-002**

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor

CATHERINE P. AWAKUNI COLÓN
Director

JO ANN M. UCHIDA TAKEUCHI
Deputy Director

OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
MEDICAL INQUIRY AND CONCILIATION PANEL
DESIGN CLAIMS CONCILIATION PANEL
STATE OF HAWAI'I

CRAIG H. UYEHARA
Senior Hearings Officer

RICHARD A. YOUNG
ROWENA A. SOMERVILLE
Administrative Hearings Officers

March 14, 2017

(Via Facsimile)
Craig K. Shikuma, Esq.
Charles D. Hunter, Esq.
999 Bishop Street, Suite 2600
Honolulu, HI 96813

(Via Facsimile)
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Anne T. Horiuchi, Esq.
235 So. Beretania Street, Room 304
Honolulu, HI 96813

(Via Facsimile)
Arsima Muller, Esq.
1001 Bishop Street, Suite 2100
Honolulu, HI 96813

Re: PDH-2017-001 and PDH-2017-002 (Consolidated)

Dear Counsel:

Upon due consideration, my ruling on the motions heard this morning is as follows:

1. Petitioner's motions for partial summary judgment are denied; and

2. Respondent's motion with respect to Petitioner's challenge of Respondent's substantial interest determination as a separate claim is granted. Notwithstanding that, the circumstances of the determination may be presented to show bias subject, of course, to the objections of counsel. Respondent's motion is denied in all other respects.

The hearing will commence as previously scheduled on Wednesday, March 15, 2017 at 9:00 a.m.

Very truly yours,

CRAIG H. UYEHARA
Senior Hearings Officer

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

January 11, 2017

TO: Kathryn S. Matayoshi, Superintendent

THROUGH: Dann Carlson, Assistant Superintendent
Office of School Facilities And Support Services

FROM: James Kauhi, Branch Manager
Student Transportation Services Branch

SUBJECT: **Determination of Substantial State Interest in Contracting Activity Relating to Request for Proposals RFP D17-001 and RFP D17-002 for School Bus Services on the Islands of Maui and Kauai**

Your approval is requested for a Determination of Substantial State Interest in continuing solicitation and contracting activity relating to the Subject Projects.

Background

In an effort to address concerns of spiraling cost escalation and in response to recommendations from an August 2012 report by the State Office of the Auditor, and a November 2012 report by Management Partnership Services, Inc. ("MPS"), an independent consultant of the Department of Education ("DOE"), the DOE has undertaken an overhaul of the contracting process for bus service. Requests for Proposals were issued for Bus services on Oahu and the Big Island in previous years, and were recently issued for Maui and Kauai.

In July 2016, the Student Transportation Services Branch (STSB) released the final round of Requests for Proposals to support the transportation reform effort that started in July 2013. The final two islands to be incorporated into the reform process were the islands of Maui and Kauai. RFP D17-001 for Maui and RFP D17-002 for Kauai were issued on July 20, 2016. On November 1, 2016 Notices of Award were first provided to vendors with Cluster 1 awarded to Robert's Hawaii School Bus, Inc. (RHSB) and Clusters 2 through 4 awarded to Ground Transport, Inc. (GTI) for Maui, and Cluster 1 to Yamaguchi Bus Service, Inc. (YBS) and Clusters 2 and 3 to Akita

Enterprises, Ltd. (AEL) for Kauai. Following a debriefing meeting with RHSB on November 16, 2016, notices were distributed to all participating vendors rescinding the initial award in order to allow for a rescoring of the responses. On November 30, 2016 the evaluation committee met to rescore the responses and on December 5, 2016 updated Notices of Award were distributed to the vendors. While there were small adjustments to the individual scores, the awards as previously discussed remained unchanged.

In a letter dated December 23, 2016, RHSB mailed the DOE two formal protests objecting to the award of the solicitations for Maui and Kauai. These protests were received by the DOE on December 27, 2016. RHSB alleges in both its protests that the DOE failed to follow the criteria set forth in the RFP for scoring and that the evaluators were both unqualified and several were biased.

All contracting and procurement activity was suspended pending the resolution of the protest as required by Hawaii Revised Statutes ("HRS") §103D-701(f) which states:

> (f) In the event of a timely protest under subsection (a), no further action shall be taken on the solicitation or the award of the contract ***until the chief procurement officer makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the State***. (emphasis added)

Additionally, Hawaii Administrative Rules ("HAR") §3-126-5, in relevant part states:

> .....no further action shall be taken until the protest has been settled, ***unless the chief procurement officer makes a written determination, after consulting with the head of the purchasing agency, that the award of the contract is necessary to protect the interests of the State***. (emphasis added)

Substantial Interests of the State

For the following reasons, the Student Transportation Services Branch requests that the Chief Procurement Officer approve this determination that further contracting activity must be undertaken as soon as possible, but no later than January 11, 2017 to protect the substantial interests of the State.

1. The DOE has a mandate to provide compulsory education for students in grades Kindergarten through 12th grade. See Article X of the Hawaii State Constitution. Within this mandate is the authority to transport students safely to and from school. See HRS §302A-406. The resulting contracts from this current solicitation will provide bus service to approximately 10,000 students commencing on the first day of school, which is August 7, 2017. See DOE Official Calendar. If the services to be provided through this solicitation cannot be delivered on August 7, 2017, these students will be without subsidized transportation. Without subsidized transportation, some students will have no other method

to get to school and thus, are less likely to attend school. For those students who are fortunate enough to be able to arrange alternate transportation, attending school will come at other costs that will likely include disruption in their caretakers' arrangements resulting in missed work and other various social and economic impacts such as an increase in the number of cars on the road during rush hour traffic. In addition, some students may resort to walking or taking public transportation which may expose them to a number of other safety concerns. The forgoing adverse impacts will only be compounded for each day transportation services are not provided.

2. In order to have transportation available beginning August 7, 2017, several critical milestones must be accomplished in sequence in order for the vehicles and the supporting infrastructure to be in place for the start of school. The critical events are set forth in reverse chronological order:

   a) Acquisition of fleet assets: GTI indicated they must order buses no later than January 13, 2017 to have them available for the start of the contract as indicated by their letter dated December 14, 2016. AEL indicated they must order buses by January 15, 2017 as stated in their letter dated December 13, 2016. YBS indicated they must order buses no later than January 12, 2017 as indicated in their letter dated December 12, 2016. This contemplates 90 to 120 days for the manufacturer to fill the order, and then allow for the logistical challenge of shipping them to Hawaii. Shippers typically have to book space on transport vessels months prior to the actual shipping event. See State Auditor's Report Aug. 2012, pg. 27. RHSB is the existing vendor on Maui and currently possesses an excess of equipment required to perform the contract on that island for Cluster 1 and does not face the challenge of ordering new equipment. As awarded, RHSB is not scheduled to perform work on Kauai.

   b) Dry runs for all bus routes: This must occur within 10 calendar days of the start of the contract (start of school) which places the latest date for this to occur as July 24, 2017. See RFP Contract Service Specifications 2(f)(i). The purpose of the dry runs is to ensure the planned routes are feasible and allow sufficient time to adjust routes to ensure they run smoothly on the first day of school.

   c) DOE start up meetings with vendors: This must occur prior to the dry runs and must occur no later than the week following the July 4th, 2017 holiday break as we have done over the last two startups for the contracts using the new RFP methodology. The purpose of the meeting is to make all vendors aware of the statutory, regulatory, and procedural requirements for the provision of transportation to Hawaii's students. Vendors must be made aware of these requirements prior to the dry runs to ensure actual simulated conditions during the dry runs in order for the DOE to evaluate and monitor compliance, and make any necessary corrections or adjustments prior to actual transportation of students.

d) Vendor recruitment of drivers, bus aides, and other personnel: Based on previous experience on other islands and the experiences of DOE's transportation management firm, this process will take approximately 3 months and must begin no later than May 1, 2017. The time for this process is further impacted by the requirement to obtain fingerprinting and background checks which often adds delays to this process. This is particularly important for services on the island of Maui where the winning vendor will be required to stand up a new operation supporting 63 percent of all operations without existing facilities on the island.

e) Land/base of operations acquisition: It is estimated that this process will require six months resulting in the date the acquisition activity must begin is on or about January 13, 2017, at the latest. As mentioned, GTI who will be serving the largest portion of operations on Maui will be required to standup a completely new operation. Additionally, the structure of this RFP again disrupts the traditional geography served by current vendors. Consequently, the need for new facilities will impact both current and new vendors. As it is across nearly all islands, commercial land is at a premium on the island of Maui, which will necessitate an extensive search and negotiation process in order to ensure that vendors are able to find and secure the facilities required to provide the transportation services. The DOE's transportation management vendor estimates that this six months is an aggressive but feasible timeline. This estimate was confirmed when the three winning vendors (except for RHSB) were polled to determine what is the latest date of award that would allow them to timely perform the contracts – they all indicated that notice of award would be required by approximately January 13, 2016. RHSB has indicated in its two protests that it believes that, as of Dec. 23, 2016, there was still time to re-solicit the bids, so it was not polled and deemed able to perform if notified along with other winning bidders.

f) Given the chain of events that must occur prior to providing service on the first day of school, the final notice of award must be provided no later than January 13, 2017.

3. There will be a significant economic impact if the 113 affected buses on Maui and the 65 buses on Kauai (RFP D17-001 and D17-002 Attachment B) are not operating for the start of school. The 178 bus driver positions will not be contributing to the local economy, as well as the trickle-down effect of the business generated by this service.
4. Further delay will impact the ability of the State to realize the pricing and operational efficiencies provided for in the RFPs. Total costs are expected to be reduced by approximately $750,000 annually for these two islands or approximately $5.3 million over the seven year term of the contracts. However, these savings will not be realized and service quality would likely be jeopardized if the necessary timelines are not provided for.

Should you have any questions, please contact James Kauhi, Student Transportation Services Branch Administrator, at 586-0170.

☑ APPROVED ☐ DISAPPROVED

FOR KATHRYN S. MATAYOSHI
SUPERINTENDENT

JAN 1 1 2017
DATE

State of Hawaii – Department of Education

2016-2017 OFFICIAL SCHOOL CALENDAR

Teachers' Work Year - 1st Semester: July 26, 2016 - January 6, 2017; 2nd Semester: January 9, 2017 - May 30, 2017

Students' Work Year - 1st Semester: August 1, 2016 - December 21, 2016; 2nd Semester: January 9, 2017 - May 26, 2017

Week	Student Days	Teacher Days		Su	M	T	W	Th	F	Sa	
	0	0	*July 2016*	17	18	19	20	21	22	23	**1st SEMESTER - 92 Student Days (Ends December 21)**
1	0	4		24	25	26	27	28	29	30	July 26 Teachers' First Day
2	5	9		31	1	2	3	4	5	6	July 26 - July 29: Teacher Work Days (no students)
3	10	14	*August*	7	8	9	10	11	12	13	August 1: Students' First Day
4	14	18		14	15	16	17	18	19	20	August 19: Statehood Day
5	19	23		21	22	23	24	25	26	27	
6	24	28		28	29	30	31	1	2	3	
7	28	32	*September*	4	5	6	7	8	9	10	September 5: Labor Day
8	33	37		11	12	13	14	15	16	17	
9	38	42		18	19	20	21	22	23	24	
10	43	47		25	26	27	28	29	30	1	
11	48	52	*October*	2	3	4	5	6	7	8	
12				9	10	11	12	13	14	15	October 10-14: Fall Break***
13	53	57		16	17	18	19	20	21	22	
14	58	62		23	24	25	26	27	28	29	
15	63	67		30	31	1	2	3	4	5	
16	68	70	*November*	6	7	8	9	10	11	12	November 8: Election Day
17	71	75		13	14	15	16	17	18	19	November 11: Veterans' Day
18	74	78		20	21	22	23	24	25	26	November 24: Thanksgiving
19	79	83		27	28	29	30	1	2	3	November 25: School Holiday
20	84	88	*December*	4	5	6	7	8	9	10	
21	89	92		11	12	13	14	15	16	17	December 22: 12-month Teachers' Workday
22	92	95		18	19	20	21	22	23	24	December 22 - Jan 6: Winter Break***
23				25	26	27	28	29	30	31	December 26: Christmas Observed
24		97	*January 2017*	1	2	3	4	5	6	7	January 2: New Year's Day Observed
25	97	102		8	9	10	11	12	13	14	January 6: Teachers' Workday (no students)*
26	101	106		15	16	17	18	19	20	21	**2nd SEMESTER - 90 Student Days (Ends May 26)**
27	106	111		22	23	24	25	26	27	28	January 16: Dr. Martin Luther King, Jr. Day
28	111	116		29	30	31	1	2	3	4	
29	116	121	*February*	5	6	7	8	9	10	11	*February 13-17: Institute Day (One day with no students*
30	120	126		12	*13*	*14*	*15*	*16*	*17*	18	*during week. Date for each island TBD)*
31	124	130		19	20	21	22	23	24	25	February 20: Presidents' Day
32	129	135		26	27	28	1	2	3	4	
33	134	140	*March*	5	6	7	8	9	10	11	
34	139	145		12	13	14	15	16	17	18	
35				19	20	21	22	23	24	25	March 20-24: Spring Break***
36	141	149		26	27	28	29	30	31	1	March 27: Prince Kuhio Day
37	148	154	*April*	2	3	4	5	6	7	8	
38	152	158		9	10	11	12	13	14	15	April 14: Good Friday
39	157	163		16	17	18	19	20	21	22	
40	162	168		23	24	25	26	27	28	29	
41	167	173		30	1	2	3	4	5	6	
42	172	178	*May*	7	8	9	10	11	12	13	
43	177	183		14	15	16	17	18	19	20	
44	182	188		21	22	23	24	25	26	27	May 26: Last Day for Students and Second Semester Ends**
		189		28	29	30	31	1	2	3	May 29: Memorial Day
	180*	190**	*June*	4	5	6	7	8	9	10	May 30: Last Day for Teachers
	180	190									

Q1 48 days Ends October 7

Q2 44 days Ends Dec. 21

Q3 47 days Ends March 17

Q4 43 days Ends May 26

Approved October 20, 2015; Amended on October 21, 2015

*2 instructional days shall be converted to a non-student day for school planning and collaboration

**The employer may assign up to 6 additional hours, in half hour blocks (an "equivalent day") for training and meetings beyond the teacher's regular work day.

OFFICIAL STATE HOLIDAYS: 2016-2017 SCHOOL YEAR

Statehood Day:	August 19, 2016	New Year's Day (observed)	January 2, 2017
Labor Day:	September 5, 2016	Dr. Martin Luther King Jr. Day:	January 16, 2017
Election Day:	November 8, 2016	Presidents' Day:	February 20, 2017
Veterans' Day:	November 11, 2016	Prince Jonah Kuhio Kalanianaole Day:	March 27, 2017
Thanksgiving Day:	November 24, 2016	Good Friday:	April 14, 2017
Christmas Day (observed):	December 26, 2016	Memorial Day:	May 29, 2017

* January 6: Teacher work day between semesters ** Commencement exercises: No sooner than May 19, 2017

*** For 10-month teachers - Intersession: Oct. 10-14; December 22; Recesses: Dec. 23-Jan. 5 & March 20-24
Educational Officer & Teacher Institute Days Feb. 13-17 (one day per island)

State of Hawaii – Department of Education

2017-2018 OFFICIAL SCHOOL CALENDAR

Teachers' Work Year - 1st Semester: August 1, 2017 - January 5, 2018; 2nd Semester: January 8, 2018 - June 1, 2018

Students' Work Year - 1st Semester: August 7, 2017 - December 21, 2017; 2nd Semester: January 8, 2018 - May 31, 2018

Week	Student Days	Teacher Days		Su	M	T	W	Th	F	Sa	
	0	0	*July 2017*	23	24	25	26	27	28	29	**1st SEMESTER - 89 Student Days (Ends December 22)**
1	0	0		30	31	1	2	3	4	5	August 1: Teachers' First Day
2	5	8	*August*	6	7	8	9	10	11	12	August 1-4: Teacher Work Days (no students)
3	9	13		13	14	15	16	17	18	19	August 7: Students' First Day
4	14	18		20	21	22	23	24	25	26	August 18: Statehood Day
5	19	23		27	28	29	30	31	1	2	
6	23	27	*September*	3	4	5	6	7	8	9	September 4 - Labor Day
7	28	32		10	11	12	13	14	15	16	
8	33	37		17	18	19	20	21	22	23	
9	38	42		24	25	26	27	28	29	30	
10	43	47	*October*	1	2	3	4	5	6	7	
11				8	9	10	11	12	13	14	October 9-13: Fall Break***
12	48	52		15	16	17	18	19	20	21	
13	53	57		22	23	24	25	26	27	28	
14	58	62		29	30	31	1	2	3	4	
15	62	66	*November*	5	6	7	8	9	10	11	November 10: Veterans' Day
16	67	71		12	13	14	15	16	17	18	
17	70	74		19	20	21	22	23	24	25	November 23: Thanksgiving
18	75	79		26	27	28	29	30	1	2	November 24: School Holiday
19	80	84	*December*	3	4	5	6	7	8	9	
20	85	89		10	11	12	13	14	15	16	December 22-January 5: Winter Break***
21	89	93		17	18	19	20	21	22	23	December 25: Christmas
22				24	25	26	27	28	29	30	**2nd SEMESTER - 93 Student Days (Ends May 31)**
23		91		31	1	2	3	4	5	6	January 1: New Year's Day
24	94	99	*January 2018*	7	8	9	10	11	12	13	January 5: Teacher Workday (no students)*
25	98	104		14	15	16	17	18	19	20	January 15: Dr. Martin Luther King Jr Day
26	103	109		21	22	23	24	25	26	27	
27	108	114		28	29	30	31	1	2	3	
28	113	118	*February*	4	5	6	7	8	9	10	*February 12-16: Institute Day (One day with no students*
29	117	123		11	12	13	14	15	16	17	*during week. Date for each island TBD.)*
30	122	127		18	19	20	21	22	23	24	February 19: Presidents' Day
31	126	132		25	26	27	28	1	2	3	
32	131	137	*March*	4	5	6	7	8	9	10	
33	136	142		11	12	13	14	15	16	17	
34				18	19	20	21	22	23	24	March 19-23: Spring Break***
35	139	145		25	26	27	28	29	30	31	March 26: Kuhio Day
36	144	150	*April*	1	2	3	4	5	6	7	March 30: Good Friday
37	149	155		8	9	10	11	12	13	14	
38	153	160		15	16	17	18	19	20	21	
39	159	165		22	23	24	25	26	27	28	
40	162	170		29	30	1	2	3	4	5	
41	169	175	*May*	6	7	8	9	10	11	12	
42	174	180		13	14	15	16	17	18	19	
43	179	185		20	21	22	23	24	25	26	May 28: Memorial Day
44	182	189		27	28	29	30	31	1	2	May 31: Last Day for Students and Second Semester Ends**
	180	180	*June*	3	4	5	6	7	8	9	June 1: Last Day for Teachers
	180	180									

Q1 43 days Ends October 6

Q2 46 days Ends Dec. 21

Q3 47 days Ends March 16

Q4 46 days Ends May 31

Approved October 20, 2015; Amended on October 21, 2015
Contingent on legislation, funding and collective bargaining agreements

*2 instructional days shall be converted to a non-student day for school planning and collaboration

**The employer may assign up to 6 additional hours, in half hour blocks (an "equivalent day") for training and meetings beyond the teacher's regular work day.

OFFICIAL STATE HOLIDAYS: 2017-2018 SCHOOL YEAR

Statehood Day:	August 18, 2017	New Year's Day:	January 1, 2018
Labor Day:	September 4, 2017	Dr. Martin Luther King Jr. Day:	January 15, 2018
Veterans' Day (observed):	November 10, 2017	Presidents' Day:	February 19, 2018
Thanksgiving Day:	November 23, 2017	Prince Jonah Kuhio Kalanianaole Day:	March 26, 2018
Christmas Day	December 25, 2017	Good Friday:	March 30, 2018
		Memorial Day:	May 28, 2018

* January 5 Teacher work day between semesters ** Commencement exercises: No sooner than May 25, 2018
*** For 10-month teachers - Intersession: Oct. 9-13; Recesses: Dec. 22-Jan. 4 & March 19-23
Educational Officer & Teacher Institute Days Feb. 12-16 (one day per island)

Attachment A

State of Hawaii – Department of Education
2017-2018 OFFICIAL SCHOOL CALENDAR

Teachers' Work Year - 1st Semester: August 1, 2017 - January 5, 2018; 2nd Semester: January 8, 2018 - June 1, 2018
Students' Work Year - 1st Semester: August 7, 2017 - December 21, 2017; 2nd Semester: January 8, 2018 - May 31, 2018

Week	Student Days	Teacher Days		Su	M	T	W	Th	F	Sa	
	0	0	***July 2017***	23	24	25	26	27	28	29	**1st SEMESTER - 89 Student Days (Ends December 21)**
1	0	4		30	31	1	2	3	4	5	August 1: Teachers' First Day
2	5	9	***August***	6	7	8	9	10	11	12	August 1-4: Teacher Work Days (no students)
3	9	13		13	14	15	16	17	**18**	19	August 7: Students' First Day
4	14	18		20	21	22	23	24	25	26	August 18: Statehood Day
5	19	23		27	28	29	30	31	1	2	
6	23	27	***September***	3	**4**	5	6	7	8	9	September 4: Labor Day
7	28	32		10	11	12	13	14	15	16	
8	33	37		17	18	19	20	21	22	23	
9	38	42		24	25	26	27	28	29	30	
10	43	47	***October***	1	2	3	4	5	6	7	
11				8	9	10	11	12	13	14	October 9-13: Fall Break***
12	48	52		15	16	17	18	19	20	21	
13	53	57		22	23	24	25	26	27	28	
14	58	62		29	30	31	1	2	3	4	
15	62	66	***November***	5	6	7	8	9	**10**	11	November 10: Veterans Day (obs.)
16	67	71		12	13	14	15	16	17	18	
17	70	74		19	20	21	22	**23**	**24**	25	November 23: Thanksgiving
18	75	79		26	27	28	29	30	1	2	November 24: School Holiday
19	80	84	***December***	3	4	5	6	7	8	9	
20	85	89		10	11	12	13	14	15	16	December 22-January 4: Winter Break***
21	89	93		17	18	19	20	21	22	23	December 25: Christmas
22				24	**25**	26	27	28	29	30	**2nd SEMESTER - 93 Student Days (Ends May 31)**
23		94		31	***1***	2	3	4	5	6	January 1: New Year's Day
24	94	99	***January 2018***	7	8	9	10	11	12	13	January 5: Teacher Workday (no students)*
25	98	103		14	**15**	16	17	18	19	20	January 15: Dr. Martin Luther King Jr. Day
26	103	108		21	22	23	24	25	26	27	
27	108	113		28	29	30	31	1	2	3	*February 12-16: Institute Day (One day*
28	113	118	***February***	4	5	6	7	8	9	10	*with no students during the week.*
29	117	123		11	*12*	*13*	*14*	*15*	*16*	17	*Date for each island TBD.)*
30	121	127		18	**19**	20	21	22	23	24	February 19: Presidents' Day
31	126	132		25	26	27	28	1	2	3	
32	131	137	***March***	4	5	6	7	8	9	10	
33	136	142		11	12	13	14	15	16	17	
34				18	19	20	21	22	23	24	March 19-23: Spring Break***
35	139	145		25	**26**	27	28	29	**30**	31	March 26: Kuhio Day
36	144	150	***April***	1	2	3	4	5	6	7	March 30: Good Friday
37	149	155		8	9	10	11	12	13	14	
38	154	160		15	16	17	18	19	20	21	
39	159	165		22	23	24	25	26	27	28	
40	164	170		29	30	1	2	3	4	5	
41	169	175	***May***	6	7	8	9	10	11	12	
42	174	180		13	14	15	16	17	18	19	
43	179	185		20	21	22	23	24	25	26	May 28: Memorial Day
44	182	189		27	**28**	29	30	31	1	2	May 31: Last Day for Students and Second Semester Ends**
	-2^	+1^^	***June***	3	4	5	6	7	8	9	June 1: Last Day for Teachers
	180	190									

Q1
43 days
Ends October 6

Q2
46 days
Ends December 21

Q3
47 days
Ends March 16

Q4
46 days
Ends May 31

Approved October 20, 2015; Amended on October 21, 2015; Further Amended on May 23, 2017

^2 Instructional days shall be converted to a non-student day for school planning and collaboration.

^^The employer may assign up to 6 additional hours, in half hour blocks (an "equivalent day") for training and meetings beyond the teacher's regular work day.

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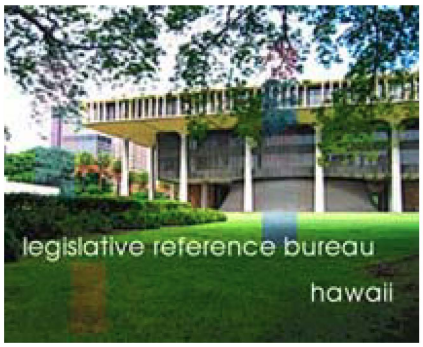
Veterans Day (observed):	November 10, 2017	Presidents' Day:	February 19, 2018
Thanksgiving Day:	November 23, 2017	Prince Jonah Kuhio Kalanianaole Day:	March 26, 2018
Christmas Day:	December 25, 2017	Good Friday:	March 30, 2018
		Memorial Day:	May 28, 2018

*Teacher work day between semesters: January 5 **Commencement exercises: No sooner than May 25, 2018
***For 10-month teachers - Intersession: Oct. 9-13; Recesses: Dec. 22-Jan. 4 & March 19-23
Educational Officer & Teacher Institute Days: Feb. 12-16 (one day per island)



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THE CONSTITUTION OF THE STATE OF HAWAII

ARTICLE X

EDUCATION

PUBLIC EDUCATION

Note

This article was renumbered from Article IX to be Article X by Const Con 1978 and election Nov 7, 1978. The former Article X now appears as Article XI.

Section 1. The State shall provide for the establishment, support and control of a statewide system of public schools free from sectarian control, a state university, public libraries and such other educational institutions as may be deemed desirable, including physical facilities therefor. There shall be no discrimination in public educational institutions because of race, religion, sex or ancestry; nor shall public funds be appropriated for the support or benefit of any sectarian or nonsectarian private educational institution, except that proceeds of special purpose revenue bonds authorized or issued under section 12 of Article VII may be appropriated to finance or assist:

1. Not-for-profit corporations that provide early childhood education and care facilities serving the general public; and

2. Not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges and universities. [Ren and am Const Con 1978 and election Nov 7, 1978; am L 1994, c 280, §4 (HB 2692-94) and election Nov 8, 1994; am HB 2848 (2002) and election Nov 5, 2002]

BOARD OF EDUCATION

Section 2. [This section as amended by HB2376, L 2010 is not printed in the 2010 supplement to the Hawaii Revised Statutes as it was ratified after the publication deadline.] There shall be a board of education. The governor shall nominate and, by and with the advice and consent of the senate, appoint the members of the board of education, as provided by law. [Am HB 4 (1963) and election Nov 3, 1964; ren and am Const Con 1978 and election Nov 7, 1978; am HB 2688 (1988) and election Nov 8, 1988; am HB2376 (2010) and election Nov 2, 2010]

POWER OF THE BOARD OF EDUCATION

Section 3. The board of education shall have the power, as provided by law, to formulate statewide educational policy and appoint the superintendent of education as the chief executive officer of the public school system. [Am HB 421 (1964) and election Nov 3, 1964; ren and am Const Con 1978 and election Nov 7, 1978; am L 1994, c 272, §15 (HB 3657-94) and election Nov 8, 1994]

HAWAIIAN EDUCATION PROGRAM

Section 4. The State shall promote the study of Hawaiian culture, history and language.

The State shall provide for a Hawaiian education program consisting of language, culture and history in the public schools. The use of community expertise shall be encouraged as a

suitable and essential means in furtherance of the Hawaiian education program. [Add Const Con 1978 and election Nov 7, 1978]

UNIVERSITY OF HAWAII

Section 5. The University of Hawaii is hereby established as the state university and constituted a body corporate. It shall have title to all the real and personal property now or hereafter set aside or conveyed to it, which shall be held in public trust for its purposes, to be administered and disposed of as provided by law. [Ren and am Const Con 1978 and election Nov 7, 1978]

BOARD OF REGENTS; POWERS

Section 6. There shall be a board of regents of the University of Hawaii, the members of which shall be nominated and, by and with the advice and consent of the senate, appointed by the governor from pools of qualified candidates presented to the governor by the candidate advisory council for the board of regents of the University of Hawaii, as provided by law. At least part of the membership of the board shall represent geographic subdivisions of the State. The board shall have the power to formulate policy, and to exercise control over the university through its executive officer, the president of the university, who shall be appointed by the board. The board shall also have exclusive jurisdiction over the internal structure, management, and operation of the university. This section shall not limit the power of the legislature to enact laws of statewide concern. The legislature shall have the exclusive jurisdiction to identify laws of statewide concern. [Am HB 253 (1964) and election Nov 3, 1964; ren and am Const Con 1978 and election Nov 7, 1978; am SB 539 (2000) and election Nov 7, 2000; am SB 1256 (2005) and election Nov 7, 2006]

Management Audit of the Department of Education's School Bus Transportation Services

A Report to the Governor and the Legislature of the State of Hawai'i

Report No. 12-07
August 2012

THE AUDITOR
STATE OF HAWAI'I

Office of the Auditor

The missions of the Office of the Auditor are assigned by the Hawai‘i State Constitution (Article VII, Section 10). The primary mission is to conduct post audits of the transactions, accounts, programs, and performance of public agencies. A supplemental mission is to conduct such other investigations and prepare such additional reports as may be directed by the Legislature.

Under its assigned missions, the office conducts the following types of examinations:

1. Financial audits attest to the fairness of the financial statements of agencies. They examine the adequacy of the financial records and accounting and internal controls, and they determine the legality and propriety of expenditures.

2. Management audits, which are also referred to as performance audits, examine the effectiveness of programs or the efficiency of agencies or both. These audits are also called program audits, when they focus on whether programs are attaining the objectives and results expected of them, and operations audits, when they examine how well agencies are organized and managed and how efficiently they acquire and utilize resources.

3. Sunset evaluations evaluate new professional and occupational licensing programs to determine whether the programs should be terminated, continued, or modified. These evaluations are conducted in accordance with criteria established by statute.

4. Sunrise analyses are similar to sunset evaluations, but they apply to proposed rather than existing regulatory programs. Before a new professional and occupational licensing program can be enacted, the statutes require that the measure be analyzed by the Office of the Auditor as to its probable effects.

5. Health insurance analyses examine bills that propose to mandate certain health insurance benefits. Such bills cannot be enacted unless they are referred to the Office of the Auditor for an assessment of the social and financial impact of the proposed measure.

6. Analyses of proposed special funds and existing trust and revolving funds determine if proposals to establish these funds are existing funds meet legislative criteria.

7. Procurement compliance audits and other procurement-related monitoring assist the Legislature in overseeing government procurement practices.

8. Fiscal accountability reports analyze expenditures by the state Department of Education in various areas.

9. Special studies respond to requests from both houses of the Legislature. The studies usually address specific problems for which the Legislature is seeking solutions.

Hawai‘i’s laws provide the Auditor with broad powers to examine all books, records, files, papers, and documents and all financial affairs of every agency. The Auditor also has the authority to summon persons to produce records and to question persons under oath. However, the Office of the Auditor exercises no control function, and its authority is limited to reviewing, evaluating, and reporting on its findings and recommendations to the Legislature and the Governor.

THE AUDITOR
STATE OF HAWAI‘I
Kekuanao‘a Building
465 S. King Street, Room 500
Honolulu, Hawai‘i 96813

Management Audit of the Department of Education's School Bus Transportation Services

Report No. 12-07, August 2012

Ineffective and unsystematic management of student bus services has resulted in spiraling costs

Route costs, safety are not evaluated

Bus costs have risen dramatically in the past several years, with general funds spent on student transportation statewide nearly tripling, to $72.4 million, since 2006. The Department of Education's (DOE) response has included raising bus fares and reducing services by increasing the distances students must live from schools to qualify for bus service. Despite years of rising costs, the DOE has failed to adopt systematic planning that continuously evaluates routes to maximize ridership, maintains bus efficiency and ensures compliance with safety guidelines. Some bus routes rarely change, while changes that are made are not tracked, and bus stops are not evaluated for safety. Such inadequate planning has resulted in wasted state resources and potential liability exposure from the use of unauthorized bus stops.

The DOE also lacks data needed to evaluate routes for cost efficiencies, and has no system for ensuring such evaluations are routinely conducted. In several instances, according to deparment statistics, about 100 children are allocated to an individual route, when the maximum capacity for a large school bus is 72 passengers. The transportation branch also lacks other key planning data such as up to date bus route mileages. Further, responsibility for creating and monitoring routes to meet ridership needs resides with transportation officers who are ill-equipped and under-qualified for the amount and scope of work they are expected to perform. In addition, they have not been provided with comprehensive training, guidelines, or criteria for planning safe and efficient bus routes.

No accountability for escalating costs

The department recognizes it has not received competitive bus services bids in years and that follow-on bids for existing contracts have unjustifiably risen by as much as 259 percent. Despite this, the DOE has not established a systematic approach to monitoring contractor performance and ensuring competitive pricing for school bus services. It also has failed to flag potentially anticompetitive actions that may have contributed to rising costs. For instance, the DOE received multiple bids on only one of 48 groups of solicited routes that we reviewed. Further, the DOE has undermined public confidence in the procurement process by failing to adequately justify that eight out of ten contracts awarded to sole bidders were fair and reasonable. We found no justification at all for three of those awards, and justifications for the remaining five were cursory and lacked support.

The DOE has also failed to coordinate oversight of school bus service contracts between its procurement and transportation branches and has not instilled a responsibility for public resources among its employees. We found that nine of the ten contracts we reviewed included a provision for the department to compensate contractors for their general excise taxes (GET). The State is not liable for GET and it is illogical for the State to pay itself taxes. However, the DOE estimates it will pay more than $2 million in school year 2012 for contractors' GET. The department was unable to explain why it pays GET on most contracts.

Agency response

The department acknowledged that past practices relating to procurement, delivery, and oversight of student transportation services may not have been consistent with nationally recognized best practices and that much more work needs to be done to protect public transportation funds and improve public confidence. The department assured us it is working with a consultant to identify and implement corrective measures, many of which are outlined in our report. The department agreed that most of our recommendations are reasonable and prudent but disputed some of our conclusions. The board of education expressed its appreciation for our work and stated that examining bus transportation costs remains a high priority, and that it intends to review the report with the department at its next meeting.

Office of the Auditor
465 S. King Street
Rm. 500
Honolulu, HI 96813
Ph. (808) 587-0800

Marion M. Higa
State Auditor
State of Hawai'i

"Everything's on auto-pilot."

—Response of a specialist in the DOE's Procurement and Contracts Branch when asked about contract management responsibilities once a contract is awarded.

Recommendations

Responses

Previous Audits

For the full text of this and other reports, visit our website:
http://www.state.hi.us/auditor

Management Audit of the Department of Education's School Bus Transportation Services

A Report to the Governor and the Legislature of the State of Hawai‘i

Submitted by

THE AUDITOR
STATE OF HAWAI‘I

Report No. 12-07
August 2012

Foreword

This is a report on our management audit of the Department of Education's school bus transportation services. We initiated the audit pursuant to Section 23-4, Hawai‘i Revised Statutes, which requires the Auditor to conduct postaudits of the transactions, accounts, programs, and performance of all departments, offices, and agencies of the State and its political subdivisions.

We wish to express our appreciation for the cooperation and assistance extended to us by staff of the Department of Education, its Student Transportation Services Branch as well as its Procurement and Contracts Branch, and by others whom we contacted during the course of the audit.

Marion M. Higa
State Auditor

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Chapter 1
Introduction

The Auditor initiated this audit pursuant to Section 23-4, Hawai‘i Revised Statutes (HRS), in recognition of rising student transportation costs and previously identified problems at the Department of Education involving contract monitoring, fiscal controls, and adherence to procurement rules. Bus costs have been rising dramatically in recent years: since 2006, the amount of general funds spent on bus services statewide has nearly tripled to about $72.4 million. One response to this increase has been to raise fares; over the past three years, a one-way fare has risen from $0.35 to $1.25. Another response has been to increase the qualifying distance for bus service from one to 1.5 miles for students in grades six through 12. In January 2010, concerns about the competitiveness of bus contracts surfaced in discussions at a Board of Education meeting. Meanwhile, the Legislature has recently asked the Department of Education to identify ways to reduce its bus services costs.

Background

The Department of Education manages Hawai‘i’s statewide systems of public schools and libraries. State general funds, special funds, federal funds, and grants to support public schools and libraries are administered by the department on a statewide basis and are subject to executive branch expenditure restrictions. As provided by law, the department must also comply with executive branch policies and controls relating to state education functional planning, financial administration, administrative rulemaking, collective bargaining negotiations, and acquisition and disposition of school land.

Organization

The Department of Education is administered by the Board of Education. The board consists of nine voting members plus a public high school student who is selected by the Hawai‘i State Student Council and serves as a non-voting member. The board formulates statewide educational policy, adopts student performance standards and assessment models, monitors school success, and appoints the superintendent of education as the chief executive officer of the public school system, and the state librarian as the chief executive officer of the public library system. Board responsibilities include adopting policies relating to the statewide systems of public schools and public libraries. The board is also responsible for establishing goals and priorities for the development and implementation of the department’s program and financial plans as provided by Chapter 37, HRS, and approving the department’s budget requests.

Superintendent of education

The superintendent of education is responsible for administering the public school system in accordance with the law and with educational policies adopted by the board. The superintendent oversees five division-level staff offices, each headed by an assistant superintendent, which provide systemwide administrative, professional, and technical support services and programs to public schools statewide. Among the division-level offices are the Office of School Facilities and Support Services (OSFSS), which provides technical staff oversight of business, construction and maintenance of facilities, food services, and transportation support for the public school system; and the Office of Fiscal Services, which provides system-wide accounting, budget, and procurement services and programs.

Among other things, the superintendent is responsible for recommending to the board the public school system's program goals, objectives, plans, performance standards, capital improvement plans, and budget. The superintendent also develops and establishes, with the board's approval, a comprehensive accountability and assessment program for the public school system.

Exhibit 1.1 provides an organizational chart of the department showing relationships among the Board of Education, superintendent, and offices and branches relevant to our audit. The relevant offices and branches are described in greater detail below.

Office of Fiscal Services

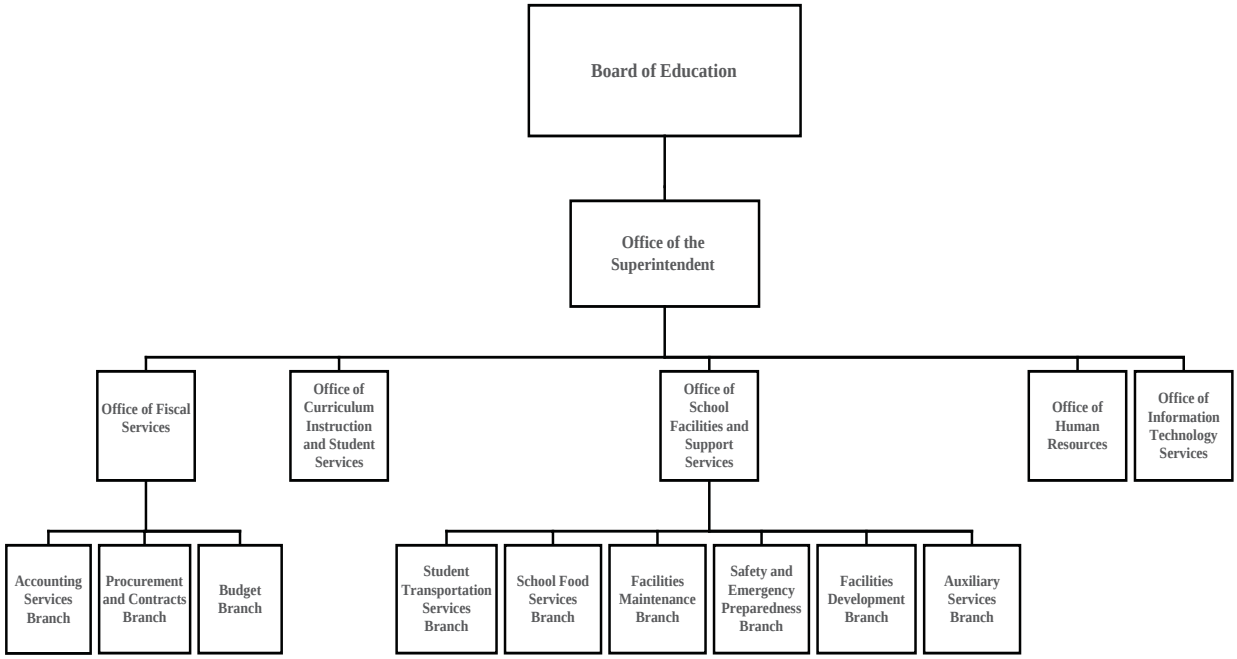
The Office of Fiscal Services manages the department's accounting, budget, and procurement activities and systems serving schools, school complexes, complex areas, and the state central office. Within the Office of Fiscal Services is the Procurement and Contracts Branch (PCB).

Procurement and Contracts Branch

The Procurement and Contracts Branch serves all schools and offices by:

- performing periodic reviews of procurement practices;
- providing assistance, advice, guidance, and training in matters relating to procurement and contracting;
- developing and revising procurement and contracting policies and procedures; and
- issuing formal solicitations and awards in compliance with applicable laws and regulations.

Exhibit 1.1
Department of Education Organizational Chart



Source: Office of the Auditor chart based on Department of Education information

Office of School Facilities and Support Services

The Office of School Facilities and Support Services exercises technical staff oversight of business, construction and maintenance of facilities, food services, and transportation support for public schools. The business branches of the OSFSS directly provide schools, as well as state and district administrative offices, with centralized support services, such as managing statewide programs for school food and bus transportation services; developing, managing, and maintaining a statewide school construction program; and managing central facilities' inspection and repair/maintenance programs. Within the Office of School Facilities and Support Services is the Student Transportation Services Branch.

Student Transportation Services Branch

The Student Transportation Services Branch is responsible for planning, budgeting, implementing, enforcing, and evaluating student transportation services for eligible public school students statewide in accordance with Section 302-406, HRS. The branch is tasked with providing safe, timely, and efficient student transportation services to eligible students to attend schools, designated programs, and other services statewide.

The transportation branch coordinated transport for 38,958 regular education students statewide in school year 2009–2010 (SY2010) from the vicinity of home to school and back. Another 3,587 special education students were transported with curb-to-curb service statewide in SY2010. The student transportation program manages numerous school bus contracts that include more than 500 general education and 300 special education school buses statewide. The program must also ensure compliance with federal and state pupil transportation laws and policies.

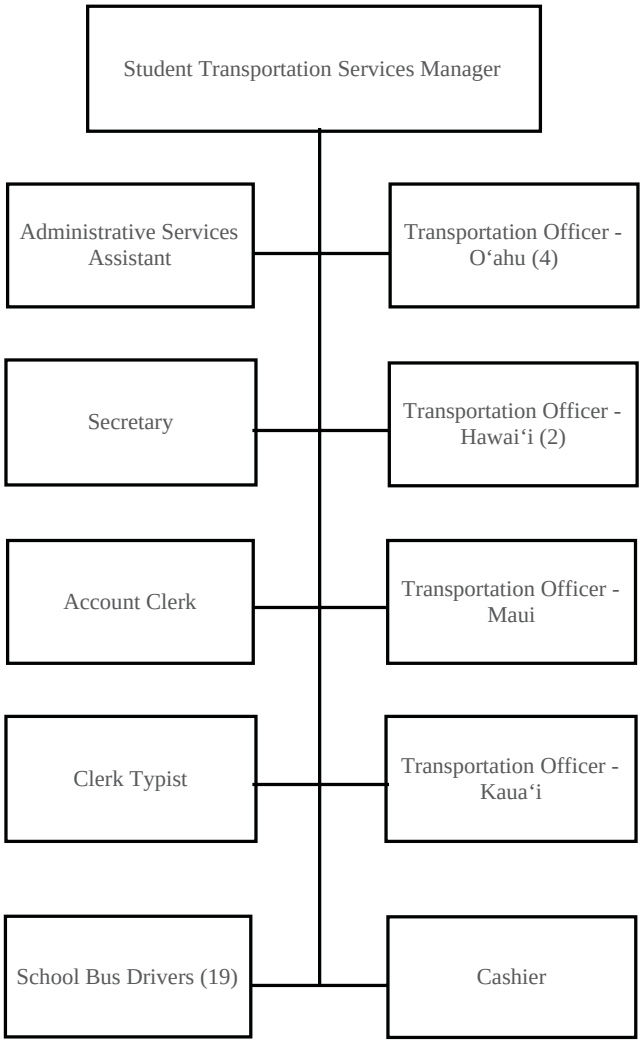
The branch also coordinates services for five bus routes in the Kailua-Kona area of Hawai‘i Island. This service began in 2005 when the department was unable to secure private contractor services for 12 routes in West Hawai‘i. The department leased 14 school buses for a period of seven years, to terminate on June 30, 2012; and created 19 half-time equivalent school bus driver positions of which six were filled. Since 2005, the department has contracted out portions of the 12 routes; the branch now operates only five of the initial routes, using six school bus drivers. With terminations pending on the leased buses, the department recently issued an invitation for bids to provide services for the remaining five routes.

Procurement and monitoring of school bus service contracts

The Student Transportation Services Branch also has primary responsibility for planning and monitoring school bus service contracts. For SY2012, there were 107 active school bus service contracts statewide. These contracts, and their value, are listed at Appendix 1. The contracts were procured via the competitive sealed bidding process and provide school bus transportation to eligible students, including special education students. Contracts cover transportation for eligible regular education students and curb-to-curb transportation for special education students and are intentionally staggered to expire at different intervals for scheduling purposes. Existing contracts are a mix of six- or ten-year base contracts, with optional two-year extensions. Bus services for extracurricular activities, such as athletic events, are procured and managed at the school level using the small purchase method of procurement.

Exhibit 1.2 shows the organizational chart for the Student Transportation Services Branch.

Exhibit 1.2
Student Transportation Services Branch Organizational Chart



Note: All school bus driver positions are .50 FTE positions.

Source: Office of the Auditor chart based on Department of Education information

The Student Transportation Services manager’s primary role is to plan, organize, direct, and coordinate the procurement of transportation services including administering those contracts. The manager oversees the development of contract terms, specifications, and requirements to secure bus services through competitive bidding. The branch manager is also responsible for overseeing the monitoring of school bus routes and investigating complaints regarding bus services, violations of laws, contractor requirements, and rules.

Transportation officers supervise and coordinate enforcing the contractual requirements of the student transportation services program. They are responsible for monitoring and inspecting school bus activities within their assigned districts; providing advice to bus operators; and for developing program budget reports, operational and expenditure plans, measures of effectiveness, and an effective public relations and information program. Additionally, although the STS Branch organization chart (Exhibit 1.2, previous page) indicates that school bus drivers report directly to the branch manager, the West Hawai‘i transportation officer informed us she is responsible for the daily administrative oversight of department school bus drivers, including collecting their timesheets and pre-trip inspection sheets, and providing them with rider manifest details.

According to the branch manager, planning for bus routes is primarily done manually. As contracts expire, if an option to extend is available, it is first offered to the existing contractor. If that contractor opts not to extend, or an extension is not available, then the branch develops specifications for a new contract. The branch manager remits those new contract specifications to the Procurement and Contracts Branch, which announces an invitation for bids, monitors responses, and makes an award based on the requirements of the Hawai‘i Public Procurement Code (Chapter 103D, HRS). Once a new contract is executed, the transportation branch is responsible for monitoring contractors to ensure services are delivered.

Funding

In FY2012 the bulk of funding for school bus services came from the State’s general fund. The general fund appropriation rose from $25.5 million in FY2006 to $73.2 million in FY2012 in response to the rising costs of bus contracts. Special fund, or fare box, revenue makes up only a small fraction of the revenue needed to offset total bus contract costs (that is, an estimated $2.6 million compared with an estimated at $74 million in contract costs for SY2012). Federal funds, in the form of Impact Aid and Department of Defense grants, also help to partially offset the cost of bus services.

The number of free bus riders has also gone up by 13 percent since SY2010, and lost fare revenue due to those riders has risen 147 percent. The primary cost increase to the student transportation services program has been in general education transportation. Other major program costs include the department’s Kona bus operations, city bus passes, parent mileage reimbursements, and administrative costs; but these have remained relatively stable or have fallen compared to general education transportation costs.

Neighbor island bus costs for general education students slightly exceed O‘ahu costs. However, special education bus costs on O‘ahu are significantly higher than those on neighbor islands. Overall, special education bus costs totaled $27.7 million per 180 school days, compared with general education bus costs of $39.3 million in SY2012. Exhibit 1.3 shows student transportation services expenditures from SY2006 through SY2012.

Exhibit 1.3
Student Transportation Services Means of Financing, SY2006–SY2012

Funding source	SY2006	SY2007	SY2008	SY2009	SY2010	SY2011	SY2012
General fund	$25,548,596	$35,373,993	$47,349,486	$70,923,665	$17,005,000	$67,405,000	$72,380,000
Federal fund	2,833,906	-	-	2,379,216	40,117,000	9,762,000	1,629,000
Special fund	565,183	707,700	1,920,044	2,304,726	801,000	2,431,000	3,000,000
Other funds	32,873	-	-	-	-	-	-
Total	**$28,980,558**	**$36,081,693**	**$49,269,530**	**$75,607,607**	**$57,923,000**	**$79,598,000**	**$77,009,000**
Percent change over prior year		25%	37%	53%	-23%	37%	-3%

Note: 2012 figures are estimates.

Source: Office of the Auditor analysis of Department of Education data

Prior Audits

Since 1999, we have conducted four audits relevant to school bus transportation services and the Department of Education’s procurement practices. Report No. 99-1, *Audit of Student Transportation Services*, was produced in response to Section 46 of Act 116, Session Laws of Hawai‘i (SLH) 1998 (the Supplemental Appropriations Act), which asked us to conduct an audit of the student transportation services program. We found problems with the Department of Accounting and General Services’ (DAGS) rate setting, contract monitoring, and financial controls (at the time, student transportation services was housed within DAGS). We also found the Department of Education failed to exercise adequate guidance and controls in several areas. We recommended DAGS revise its base fare methodology, conduct a formal legal analysis of the “50 percent rule” (affecting choice of contractors used) and improve fiscal accountability by improving procedures for monitoring contracts. We also recommended that the Department of Education improve controls over its pre-paid bus pass program, improve procedures for reporting service problems, develop projections of needed special education services, and improve controls to process bus passes and determine whether students were eligible for transportation subsidies.

In our *Procurement Audit of the Department of Education: Part 1,* Report No. 09-03, we examined procurement processes, policies, and transactions of the department to assess the department's compliance with state procurement laws and regulations. We also evaluated the department's legal compliance controls concerning transactions involving the procurement of goods and services greater than $25,000 (the department's small purchase threshold). We found that a lack of leadership and controls had permitted a culture of indifference toward procurement rules, which in turn had caused numerous instances of non-compliance. We recommended that the Board of Education develop a code of ethics, a fraud prevention program, and a stronger internal audit branch. We recommended the superintendent establish better internal control systems, periodic procurement reports approved by senior managers, formal procurement guidelines, training for employees and managers, and more planning and budgeting.

In our *Procurement Audit of the Department of Education: Part 2,* Report No. 09-04, we continued our examination of procurement processes to assess the department's compliance with state procurement laws and regulations. We found widespread problems in the Office of School Facilities' management of its $170 million budget for capital improvement, repair and maintenance, and other project-related funds. Specifically, a lack of emphasis on compliance had fueled inappropriate procurement practices in the office; outsourcing of management services had led to waste, abuse, and improper consultant relationships; and a lax environment and leadership void had provided opportunity and incentive for procurement abuses. We recommended the superintendent of education conduct investigations regarding several professional services contracts, the practice of "holding checks" within the Office of School Facilities, and the use and structure of construction management contracts. Finally, we recommended that the superintendent provide procurement training to relevant staff and ensure that the office regularly produced procurement reports so that management and staff could monitor procurement practices.

In our Report No. 11-04, *Review of Revolving Funds, Trust Funds, and Trust Accounts of the Office of the Governor, Office of the Lieutenant Governor, Department of Education and Hawai'i Public Library System, and Office of Hawaiian Affairs,* we reviewed the revolving funds, trust funds, and trust accounts of several executive departments and offices, including the Department of Education, and the Office of Hawaiian Affairs, as required by Section 23-12, HRS. The purpose of the review was to determine whether the Legislature should continue, modify, or repeal each fund. We found the School Bus Fare Revolving Fund was not self-sustaining because it received general fund appropriations in 2007 through 2011; we therefore concluded the fund did not meet all of the criteria of a revolving fund. The Department of Education agreed

with our conclusion and planned to propose reclassifying the fund as a special fund.

Objectives of the Audit

1. Assess the Department of Education's planning efforts for school transportation services.
2. Assess the department's effectiveness in procuring and monitoring school bus services.
3. Make recommendations as appropriate.

Scope and Methodology

This audit focused on the planning, execution, and monitoring of the Department of Education's school bus services contracts. We examined relevant activities from July 1, 2008 through June 30, 2011.

We conducted interviews with department managers, staff, and legislators. We reviewed documents and conducted site visits to district transportation offices. We reviewed planning documentation applicable to bus contracts. We tested procurement and expenditure items on a sample basis for compliance with applicable laws, regulations, and contract provisions. We assessed whether the department's system of planning for invitations for bid, procurement, and contract execution and management had sufficient oversight, was conducted and managed efficiently and effectively, and was in compliance with applicable state and federal laws and rules.

Our audit was performed from January 2012 through May 2012 and conducted according to the Office of the Auditor's *Manual of Guides* and generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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Chapter 2

Ineffective and Unsystematic Management of Student Bus Services Has Resulted in Spiraling Costs

Under state law and administrative rules, the Department of Education may provide student transportation for most children and must provide transportation to disabled children. The way in which the department operates its transportation network is fundamentally flawed. Specifically, the department has placed bus service oversight and planning responsibilities on district transportation officers who are ill-equipped to fulfill their duties. Further, the department's uncoordinated oversight of bus service procurement and management has resulted in neither the procurement branch nor the transportation branch taking responsibility for protecting the State's interests. Failure to establish a system for managing student transportation services has allowed program costs to unjustifiably spiral beyond the agency's resources and forced the department to reexamine the State's options for providing bus services.

Summary of Findings

1. Ineffective planning for bus services has resulted in routes that are not evaluated for cost, efficiency, or adherence to safety guidelines.

2. Unsystematic oversight of bus service contracts has resulted in escalating costs and a lack of accountability.

Ineffective Planning Results in Bus Routes That Are Not Evaluated for Cost, Efficiency, or Adherence to Safety Guidelines

The Department of Education's planning for student transportation needs is insufficient, and evaluations of routes for efficiency and safety are inadequate. The department lacks data needed to properly plan and analyze routes. It then entrusts route planning and contractor oversight responsibilities to transportation officers who are ill-equipped to perform their duties, as they have been provided with neither the training nor the guidelines needed to plan safe and efficient routes. Without a systematic approach to planning, the department has misjudged transportation needs and wasted state resources. The department also has failed to evaluate and track bus stop locations for adherence to safety standards, instead allowing its contractors to choose locations based on where children congregate.

The department inadequately plans for school transportation needs

The Department of Education lacks a systematic approach to planning for student transportation needs, which has led to ineffective planning and wasted state resources. The agency does not reliably collect data critical to ensuring system efficiency such as ridership loads, bus mileage, or route descriptions. This has left the department without a basis for evaluating system efficiency. Further, department personnel tasked with planning routes and monitoring contractors have not been provided with comprehensive training, guidelines on how to perform their duties, or criteria for planning safe and efficient routes. As a result, transportation officers are ill-equipped to fulfill their duties and evaluations of bus routes for cost efficiencies are inadequate.

The department does not have a system for evaluating routes for efficiencies relating to costs

More than 830 buses provide morning and afternoon service to and from Hawai‘i public schools. About 530 of those serve general education students; the remaining buses provide curb-to-curb transportation for students with special needs. The priority of buses is to serve children who live within a school's attendance area but reside a specified distance from that school.

Bus routes are the arteries of a student transportation system network. Routes are comprised of specific directions dictating where buses turn and which roads they travel. Careful route planning is critical to establishing an effective, cost-efficient, and safe student transportation system. The hallmarks of efficient bus routes are high average bus occupancy and low cost-per-rider and cost-per-mile.

At the department, responsibility for creating and monitoring routes to meet existing and future ridership needs resides with district transportation officers, who are required to ensure routes are safe and efficient, and cost the State a minimum amount of money. Transportation officers are further directed to develop and maintain records of school bus routes, student ridership, cost of operation, schedules, and operating statistics. However, of the State's eight transportation officers, none of the five whom we interviewed said they reviewed costs, and there was no systematic evaluation of routes within the department. Route evaluations that were conducted did not consider costs, were cursory in nature, and lacked supporting documentation. Further, no analyses of route efficiency were done at the branch level, and the branch manager could not provide assurance that bus routes were efficient.

Lack of route evaluation appears to result from the wide latitude given to transportation officers to create and oversee routes coupled with little oversight from the Student Transportation Services Branch. The department has failed to provide transportation officers with guidance

and oversight, leaving them without a system for evaluating routes for cost efficiency. The lack of a systematic approach to route evaluation has led to ineffective planning and wasted state resources.

One contract we reviewed exemplified how the department's poor planning and lack of a serious consideration of needs led to the contracting of an unneeded bus service. That contract, with Robert's Hawai'i School Bus, was valued at $16.8 million over ten years, excluding annual adjustments for rising inflation and fuel costs. Just prior to the planned execution of that contract in Summer 2009, the then-acting transportation branch manager discovered that three of the contract's 16 West Hawai'i routes were no longer needed due to redistricting of Waikoloa area school services. The acting branch manager raised concern about the mistake one day before the contract was to be approved by the procurement branch; the assistant superintendent responded that it would be "irresponsible" to sign the contract. Despite the error, the department executed the contract without deleting the routes in question after claiming a need for more buses in the North Kona area. The contract, which had an effective date of July 1, 2009, was not signed until September 14, 2009. The acting transportation branch manager summed up the situation in a July 22, 2009 email to the procurement branch as follows:

> … although we may have included more bus routes in the original IFB [invitation for bids] than was thought necessary, it's apparent that there is a true identifiable need for at least two of the three routes that were declared unnecessary by me earlier, meaning that we would have to "idle" only one bus route versus three—at least for the foreseeable future.

Other route changes also appeared to be reactive and dictated by current events as opposed to resulting from a planning process. Three transportation officers said changes were made as overcrowded buses and other ridership changes mandated. In one instance, route changes were made after it became apparent a contractor was running four fewer buses than required under a Leeward O'ahu contract. That discovery was based on a tip, as opposed to an evaluation of needs. A subsequent route consolidation resulted in the idling of four buses beginning August 2011, only three years after the original contract took effect in July 2008. Although idling buses saves some money, the department still plans to compensate the contractor up to $100 a day per idled bus for 180 days for three school years until the contract expires on June 30, 2014.

Overall, the department estimates it saved $1.35 million in SY2012 by idling 22 buses. However, that figure includes $412,574 in accompanying fees paid to contractors to compensate for idled buses. While idling underutilized routes via route consolidation is an appropriate reaction, the department would be better served by

implementing a system for evaluating routes that could prevent the contracting of unneeded buses in the first place.

The department does not consolidate routes

In another instance, the department passed up an opportunity to consolidate routes. One transportation officer allowed a contractor to withhold buses from underutilized central O‘ahu routes to fill gaps in service on other routes created by driver illness, mechanical breakdowns, and traffic incidents. A comparison of contracted routes versus routes contained in an October 2011 driver and bus roster indicated that eight routes were operating with fewer trips than contracted, while two routes were operating with more trips than contracted. This practice indicates there are opportunities for route consolidation and is contrary to contract terms that require contractors to have enough buses and drivers to provide uninterrupted services. Further analysis of that contract's routes was hampered because the transportation officer did not have up-to-date route descriptions. However, in SY2012, the department paid $383 a day per bus for 27 buses. Idling one of those buses could have saved $68,940 a year, which when $18,000 in idled bus costs are factored in, would have resulted in potential net savings of $50,940 a year.

Routes are rarely changed, and changes that are made are not tracked

Based on interviews we conducted with transportation officers and the branch manager, there is no routine effort to ensure the efficiency of routes. In the absence of systematic evaluation, some routes rarely changed, and changes that were made were not tracked. Although one transportation officer said his routes are "tweaked" every year, he added that basic route descriptions "go back to the start of time." However, the extent of changes and when they occurred were difficult to determine because of a total lack of documentation of route changes. None of the transportation officers interviewed had a record of how routes changed over time or of the age of bus route descriptions contained in contracts they administered. Without such information, it is unclear whether routes have changed to meet community needs over time.

The department's lack of systematic planning runs counter to suggested student transportation best practices calling for continuous route evaluation and change to maximize bus ridership and maintain bus efficiency and student safety. For example, the Idaho Department of Education Division of School Transportation attempts to achieve this by requiring transportation staff to annually review routing configurations within the context of educational importance, budget constraints, and cost effectiveness. By not evaluating routes or reviewing costs, Hawai‘i transportation officers are failing to look out for the State's financial

interests, and the department may have spent more money than necessary on student transportation.

Furthermore, the department's route planning efforts are hampered by a reliance on a manual design process for the more than 830 school buses operated statewide. Computerized route planning could allow for timely analysis of route data. The transportation branch manager said the agency attempted to adopt a computerized route planning solution about six years ago. That system was meant to optimize routes, but was a failure because the software could not automatically import all student address data from existing department files. The branch manager said he is now considering acquiring software that promises to automatically accept 90 percent of student addresses, which would minimize manual data input.

The department lacks data to evaluate routes for cost savings

Proper planning for student bus services hinges on the availability of accurate data including ridership, route mileage, route descriptions, and costs. Careful route planning is critical to establishing an effective, cost-efficient, and safe student transportation system. Features of efficient bus routes include high average bus occupancy and low cost-per-rider and cost-per-mile. Also, efficient routes may use fewer bus stops serving a relatively large number of students. Thus, sound planning starts with the collection of accurate and relevant data that allows performance to be measured regularly and compared against established benchmarks.

We found that the transportation branch lacks critical data needed to evaluate routes for cost savings. Department data are inaccurate, inconsistent, and not based on actual ridership. Rather than rely on actual passenger counts to inform planning, transportation officers rely on ridership data entered by schools, which represent the number of children assigned to a route. Data are also sometimes entered erroneously, resulting in inflated ridership figures for some routes and diminished figures for others.

There were several instances where department statistics showed close to or just over 100 passengers allocated to individual routes. The maximum capacity for a school bus often is 72 passengers. Despite this limitation, the transportation branch ridership database showed 109 students on a route in Central O‘ahu, while a route in West Hawai‘i had 96 riders. There were 98 children designated to ride a route in Leeward O‘ahu. In contrast, other routes showed zero riders: there were no students allocated to either of two routes in Central O‘ahu and West Hawai‘i.

Additionally, it is nearly impossible to compare ridership data using route designations because the nomenclature is inconsistent. For example, we

were told that an "A," "B," or "C" suffix to a route number generally, but not always, indicates there is a corresponding number of trips on a route in the morning and afternoon. For instance, Route LW25 A, B, and C means the LW25 route has three trips in both the morning and afternoon. However, we were also told that letter designations sometimes indicate the number of intermediate and high school students on one trip (although the methodology for this was not explained); and furthermore that a single route with an A, B or C suffix could involve two bus trips. The lack of uniformity in this nomenclature makes analysis of the department's flawed data even more problematic.

Transportation officers we interviewed acknowledged that department-maintained ridership data were inaccurate. One transportation officer said he "wouldn't trust those figures," while another stated that the figures are never accurate. This data quality issue was identified as early as May 2011 during a mandatory transportation branch meeting. According to that meeting's agenda, inaccurate route data "diluted and trivialized" the program's credibility. A lack of accurate, consistent ridership statistics leaves the department without data critical to ensuring system efficiency. According to a Transportation and Efficiency and Effectiveness guide published by transportation management systems provider Transfinder Corporation, a key to efficiency is maintaining maximum ridership loads. The number of runs, routes, and drivers is directly related to loading efficiency based on bus capacity. At least one week's ridership data should be used to determine maximum actual riders. Actual ridership should be sampled on a routine basis to determine patterns and fluctuations. Without accurate ridership data, transportation officers have no basis for evaluating the efficiency of routes because it is not evident from the data they have whether buses are overcrowded or underutilized.

Key planning data are not recorded

The branch also lacks other key planning data, including bus route mileages. The branch was missing some bus route mileage reports or had out-of-date mileage statistics, which further hampers its ability to evaluate routes. Contractors are required to file reports to transportation officers that include route mileages and actual passenger counts. Contrary to contractual requirements, contractors are not required to file actual ridership data or annual bus mileage reports, and mileage and ridership are not tracked. For example, contracts require contractors to annually file a form that discloses average actual ridership at the start of the school year. According to the transportation branch manager, the form was originally meant as a control when bus drivers collected fares, but is no longer required because bus drivers no longer collect fares. By failing to require contractors to continue to file forms that track actual ridership, the department is forgoing a source of ridership data that could significantly aid in planning.

Even with accurate ridership data the department's planning efforts will continue to suffer because the branch does not track the routes buses follow. Department contracts generally have clear, but outdated, descriptions of the routes buses must track. However, transportation officers did not have current route descriptions for three of the six contracts we tested. For example, Kamaile Elementary is listed on the only route descriptions provided to us relating to one Leeward O'ahu bus contract. However, Kamaile, which is now a conversion charter school, no longer receives school bus service from the department. A current description for that route, along with 11 other routes within that Leeward O'ahu contract, were unavailable. The Leeward transportation officer told us that only the contractor had current route descriptions. Other contracts also lacked up-to-date route descriptions. For example, the transportation officer overseeing one contract we reviewed did not have current route descriptions for any of that contract's 27 routes. A lack of accurate route descriptions hurts the department's ability to evaluate routes for efficiency and to monitor contractor performance.

Department does not even monitor its own bus service

Furthermore, the department has failed to use operational data from its own Kailua-Kona bus operation to provide a benchmark for evaluating its contracted bus services. The department launched its Kailua-Kona operation in 2005 after failing to secure an agreement with a private contractor. The state-owned school bus operation could provide a basis for evaluating the fairness of contractor costs elsewhere. Although the branch has gathered some information based on a short time period, it has not done a long-term study of the true operating costs of the Kailua-Kona bus operation. According to department officials, the branch's current study of the Kailua-Kona operation also fails to account for health insurance and other costs, and costs would need to be based on a longer time period, such as two years, for the data to be a useful benchmark for contracting purposes.

By not enforcing contract terms to ensure that transportation officers have accurate data, and in failing to use its own bus operations as a benchmark, the department is forgoing data needed for effective planning. As a result, transportation officers lack knowledge of what routes buses take, how far they travel, how many children they carry, and how contracted service costs compare against state-owned student bus service costs. That leaves transportation officers without a basis for evaluating routes; as a result, routes may not reflect potential efficiency savings or changes that could affect safety.

Transportation officers are ill-equipped and under-qualified for the scope and amount of work they are expected to perform

Based on their position descriptions, transportation officers have a wide range of responsibilities. They are expected to plan and evaluate bus needs and enforce contracts; develop and maintain records of bus routes, student ridership, and costs of operation; check and maintain records of contractor compliance in terms of vehicles used and drivers employed; plan school bus transportation needs based on data from school superintendents, land developers and the like; reroute buses to account for population shifts; and prepare budgets and expenditure plans. They are expected to review route ridership needs, establish safe and efficient routes, and determine the best pick-up and drop-off points. They also are expected to prepare operational and expenditure plans for school bus transportation services within their district and maintain current data needed to measure the transportation program's effectiveness. In practice, they are also responsible for addressing complaints in relation to the 107 active contracts.

We found that transportation officers are fulfilling only a fraction of their responsibilities. They do not review bus operation costs and have no systematic approach to route analysis. They lack up-to-date route descriptions, accurate ridership and bus mileage data, and other information necessary to gauge effectiveness of bus operations. Likewise they do not prepare budgets or operational plans; nor do they actively monitor school bus contractors to ensure school bus services are being properly and adequately delivered. In fact, much of the responsibility for day-to-day monitoring of the State's more than $74 million worth in bus contracts falls to the transportation officers.

However, we also found that transportation officers are both ill-equipped and under-qualified to be performing such a scope of work. First, the branch manager has failed to ensure that transportation officers have received adequate training and guidance on the tasks they are expected to perform. Transportation officers have not been provided with comprehensive training, guidelines, or criteria for planning safe and efficient bus routes. There are no written procedures related to planning bus routes, procuring bus services, drafting contracts, or monitoring contractor performance. According to best practices, route descriptions should follow the safest path possible, reduce liability, and provide efficiency. Bus routes should be designed according to an area's geography, locations of students to be served, and other factors.

However, transportation officers are given no training regarding bus route creation, bus stop locations, or distances between bus stops; instead, they are expected to use "common sense" principles in route design, such as not transporting children in the opposite direction from

their destination, for safety reasons. Although three transportation officers we interviewed reported having manuals that explain their duties and tasks, these were mostly procedures on how to complete forms, and two were between eight and ten years old. One transportation officer has created her own handbook based on her understanding of her duties and tasks, but the manual primarily contains procedures for completing forms, handling complaints, and a list of contractors for her district.

We found that the transportation branch manager, who is responsible for training and developing transportation officers, has not placed an emphasis on formalizing a training program. Rather, he said he conducts training "by the seat of [his] pants." The branch manager has neither a plan nor policy for a training program. Training that was provided was administrative, such as how to handle complaints or which documents to keep in files, and did not cover route planning or contract monitoring. According to best practices, only staff trained in best practices for safety, efficiency, and service should schedule bus routes. Agencies should view employee training as a dynamic process made up of four major components: 1) planning and support; 2) needs assessment; 3) methods and activities; and 4) evaluation and feedback. To maximize the benefits of employee training, agencies should continuously plan for and support training that is linked with their mission, goals, and objectives; assess current and future training needs of their employees; ensure appropriate training activities are provided; and evaluate the results.

Transportation positions are classified as salary range (SR) 18, which means they earn between $36,072 and $55,524 annually, and belong to a bargaining unit for non-supervisory, white-collar workers. Minimum qualifications include a high school diploma and one year of work experience demonstrating knowledge of techniques for inspecting for compliance with laws and regulations; basic mathematics; an ability to read and understand regulations; an ability to deal tactfully with others; and other basic office skills.

Based on our test work, and using national standards as a guide, we found that Hawai‘i's transportation officers are under-qualified for the scope and amount of work they are expected to perform. For example, the duties and responsibilities for transportation officers described above far exceed the national model outlined in the 15th National Congress on School Transportation, *National School Transportation Specifications and Procedures*. Unlike a transportation specialist position in the national model, Hawai‘i transportation officers are responsible for maintaining data to measure program effectiveness, receiving concerns and complaints involving school bus operations, and preparing budget requirements for the program in the district relative to personnel services, cost of contracts, bus routes, mileage reimbursements, safety needs, and other operating requirements.

At the same time, the minimum qualifications for Hawai‘i’s transportation officers are lower than the national standards. For example, the minimum education requirement for a school bus transportation officer is a high school diploma. The national model suggests two years of college, equivalent experience, or industry certification. It is unrealistic to expect SR18 workers to have the knowledge and expertise necessary to successfully administer multimillion dollar contracts; particularly when the work involves planning, overseeing, budgeting, and constantly amending an elaborate system of bus routes that employs drivers and equipment, which also must be monitored for regulatory compliance.

The combination of a lack of policies, procedures, guidelines, and training leaves transportation officers ill-equipped to fulfill their duties and results in inadequate planning and evaluation of bus routes as well as monitoring of contractors.

The department does not formally evaluate routes to ensure safety

There is no process within the Department of Education for evaluating the safety of stops where buses pick up children. Instead, bus stops evolve where children congregate. Safety evaluations of bus stops are subjective and do not adhere to set standards.

Although the department requires contractors to use department-approved bus stops, there is neither a list of approved stops nor a list of bus stops generally. Rather than evaluate and select where buses should stop, the department allows contractors and drivers to decide where to place bus stops. The department’s failure to evaluate and track bus stop locations means it is unclear whether bus stops are safe. Further, it is unknown whether buses are operating with ridership loads that do not exceed contract and vehicle specifications.

Bus route best practices and safety guidelines are not used

Bus stops are an integral part of route development and deciding where to place stops requires balancing a variety of factors including children’s safety, parental convenience, and system efficiency. Accident statistics suggest children are more at risk at bus stops than when riding a bus. However, there is no easy formula for choosing where to place a stop. According to a school bus stop safety guide created by the Pupil Transportation Safety Institute, a non-profit school bus safety organization, the most critical element in bus stop safety is the process by which bus stop decisions are made. Sound judgment about where to place a stop depends on a deliberate investigation conducted by qualified staff, including a first-hand cataloging of potential hazards in the area. The department has no such process for evaluating where to place bus stops. Rather, the department employs a passive, ad hoc approach to

bus route safety that lacks any formal process or criteria for deciding where to place stops. Transportation officers responsible for route planning are not provided with formal guidance on bus stop creation. Absent guidelines or criteria, bus stop locations are determined based on personal discretion regarding safety and the number of riders on a particular street. Without a formal evaluation process in place there is no accountability for bus stop safety factors, which could help ensure the prevention of accidents and reduce potential liability.

The transportation branch manager told us that the department's bus stop selection process is unregulated and that bus route best practices and safety guidelines are not used. Rather, he told us, transportation officers are supposed to use "common sense" in route design. Bus stop locations are primarily based on where students gather along a route. Bus stops might move in response to neighbor complaints or shifts in student populations. Because of their transient nature and a lack of an evaluation process, the department does not know where all of its bus stops are located or whether they meet any kind of safety standard.

Decisions about bus stop locations are made based on subjective opinions of safety. One transportation officer interviewed said safe stops were "not close to curves [and] well lit." Another said safe stops take into consideration "blind spots" and "wear and tear" on buses. A third transportation officer said she uses her own sense of what is safe, including, for example, whether guard rails are present for children to stand behind. According to best practices, among the physical roadway features that should be identified when evaluating stops are view obstructions, the nature of adjoining property, the presence or lack of sidewalks, traffic speed and volume, and traffic controls. Other factors of increasing concern to planners are child abductions, the proximity of sexual predators, and other types of nearby criminal activity. We were told the department typically does not conduct checks for the proximity of registered sex offenders to student bus stops.

Absent an approval process, contractors and school children often decide where to place bus stops

Student bus service providers are required to use department-approved bus stop locations under contract terms. However, the contracts we reviewed either did not specify where buses should stop, or described a stop as generally being located somewhere along a certain street. A lack of specific stop locations gives contractors wide leeway to place bus stops along routes.

By abdicating bus stop location decisions to contractors and failing to track the location of bus stops, the department is unable to ensure bus stop safety. This practice also raises liability concerns. According to

the Pupil Transportation Safety Institute's school bus stop safety guide, unauthorized bus stop and route changes by drivers can expose students to greater danger, and school districts and transporters to greater liability.

It is unknown whether buses are operating with loads that exceed contract and vehicle specifications

Under Hawai'i Administrative Rules, bus passenger capacity is limited to the number of students who can safely be seated against a seat back and within seat confines. School bus drivers may not transport more passengers than can be safely seated. In turn, bus contracts define seating capacity as the capacity rated by the vehicle manufacturer. For many buses that capacity is 72 passengers.

In practice, a 72-passenger capacity represents three children per bus seat and is an upper limit; it allows a mere 13 inches of seat space per rider. Typically a bus with intermediate or high school students can seat a maximum of 60 students. Transportation branch data show several routes with more than 72 children assigned. However, department ridership data are inaccurate, inconsistent, and not based on actual riders. The department's reliance on inaccurate ridership data result in uncertainty about whether buses are operating with ridership loads that are within specifications; as a result, compliance with passenger safety rules cannot be assured.

Accountability for meeting bus capacity rules is lax. Transportation officers generally assume contractors provide required bus services in accordance with the contract terms unless complaints are received. One transportation officer told us that schools were his "eyes and ears." In two instances, concerns were raised by schools about there being more than 70 riders on buses. A January 2011 email from a vice principal at Keonepoko Elementary School to the East Hawai'i transportation officer stated, "We feel that this is unsafe and was [sic] wondering what the protocol is to help the situation. This bus currently has been having major behavior problems." In a follow-up email the transportation officer was told by the contractor that ridership on the bus in question was typically 54 to 58 students and had not reached the 72 passenger count. However, by relying on contractor-provided information, the department cannot ensure nor document what the true position was regarding ridership.

In another instance that occurred this year, Hau'ula Elementary School raised concerns that a bus had 76 riders in the morning and 74 in the afternoon. The district's transportation officer responded that a count conducted on one afternoon found 58 riders on the bus in question, all of whom were "safely seated" with room for additional students. However,

the transportation officer noted that ridership counts may vary on a daily basis. In the absence of routine, systematic monitoring of bus ridership, the department is unaware what its true ridership statistics are and cannot be assured that buses are operating in compliance with passenger safety rules aimed at preventing overcrowding.

Unsystematic Oversight Has Permitted Escalating Costs and a Lack of Accountability

We found that the department has failed to coordinate oversight of school bus service contracts between its procurement and transportation branches. Each branch works in a silo and abdicates responsibility to the other, resulting in reactive and subordinate rather than proactive and authoritative management. This lack of a systematic management approach may have contributed to driving up contract costs because procurement practices that violate the spirit of the law and fail to flag potential anti-competitive behavior among contractors have been allowed to flourish. In failing to embrace responsibility for public resources, the department has fostered an environment where school bus providers garner contracts with virtually no competition. Although the State is exempt from general excise tax, the department has also adopted the questionable practice of reimbursing contractors for excise tax costs. These procurement deficiencies are exacerbated by the department's nearly non-existent monitoring of student transportation services contracts.

The department's practices violate spirit of the procurement law

The department's lax procurement practices impede its efforts to procure school bus services at fair and reasonable prices. In 2009, the department recognized that "[h]istorically, the DOE has not been successful at all in attracting bids from new companies." The department also recognized that this trend is increasing and that for the past several years, prices offered have been significantly higher than existing services—as much as 259 percent over the previous contract for the same routes—and are difficult to justify. Furthermore, the department is aware that companies tend not to bid against each other. Despite this, the department has no systematic way to address the issue. Of the 48 route groups put out to bid in our review, the department received offers from multiple bidders on only one.

As acknowledged by personnel from both branches, responsibility for procuring school bus services is split between the procurement and transportation branches. Although this arrangement is common for the department, we found that the department has not established a systematic approach to ensure competitive pricing for school bus services. Failure to respond to bidding patterns that should have alerted the department to potentially anticompetitive actions may have contributed to rising contract costs.

The State's procurement code, Chapter 103D, HRS, was enacted to promote economy, efficiency, and effectiveness in public procurement. However, these hallmarks were scarce in our review of school bus contracts. The procurement code was also enacted to foster broad-based competition so that the State and counties would benefit from lowered costs. Goods, services, and construction are to be purchased at fair and reasonable prices. However, the department's haphazard oversight of school bus contracts has resulted in a lack of competition among bidders, spiraling bus services contract costs, and questionable accountability among the department's branches and its contractors.

We found only cursory explanations and no supporting analysis for why the department found offers from sole bidders to be fair and reasonable. Additionally, there was a lack of meaningful attention paid to suspected anticompetitive practices, and no mechanism in place to report such practices.

Documentation justifying acceptance of single-bid offers is cursory; "determination" justifying acceptance of single-bid offers is perfunctory at best

Administrative rules require that a procurement officer determine in writing that an award made to a single bidder is fair and reasonable. Although the contract files we reviewed contained a document addressing this rule, explanations for determinations lacked substance. The procurement officer who approves determinations does not analyze and conclude why prices are deemed fair and reasonable. Documentation justifying that offers awarded to single bidders were fair and reasonable was lacking, and stems from the department's unsystematic program oversight. The director of the procurement branch, who signs off on determinations, said she relies on the transportation branch manager to conduct such analysis; and the transportation branch manager said that typically there is no documented analysis if a sole offer is determined to be fair and reasonable. Moreover, the procurement branch director said she perfunctorily approves such determinations.

Section 3-122-35, HAR, addresses situations in which there is only a single responsive, responsible bidder for an invitation for bids (IFB). When there is only one responsive, responsible bidder, an award may be made to a single bidder provided the procurement officer determines in writing that the price submitted is fair and reasonable, *and* either a) other prospective bidders had reasonable opportunity to respond, or b) there is not adequate time for re-solicitation; or the bid exceeds available funds as certified by the appropriate fiscal officer and the price is negotiated pursuant to Section 103D-302(h), HRS.

According to the procurement branch director, a memo regarding acceptance of a single responsive offer sufficiently constitutes the written

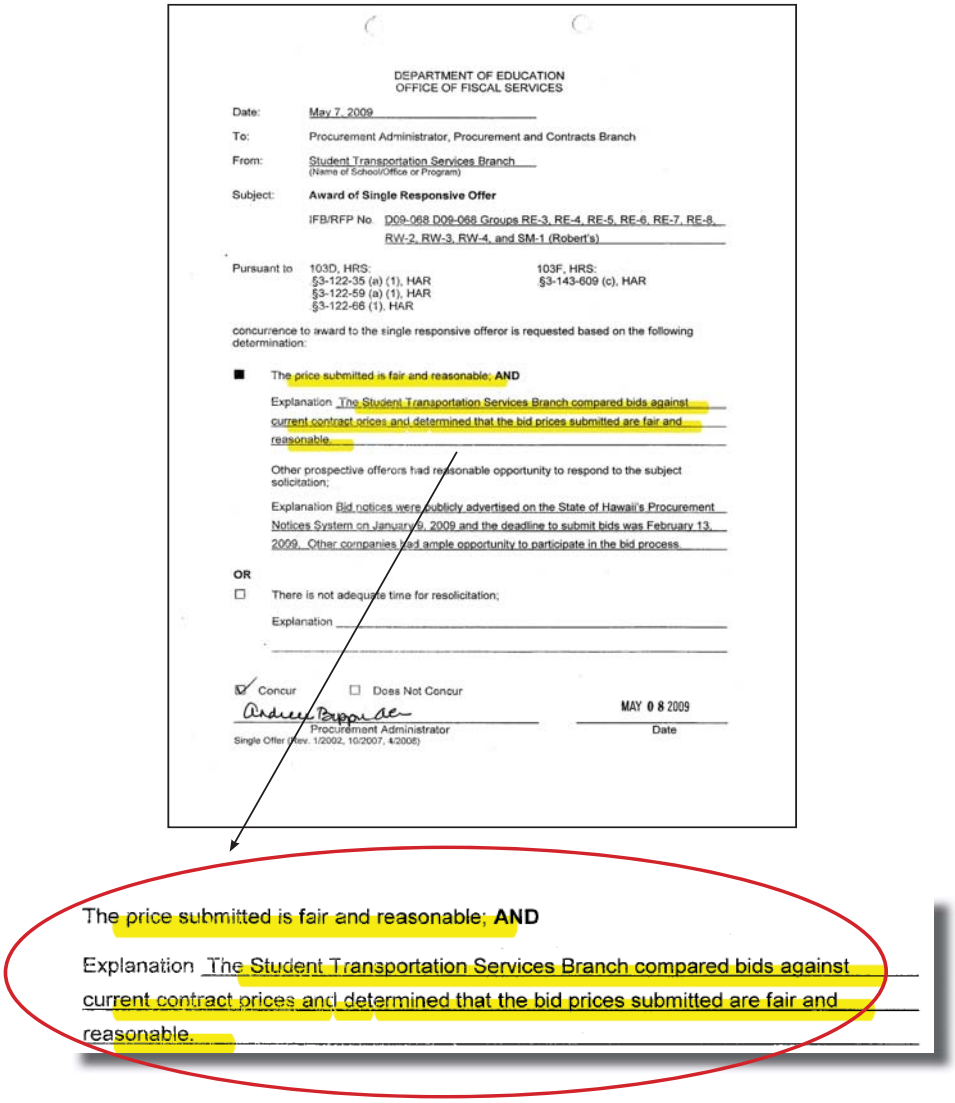
determination required by the procurement code. The transportation branch manager is responsible for the supporting analysis, according to the procurement branch director. However, the transportation branch manager downplayed his procurement responsibilities: he said he evaluates bid results and compares numbers to previous contracts to determine whether bids are "fair and equitable or out in left field." However, he said there is no documentation when the branch determines a bid is fair and reasonable; such rationale is only described when the branch finds a single bid unreasonable, in which case there is a record outlining the rationale behind the decision. The manager said he makes a recommendation to the assistant superintendent, Office of School Facilities and Support Services, who sends the recommendation up the hierarchy. The transportation branch manager said he is "only a conduit," and that the superintendent of education is the transportation branch's chief procurement officer who ultimately decides whether offers are fair and reasonable.

From these explanations it is unclear who if anyone actually analyzes single responsive offers to ensure offers are in fact fair and reasonable. Both the transportation branch manager and procurement branch director should be involved in such analyses since the procurement code defines a procurement officer as any person authorized to enter into and administer contracts and make written determinations with respect thereto.

We found the department's determinations of fair and reasonable were perfunctory at best and completely lacked documented analysis. For example, we reviewed ten contracts; in the eight contracts awarded to a sole bidder, two contained the following justification, in its entirety: "The Student Transportation Services Branch compared bids against current contract prices and determined that the bid prices submitted are fair and reasonable." Exhibit 2.1 shows an example of this.

In another three cases, the entire justification was: "Prices reflect continual increases in fuel costs, employee benefits, and lack of qualified bus operators." Another three contracts we reviewed did not contain any written determination at all as to why the contract was awarded to the sole bidder. Compared to another analysis, which was done when the department received an offer it did *not* consider fair and reasonable, these justifications completely lack meaningful analysis. In that case, the department specifically compared current costs for identical services and concluded that the offer was 259 percent higher. The department said that it would be hard to justify an increase of even 100 percent, but bidders would defend their "exorbitant" offers. However, we did not find any other similar analyses regarding fair and reasonable determinations. Such cursory determinations, and the way they are compiled, undermine one of the purposes of the state procurement law—to increase public confidence in the public procurement process.

Exhibit 2.1
"Fair and Reasonable" Justification



DEPARTMENT OF EDUCATION
OFFICE OF FISCAL SERVICES

Date: May 7, 2009

To: Procurement Administrator, Procurement and Contracts Branch

From: Student Transportation Services Branch
(Name of School/Office or Program)

Subject: **Award of Single Responsive Offer**

IFB/RFP No. D09-068 D09-068 Groups RE-3, RE-4, RE-5, RE-6, RE-7, RE-8, RW-2, RW-3, RW-4, and SM-1 (Robert's)

Pursuant to 103D, HRS:
§3-122-35 (a) (1), HAR
§3-122-59 (a) (1), HAR
§3-122-66 (1), HAR

103F, HRS:
§3-143-609 (c), HAR

concurrence to award to the single responsive offeror is requested based on the following determination:

■ The price submitted is fair and reasonable; **AND**

Explanation The Student Transportation Services Branch compared bids against current contract prices and determined that the bid prices submitted are fair and reasonable.

Other prospective offerors had reasonable opportunity to respond to the subject solicitation;

Explanation Bid notices were publicly advertised on the State of Hawaii's Procurement Notices System on January 9, 2009 and the deadline to submit bids was February 13, 2009. Other companies had ample opportunity to participate in the bid process.

OR

☐ There is not adequate time for resolicitation;

Explanation

☑ Concur ☐ Does Not Concur

Procurement Administrator — MAY 08 2009 Date

Single Offer (Rev. 1/2002, 10/2007, 4/2008)

The price submitted is fair and reasonable; **AND**

Explanation The Student Transportation Services Branch compared bids against current contract prices and determined that the bid prices submitted are fair and reasonable.

Source: Department of Education

No meaningful analysis of "fair and reasonable" is conducted

Procurement rules also state that the procurement officer must determine that either 1) other prospective bidders had reasonable opportunity to respond, or 2) there was not adequate time for re-solicitation. For the IFBs for which we found written determinations, the department made either one or both of those assertions. In those instances, the department may have been forced to accept the offers submitted due to time constraints. The department knows from past experience that a certain amount of lead time is required if a contractor needs to order buses to fulfill a contract, namely, a contractor may need five to six months to obtain buses.

In one case we reviewed, a contractor forfeited its award because it could not acquire buses in time to start the contract. For that IFB, the bids were opened on April 18, 2007, and the contract was to start July 1, 2007. The contractor notified the department on April 25, 2007 that the earliest date it could obtain the necessary buses would be five to six months. By the time the contractor could receive the buses, it would have been well past the starting date of the contract. In that case, there happened to be a second bidder, who was awarded the contract. For three other IFBs where we found written determinations, the department did not have the luxury of awarding the contract to a second bidder, as it received only single bids for each route. Despite this, awards were made to those single bidders. By opening bids less than six months before services were to start, the department prevented itself from having time to re-solicit bids.

The enactment of Hawai‘i’s procurement code was meant to increase public confidence in the public procurement process. However, the department’s practices engender the opposite effect, as it is not clear that single responsive offers are analyzed to ensure offers are in fact fair and reasonable. The assistant superintendent who oversees the transportation branch defers responsibility for analyzing single responsible offers for fairness and reasonableness to the transportation branch manager and the procurement branch director. Yet we found that there is no meaningful analysis documented by either of them.

Contract terms stipulate that the department may audit the books of school bus contractors to obtain cost or pricing data. The transportation branch manager acknowledged that having accurate, effective data of per-mile costs would serve the department well when determining whether an offer is reasonable. However, the department does not have records of any such audits having been made. According to the transportation branch manager, the competitive market was supposed to have worked to keep costs down; and it worked for a while, but no longer.

No one has drawn meaningful attention to suspected anticompetitive practices

We also found that although the department knows it has not been receiving competitive offers for school bus services, it has failed to draw meaningful attention to highly suspicious anticompetitive practices among bidders and does not have a system in place to address such suspicions.

The department solicits bus contracts by inviting contractors to bid via an IFB on groups of routes. Contracts are then awarded to the lowest responsive, responsible bidder per route group. A bidder does not need to bid on all routes within an IFB, but does need to bid on all routes within

a route group. For example, one of the IFBs we reviewed included nine route groups, and each group contained between two and nine routes. Of the ten contracts we reviewed, eight were awarded to the sole bidder for a route group. Exhibit 2.2 details the contracts in our sample that were awarded to sole bidders.

Exhibit 2.2
Contracts Awarded to Sole Bidders

Contract and route group No.	Contract awarded to	Total sum bid price (year 1)	Contract period
CO-60176, 1	Yamaguchi Bus Service, Inc.	$1,594,080	July 1, 2006 to June 30, 2012
CO-70327, 1	Robert's Hawaii School Bus, Inc.	$675,426	July 1, 2007 to June 30, 2013
CO-70337, 1	Robert's Hawaii School Bus, Inc.	$644,168	July 1, 2007 to June 30, 2013
CO-80114, 4	Robert's Hawaii School Bus, Inc.	$629,218	July 1, 2008 to June 30, 2014
CO-80136, 3	Robert's Hawaii School Bus, Inc.	$1,437,120	July 1, 2008 to June 30, 2014
CO-80138, 5	Robert's Hawaii School Bus, Inc.	$359,280	July 1, 2008 to June 30, 2014
CO-90123, RE-6	Robert's Hawaii School Bus, Inc.	$420,480	July 1, 2009 to June 30, 2019
CO-90126, RW-2	Robert's Hawaii School Bus, Inc.	$1,681,920	July 1, 2009 to June 30, 2019

Source: Office of the Auditor analysis of DOE procurement data

In one of the IFBs we reviewed, the department wanted to use an alternative method of procurement because the price offered was not fair and reasonable. Instead of accepting the bid, the department wanted to negotiate directly with the sole offeror. In its *Request to Use an Alternative Procurement Method* dated November 30, 2009, the Office of School Facilities and Support Services assistant superintendent stated:

> Historically, the DOE has not been successful at all in attracting bids from new companies.… Generally, the State's IFB procurement process was supposed to stimulate "competition" among service providers. However, bid results have shown that bidders tend to not bid against each other but rather bid "away" from each other, as evidenced by the fact that only one "competitive" bid offer was submitted per group in this IFB (even though there are many competitors out there). This has been a growing trend over the past decade, which in turn has caused the State's cost for such services to grow exponentially.

We found that bidders were not bidding against each other in eight of the ten IFBs we reviewed. Those eight IFBs included 48 route groups. Of those 48 route groups, 47 groups (98 percent) received only a single bid, supporting the assistant superintendent's assertion that bidders were avoiding bidding against each other. The most extreme example of this is an IFB with 19 route groups and only a single bidder for each group. The total IFB had four bidders, yet none bid against each other for any single route group. The chance of this being coincidental is

highly unlikely. Exhibit 2.3 shows the route groups for each IFB and the number of bids for each.

Exhibit 2.3
Responses to Route Group Bid Solicitations

IFB number	IFB date	Total number of groups in IFB	Number of groups with a single bid	Percent of route groups with single bid
D06-085	November 8, 2005	1	1	100%
D07-139	March 15, 2007	2	2	100%
D07-140	March 15, 2007	3	2	67%
D07-152	March 15, 2007	3	3	100%
D08-128	February 25, 2008	9	9	100%
D08-149	April 14, 2008	8	8	100%
D09-068	January 9, 2009	19	19	100%
D10-069	October 1, 2009	3	3	100%
	Total	**48**	**47**	**98%**

Note: Invitation for bids (IFB)

Source: Office of the Auditor analysis of DOE procurement data

According to the assistant superintendent, such a pattern of single bids could have resulted from collusion among bidders or from smaller contractors simply deciding not to expand and thus declining to bid when contracts other than their own came up for renewal; but either case, the assistant superintendent said, would be hard to prove or disprove. Despite the difficulty of proving collusion, administrative rules related to procurement address how procurement officers should report anticompetitive practices even if they are only suspected and not proved. Section 3-122-196, HAR, states that the chief procurement officer in consultation with the attorney general may develop procedures, including forms, for reporting suspected anticompetitive practices. However, according to personnel from both the transportation branch and the procurement branch, the department does not have procedures or a form to report suspected anticompetitive practices. We confirmed the department's *Guidelines for Procurement and Contracting* manual does not have procedures related to reporting anticompetitive practices either.

Administrative rules define an anticompetitive practice as a practice among bidders or offerors that reduces or eliminates competition or restrains trade. An anticompetitive practice can result from an agreement or understanding among competitors to restrain trade. Examples of anticompetitive practices include but are not limited to:

- identical bidding and price fixing;
- sharing of the business, or market allocation;
- bid suppression; and
- group boycott.

Identical bidding means submission by offerors of the same total price or the same price on a particular line item. Submission of identical offers may or may not signify the existence of collusion. *Sharing of the business* or *market allocation* occurs when competitors agree to divide the market among themselves on the basis of customers, territories, or products. A potential offeror may not participate in a bid because a particular agency or territory has not been allocated to the offeror by the producer or manufacturer of the goods to be provided. *Bid suppression* occurs when a bidder agrees, for whatever reason, not to submit a bid even though the bidder is capable of doing the job. *Group boycott* is the result of an agreement between competitors not to deal with another competitor or to participate in, for instance, a certain bid or type of bids until the competitors' conditions are met.

The practices described by the assistant superintendent could well be construed as suspected anticompetitive practices. Administrative rules state that procurement officers should be alert and sensitive to conditions in the marketplace and may need to conduct, as appropriate, studies such as pricing histories over a period of time or reviews of similar state contracts. However, the department has not conducted any such studies or reviews to support its suspicions. Without formal procedures for handling suspected anticompetitive practices, the department is failing to fulfill the goal of the State's procurement law, which was to foster broad-based competition and lower costs.

The department is not protecting the State's interests

While legal requirements dictate the proper course of action department officials must take in administering school bus contracts, skill and judgment are often required to protect the public's interest. We found the department is exercising questionable judgment by paying some contractors' general excise tax (GET) and by passively waiting for contractors to express their renewal intentions in a timely manner. By failing to take a proactive approach to administering its school bus services contracts, the department has been unsuccessful at protecting the State's financial interests in procuring school bus services at fair and reasonable prices.

The department reimburses contractors for GET

Chapter 237, HRS, the General Excise Tax (GET) law, imposes a tax on a wide range of specified businesses and activities in the state, but, pertinently, not the State itself. The tax is on the gross receipts or income that individuals, corporations, partnerships, and other entities derive from their business activities in the state unless otherwise exempted by statute. We found that although the State is not a named entity and therefore not liable to pay GE tax—and furthermore it is illogical for the State to pay itself taxes—the department has agreed to compensate school bus companies for their GET costs in a number of school bus contracts. The department estimated it would pay more than $2 million in SY2012 for contractors' GE taxes.

We found that nine of the ten contracts we reviewed included a provision promising that the department will pay contractors' GE tax. The provision is buried within the contracts' definition of "price per day per vehicle," which states:

> The Hawai'i general excise tax payable by the contractor will be added to the bid price. For example, if the bid price is $300 per vehicle, and the Hawai'i general excise tax is 4 percent, the department will pay the contractor $300 plus the Hawai'i general excise tax factor, or a total of $312.50.

Exhibit 2.4 illustrates that, for SY2012, of 107 contracts, 75 contracts (70 per cent) contain a provision that the State will reimburse the contractor for GET. The amount to be reimbursed, currently $2.28 million, increases each year as contracts allow for annual inflationary adjustments.

The department was unable to explain why it pays GET for most contracts. The director of the procurement branch told us she did not know why such a provision was added to the contracts, and that the department generally does not pay GET for contractors. The director said the provision must have come from the transportation branch, which prepares the terms for bids and contracts, which the procurement branch then executes. However, the manager of the transportation branch also claimed he did not know how the provision got into the contracts, and surmised that the language was probably added by his predecessor in or around 2007. We confirmed that a contract solicited in 2005 did not have such a provision but that nine subsequent contracts we reviewed all contained an agreement to pay contractors' GET.

Even the department's advising deputy attorney general could not explain how the GET provision came to be included in the contracts. The deputy appeared unaware that such a provision existed, but told us that the attorney general usually reviews contracts as to form, not business

Exhibit 2.4
Contracts Which Include a General Excise Tax Reimbursement Provision, SY2012

	Contract No.	Contractor	General Excise Tax		Contract No.	Contractor	General Excise Tax
1)	70232	Ground Transport	$49,610	39)	90121	Robert's Hawaii School Bus	$3,953
2)	70233	Ground Transport	$13,531	40)	90122	Robert's Hawaii School Bus	$6,405
3)	70234	Gomes School Bus Service	$38,734	41)	90123	Robert's Hawaii School Bus	$17,877
4)	70235	Ground Transport	$21,013	42)	90124	Robert's Hawaii School Bus	$13,407
5)	70236	Gomes School Bus Service	$17,633	43)	90125	Robert's Hawaii School Bus	$26,812
6)	70237	Gomes School Bus Service	$40,024	44)	90126	Robert's Hawaii School Bus	$71,472
7)	80111	Gomes School Bus Service	$30,101	45)	90127	Robert's Hawaii School Bus	$8,943
8)	80134	Robert's Hawaii School Bus	$79,376	46)	90128	Robert's Hawaii School Bus	$8,928
9)	80135	Robert's Hawaii School Bus	$94,158	47)	10081	Akina	$10,220
10)	80136	Robert's Hawaii School Bus	$57,439	48)	70325	Robert's Hawaii School Bus	$22,801
11)	80137	Robert's Hawaii School Bus	$88,894	49)	70326	Yamaguchi Bus Service	$20,539
12)	80138	Robert's Hawaii School Bus	$18,016	50)	70327	Robert's Hawaii School Bus	$25,251
13)	80139	Robert's Hawaii School Bus	$59,443	51)	70328	Ground Transport	$105,944
14)	90130	Tomasa's Bus Company	$15,002	52)	70329	Tomasa's Bus Company	$14,253
15)	90131	Tomasa's Bus Company	$45,064	53)	70330	Gomes School Bus Service	$55,436
16)	90132	Tomasa's Bus Company	$24,904	54)	70331	Gomes School Bus Service	$51,475
17)	10088	Ground Transport	$13,904	55)	80114	Robert's Hawaii School Bus	$27,797
18)	70032	Akita Enterprises	$3,679	56)	80115	Tomasa's Bus Company	$25,414
19)	70238	Robert's Hawaii School Bus	$9,182	57)	80126	Tomasa's Bus Company	$35,368
20)	70239	Yamaguchi Bus Service	$3,088	58)	90118	Ground Transport	$102,608
21)	70240	Robert's Hawaii School Bus	$4,480	59)	90119	Ground Transport	$158,195
22)	70241	Robert's Hawaii School Bus	$8,478	60)	70332	Robert's Hawaii School Bus	$44,186
23)	70242	Akina	$7,717	61)	70333	Robert's Hawaii School Bus	$45,334
24)	70243	Robert's Hawaii School Bus	$14,898	62)	70334	Robert's Hawaii School Bus	$49,037
25)	70244	Robert's Hawaii School Bus	$18,492	63)	70335	Robert's Hawaii School Bus	$10,230
26)	70245	Robert's Hawaii School Bus	$11,456	64)	70336	Robert's Hawaii School Bus	$34,428
27)	70246	Robert's Hawaii School Bus	$9,061	65)	70337	Robert's Hawaii School Bus	$24,042
28)	70247	Robert's Hawaii School Bus	$9,061	66)	70338	Robert's Hawaii School Bus	$35,052
29)	70248	Robert's Hawaii School Bus	$4,941	67)	70339	Robert's Hawaii School Bus	$30,642
30)	70249	MTA	$9,990	68)	70340	Spencer	$13,184
31)	80112	Akita Enterprises	$18,409	69)	70341	Dudoit	$13,368
32)	80113	Yamaguchi Bus Service	$53,651	70)	80116	Akita Enterprises	$5,636
33)	80123	Akita Enterprises	$8,299	71)	80124	Akita Enterprises	$9,365
34)	80125	Robert's Hawaii School Bus	$27,907	72)	80141	Robert's Hawaii School Bus	$27,250
35)	80140	Robert's Hawaii School Bus	$80,746	73)	90116	Akita Enterprises	$16,435
36)	90114	Akita Enterprises	$14,806	74)	90117	Akita Enterprises	$31,070
37)	90115	Akita Enterprises	$11,830	75)	90129	Robert's Hawaii School Bus	$32,138
38)	90120	Robert's Hawaii School Bus	$8,944			**Total:**	**$ 2,280,456**

Source: Office of the Auditor analysis of DOE data

decisions. The deputy asserted that the term is not one that she or anyone from her department would have added to the contract, and confirmed it is unusual for a contract to specifically require a state department to pay a contractor's general excise tax.

By agreeing to pay contractors' general excise tax liability, the department has added another price burden to school bus service contracts which now amounts to several millions of dollars per year and in doing so has failed to protect the State's interest.

Transportation branch allows contractors to delay extension process, to State's detriment

The department already does not receive competitive offers for school bus services. However, the transportation branch has compounded the situation by not renewing or re-soliciting current contracts in a timely manner. Instead, it has allowed contractors to delay confirmation of renewals, which means if the contractor chooses not to renew—and they often have—the State is forced to put bids out with timeframes that leave little leeway for new bidders to competitively apply, according to the transportation branch manager. The result is that the existing contractor, despite having chosen not to renew its contract, is likely to again become the only offeror on the subsequent bid. Absent competition for such contracts, the department cannot ensure that offers made by sole bidders are fair.

The contracts we reviewed had durations of either six or ten years. Ten-year contracts could be extended for an additional two-year period upon mutual written agreement of the parties, to be executed at least 12 months prior to expiration of the original contract. Six-year contracts could be extended for two additional two-year periods; some required extensions to be executed at least 15 months prior to original expiration, and others within 12 months prior to original expiration. Thus, the onus is on the contract administrator to initiate the extension process, which in this case means the transportation branch manager. As stipulated in school bus contracts, the contract administrator is responsible for the terms, conditions, and all decisions relating to contracts. Additionally, the department's *Guidelines for Procurement and Contracting* state that contractural requirements should be supplemented with the exercise of skill and judgment in order to protect the public interest.

Despite stated renewal timeframes and the clear onus on the transportation branch manager, as contract administrator, to address contract renewals in a timely fashion, we found this does not occur. The transportation branch manager admitted that the branch has often played a relatively passive role, merely informing contractors via letter of the need to exercise their contract renewal option before their contracts

expire. Contractors often have been allowed to stall for months before exercising their option to renew or decline the contract. According to the manager, contractors frequently decide not to renew at the last minute—just prior to contract completion—rather than at least one year prior, as specified in the contract. The department reacts by issuing a request for bids with a short timeframe, which leaves other potential bidders unable to organize the necessary bus equipment in time to be able to deliver on the contract. For example, on May 5, 2011, the transportation manager sent an email to the procurement branch stating there were ten contracts set to expire on June 30, 2012. Notices were also sent to the various contractors requesting an extension with a response date by May 31, 2011. However, Robert's Hawai'i School Bus, Inc., which had three of the contracts, did not respond until August 3, 2011.

The transportation branch manager acknowledged that untimely re-solicitations have affected the department's ability to encourage competition.

Transportation branch is at least two years behind in calculating annual fuel adjustments

School bus contracts stipulate that the price of a contract will be readjusted yearly based on annual fuel prices. However, only two of the ten contracts we reviewed contained evidence that such adjustments have been made; these were dated May 2011 for adjustments applicable to SY2009. The transportation branch manager told us that adjustments have not been calculated annually as required because the formulas are complicated and vary by contract; and that, in addition, fuel cost adjustments are low on the branch's list of priorities.

We found that because of the delays in calculating fuel cost adjustments, the department will have to spend about $400,000 this year to catch up with all the outstanding fuel adjustment costs owed to contractors for SY2010–SY2012. According to one contract,

> …the department shall pay the contractor the difference between the applicable Hawai'i Average price of $4.00 per gallon as reported on June 15, 2009 utilizing "AAA's Fuel Gauge Report" and the actual average fuel price for the year (determined as the twelve-month average) on or before August 31 of the succeeding year, if the actual price is above the assumed price. If the assumed price is above the actual price, the contractor shall reimburse the department the difference by reducing contractor invoice payments during the succeeding year.

In the example above, the required adjustment is straightforward. It assumes average fuel price is $4.00 per gallon and the actual average fuel price is $4.12 per gallon. The difference, in favor of the contractor, is 12 cents per gallon, calculated as:

Total route miles per day	100
Multiplied by 180 school days	x 180
	18,000
Divided by the bus factor (5 for a Type I bus, 6.5 for a Type II bus)	÷ 5
	3,600
Multiplied by the difference per gallon	x $ 0.12
Equals adjustment payable to the contractor	**$ 432.00**

We confirmed that fuel cost adjustments vary by contract. Nevertheless, the transportation branch manager is responsible for defining bid specifications, which become incorporated into school bus contracts; as such, he could change the formula if it is deemed too complicated. By failing to calculate annual adjustments in a timely manner, the State cannot ensure it is getting best value for its money or that contractors are properly compensated. Further, the State's untimely fuel adjustments contribute to the myriad elements causing school bus contract costs to skyrocket.

No coordinated oversight of school bus services is in place

The department has allowed the two branches responsible for overseeing school transportation services, the procurement branch and the transportation branch, to operate unsystematically. The procurement branch is primarily responsible for the technical processes related to procurement such as posting public notices, accepting bids, and awarding contracts. The transportation branch is responsible for more substantive aspects of procurement—that is, researching, analyzing, and preparing bid specifications—as well as contract administration. Administration includes monitoring contractors' work, assuring services are delivered as required in a contract, and notifying the procurement branch in the event of any change in contract terms. We found that although each branch has some responsibility over awarding and administering school bus contracts, neither branch has accepted overall responsibility for both. Nowhere did we find complete contract files, and both branches play a passive, reactive role towards contract administration. Further, much of the responsibility for day-to-day contract monitoring falls to the transportation branch's transportation officers, who are ill-equipped to administer multi-million dollar contracts.

Complete contract files do not exist

According to the department's *Guidelines for Procurement and Contracting*, contract administrators are to maintain files containing complete contracts and all related documents, including contract modifications, internal and external correspondence, and summaries of meetings and telephone conversations. We found the transportation branch has failed to fulfill its contract administration role by not

maintaining contract files according to the department's guidelines. This has diminished the transportation branch's ability to hold school bus operators accountable to the performance terms of their contracts.

We examined ten contracts statewide and requested relevant documentation from the procurement branch, the transportation branch's central headquarters, and each of the relevant regional district transportation offices. The files at the transportation branch headquarters held little or no required documentation; although there were appropriately tabbed sections within the relevant files, the sections were empty. Transportation branch staff initially told us the files were complete, but later stated that many related documents were located elsewhere. Staff indicated that correspondence from the contractor was kept by the branch secretary who was unavailable at the time. The transportation branch manager said he would provide us with the correspondence but never did. Staff gave us copies of contract modifications that were kept on a computer. However, the copies given to us were not related to the contracts under review. Subsequently, the transportation branch manager provided us with the applicable modifications; however, some modifications were missing, and most of the ones provided lacked signatures from department and contractor representatives.

At O'ahu, Maui, and Hawai'i Island district offices we found similar results: seven contracts contained no correspondence with the contractor. Only two files contained vendor correspondence; in a third case, the transportation officer produced correspondence with one of the vendors upon request. Likewise, in eight of ten instances, contract files contained no summaries of conversations or meetings with contractors. One transportation officer told us he used to keep a telephone log but does not do so anymore.

Required annual reports were also kept inconsistently. No later than August 30 each year, contractors must provide transportation officers with an inventory of all buses to be used, which includes vehicle identification numbers, license plate numbers, and date of each vehicle's last safety inspection. Two of the ten contracts we reviewed did not contain any inventories, and the transportation officer could not produce them upon request. In a third case, most of the required information was missing. In a fourth case, the report did not have a date to determine if the report was current. The six remaining contracts contained reports that lacked the date of the last safety inspection.

Of concern is the fact that even where inventories were present, there was no documentation that transportation officers had verified the information. In one case, the transportation officer said he did not even know the reports were required until 2011 and that, as of April 2012,

reports due August 30, 2011 were "trickling in piecemeal." Another transportation officer told us he would normally corroborate the inventory information but had not done so for the past two years. No explanation was given as to why this was the case.

Contractors are also required to submit bus driver rosters. Due annually on August 30, rosters must include driver names, license numbers, and expiration date of criminal clearances, which parallels the school bus driver qualifications in Section 19-143-6, HAR, and Sections 302A-601.5 and 846-2.7, HRS, pertaining to criminal background checks. Most of the files we tested did not contain a driver roster and none contained a complete roster. In one case, the file contained a roster of driver names and other information but was missing most of the other required information. In six other cases, transportation officers produced rosters upon request, but in two of those instances the rosters were not complete. There was no roster at all in the three remaining cases. In cases where there was a driver roster, there was no indication that transportation officers had verified the accuracy of the information. One transportation officer admitted that driver rosters could be inaccurate.

Failure to maintain contract files is the result of poor coordination between the transportation branch manager and transportation officers in charge of monitoring. The transportation branch manager told us he focuses on "global issues" dealing with bus company executives while transportation officers monitor contracts more closely. However, the manager has failed to create procedures for the transportation officers to follow. In doing so, the transportation branch manager has effectively given transportation officers a major responsibility, but not the tools to fulfill it. Failure to maintain adequate contract files means the department has limited documentation related to each contract, including documentation to justify spiraling bus service costs. As a result, the department cannot ensure contractors are performing in accordance with contract terms and that the State is receiving full value for its dollar.

Monitoring of bus services is almost non-existent

Passivity is the hallmark of the approach that the procurement and transportation branches have taken toward contract monitoring. The procurement branch involves itself almost exclusively with the technical process of procurement and considers that the once a contract is awarded, "[e]verything's on auto-pilot." The transportation branch, which administers contracts, relies on transportation officers to monitor contracts on a day-to-day basis. For their part, transportation officers assume contractors have fulfilled contract terms as long as there are no complaints from parents, students, or schools. One transportation officer told us the department simply relies too much on an "honor system." This passive approach has made it difficult for the department to assess, and unable to quantify, how well contractors are fulfilling contract terms.

Contract monitoring is the backbone of responsible contract administration, and serves to ensure that vendors comply with contract terms, performance expectations are achieved and problems are identified and solved, according to the National State Auditors Association's *Best Practices for Contracting Services* guide. Without a sound monitoring process, a contracting agency cannot adequately ensure it is receiving contracted services. To properly monitor a contract, an agency should ensure that deliverables are received on time and document the acceptance or rejection of deliverables.

However, we found that contract monitoring of bus services contracts is sparse. According to the transportation branch manager, the branch does not currently have policies or procedures regarding contract monitoring. Although contracts specify regular reporting requirements, the branch manager admitted to being inconsistent in following these up with contractors. In January 2012, the branch's administrative services assistant was newly tasked with coordinating all reporting requirements to ensure contractor compliance.

We found that monitoring is conducted only via annual reports, investigation of complaints, and on-site visits. Contract files often lack significant information related to monitoring: for example, annual reports are often missing or inadequate, files on complaints are sparse, and transportation officers rarely perform on-site inspections. Contract modifications and notifications also are often missing or lack signatures. Furthermore, transportation officers maintain no records that bus services are actually delivered on time as promised. In brief, the department is not fulfilling its responsibility to protect the State's interest by effectively monitoring school bus contracts.

Transportation officers do not actively monitor contractors to ensure they are meeting contract terms. Transportation officers rarely conduct site inspections. Failure to document the proper delivery of services means the department is unable to ensure contractors are providing services in accordance with contract terms. Contracts stipulate that buses may be inspected to ensure vehicles meet technical requirements and that buses comply with requirements for age, safety, and cleanliness. Transportation officers are supposed to use a monitoring report form during such on-site inspections, but we found this was rarely done. The transportation branch manager told us the monitoring form is new and he has only recently instructed his transportation officers to use it; however, we found that at least one transportation officer used an almost identical form in 2009, indicating that such a form has existed for years but has not been used consistently. Another variation of the form was used as long ago as 2006.

None of the contract files we reviewed contained inspection reports. In one instance, the transportation officer produced a separate binder containing inspection reports, but the file was not indexed by contract, which made it difficult to monitor contractor performance. In addition, the most recent report was dated 2009. In another instance, the transportation officer had some reports related to other contracts but not the contract in our sample. According to the transportation branch manager, transportation officers should conduct field inspections about eight times per week but are not yet doing so. Transportation officers we interviewed said they infrequently conducted field visits and one transportation officer told us field inspections have fallen off since 2008 because there is no time to do them.

Likewise, transportation officers do not maintain records on whether bus services are actually delivered on time. The department's *Guidelines for Procurement and Contracting* requires a contract administrator to formally accept and verify that services are delivered on time and in accordance with contract terms. If formal acceptance is delayed, acceptance is implied. The contract files we reviewed contained no records documenting the timely (or otherwise) delivery of services, nor written documentation of acceptance or rejection of services. Transportation officers confirmed with us that they have no system in place for documenting proper delivery or acceptance of services. Instead, they rely on contractors to report their own failures to deliver services. One transportation officer said that schools and parents were his only sources of information concerning problems with service. "If they don't inform me," he said, "I don't know."

Finally, we found that documentation on complaints is sparse. Transportation officers rely on complaints from schools and parents to alert them to poor performance by contractors; in the absence of such complaints, officers assume bus services have been delivered as required. Only one of ten contract files we reviewed contained information on complaints; in one other case, the transportation officer was able to produce some documentation, but this was located elsewhere. In a third case a transportation officer said she had logged complaints into the transportation branch's LotusNotes system. However, the transportation branch did not fulfill its promise to provide us with copies of those, nor other complaints related to contracts we examined. Furthermore, such documentation rarely recorded the disposition or resolution of the complaint. This approach to monitoring is passive, reactive, and inadequate. Without such documentation, the branch is in no position to support whether a contractor's services are adequate or inadequate—information that would assist in analyzing subsequent bids from the contractor in the event of contract renewal or re-bid.

Conclusion

The Department of Education has lost control of its student transportation program. We found that the department has failed to identify and address anticompetitive behavior among contractors and allowed costs for school bus services to escalate unjustifiably. The increasingly oversized school bus budget has overwhelmed the department and forced a re-examination of how transportation services are delivered to students in grades kindergarten through 12 statewide.

There are no easy fixes for the department's problems. However, the department would benefit by adopting a systematic approach to managing student transportation service contracts that results in better coordination between the purchasers of those services (procurement branch and transportation branch) and those responsible for overseeing their delivery (transportation branch and transportation officers). The department also must stress the proper stewardship of state resources to those overseeing the school bus program and better equip transportation officers to oversee contractors who have become adept market participants.

Even with such changes, the department will likely continue to grapple with an inefficient and uneven market in which competition for contracts is constrained. However, a systematic approach to program management would put the department in a better position to determine whether rising school bus costs are justified or result from anticompetitive behavior that warrant further investigation.

Recommendations

1. The Student Transportation Services Branch (STSB) manager should:

    a. Properly plan for school bus services statewide by:

        i. Establishing short- and long-range plans for ensuring the safety and efficiency of bus routes and services;

        ii. Creating guidelines, policies, and procedures governing school bus routes and stops;

        iii. Ensuring that the department has up-to-date and accurate route descriptions, ridership numbers, and route mileage statistics;

        iv. Acquiring and implementing bus route planning software;

v. Establishing and implementing a system for analyzing route efficiency, and creating an inventory of bus stops and evaluating them for safety;

vi. Reviewing contracts on a regular basis and revising them where necessary, including both routes and terms; and

vii. Taking a proactive role in assisting the Procurement and Contracts Branch (PCB) with securing bus service contracts by actively reviewing contract terms and conducting meaningful analyses regarding the fairness of single responsive offers.

b. Properly administer school bus service contracts by:

i. Ensuring the branch maintains a complete contract file which includes, but is not limited to:

1. The executed contract;

2. All contract modifications;

3. Contractor contact information;

4. All correspondence with and regarding the contractor;

5. All complaints regarding the contractor, including disposition and resolution; and

6. All other relevant information regarding the contractor, including previous contracts awarded to that contractor and any relevant bids from that contractor.

ii. Monitoring contractors' performance. This includes:

1. Ensuring contractors provide reports as required in their contracts, and that these are maintained within the contract file;

2. Evaluating contractors' performance requirements and, where necessary, restructuring contracts to include specific performance requirements. Data to be

collected should be sufficient to allow reasonable analysis of the fairness of future bus service contract bids;

3. Implementing annual price adjustments for fuel costs as required by contract terms;

4. Conducting spot checks to ensure contractors are providing services and equipment as required; and

5. Verifying the accuracy of information provided by contractors such as vehicle inventories, vehicle ages, and driver background checks.

iii. Ensuring that all complaints are logged in a central repository, with disposition and resolutions noted.

c. Develop a manual delineating district transportation officers' (DTOs) tasks and how to perform them, and train DTOs regarding the same. This may require reevaluating DTOs' roles and responsibilities.

2. The Department of Education should:

a. Develop and implement a policy concerning procurement training for all employees who have procurement responsibilities. The training should highlight indicators of potential anticompetitive practices and identify what staff are expected to do in response; and

b. Develop and implement procedures, including forms, for reporting suspected anticompetitive practices as envisioned by the Hawai‘i Administrative Rules.

3. The Procurement and Contracts Branch (PCB) should:

a. Ensure that the Student Transportation Services Branch (STSB) conducts an analysis determining the fairness of single responsive offers before accepting such offers. Analyses should be documented and retained within contract files; and

b. Ensure that the department solicits bids for expiring contracts with sufficient time to attract competitive offers.

4. The Legislature should consider amending the General Excise Tax law (Chapter 237, HRS) to explicitly prohibit the State from paying or reimbursing contractors for general excise taxes.

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Appendix A
Statewide School Bus Services Contracts, SY2012

	Contract No.	Contractor	Service area	SY2012 contract value
1)	02024	Robert's Hawaii School Bus	West O'ahu	$1,098,891
2)	50059	Dudoit	Maui	$406,616
3)	50059	Dudoit	Maui	$58,688
4)	50065	Akita Enterprises	Maui	$182,202
5)	50066	Yamaguchi Bus Service	Kaua'i	$59,369
6)	50068	Yamaguchi Bus Service	Kaua'i	$117,508
7)	50070	Yamaguchi Bus Service	Kaua'i	$111,817
8)	50070	Yamaguchi Bus Service	Kaua'i	$56,104
9)	50071	Akita Enterprises	Kaua'i	$590,501
10)	50071	Akita Enterprises	Kaua'i	$177,828
11)	50072	Akita Enterprises	Kaua'i	$58,979
12)	50073	Akita Enterprises	Kaua'i	$779,210
13)	50073	Akita Enterprises	Kaua'i	$60,515
14)	60135	Ground Transport	Honolulu	$101,588
15)	60136	Ground Transport	Central O'ahu	$643,621
16)	60137	Ground Transport	Central O'ahu	$409,742
17)	60174	Akita Enterprises	East O'ahu	$129,258
18)	60175	Akita Enterprises	Maui	$404,436
19)	60176	Yamaguchi Bus Service	Central O'ahu	$1,862,471
20)	10183	Robert's Hawaii School Bus	East O'ahu	$667,800
21)	10184	Robert's Hawaii School Bus	Maui	$3,485,700
22)	10185	Robert's Hawaii School Bus	Kaua'i	$593,000
23)	10186	Spencer	Maui	$378,000
24)	10182	Robert's Hawaii School Bus	Honolulu	$58,500
25)	70232	Ground Transport	Central O'ahu	$1,102,446
26)	70233	Ground Transport	Central O'ahu	$300,698
27)	70234	Gomes School Bus Service	Central O'ahu	$860,762
28)	70235	Ground Transport	Leeward O'ahu	$466,939
29)	70236	Gomes School Bus Service	Windward O'ahu	$391,844
30)	70237	Gomes School Bus Service	Windward O'ahu	$889,426
31)	80111	Gomes School Bus Service	Windward O'ahu	$668,915
32)	80134	Robert's Hawaii School Bus	Leeward O'ahu	$1,763,919
33)	80135	Robert's Hawaii School Bus	Leeward O'ahu	$2,092,414
34)	80136	Robert's Hawaii School Bus	Leeward O'ahu	$1,276,417
35)	80137	Robert's Hawaii School Bus	Central O'ahu	$1,975,439
36)	80138	Robert's Hawaii School Bus	Central O'ahu	$400,366
37)	80139	Robert's Hawaii School Bus	Windward O'ahu	$1,320,968
38)	90130	Tomasa's Bus Company	Central O'ahu	$333,383

	Contract No.	Contractor	Service area	SY2012 contract value
39)	90131	Tomasa's Bus Company	Leeward O'ahu	$1,001,441
40)	90132	Tomasa's Bus Company	Leeward O'ahu	$553,423
41)	10088	Ground Transport	Honolulu	$308,980
42)	70032	Akita Enterprises	Kaua'i	$ 91,958
43)	70238	Robert's Hawaii School Bus	East O'ahu	$229,530
44)	70239	Yamaguchi Bus Service	Kaua'i	$77,191
45)	70240	Robert's Hawaii School Bus	Maui	$112,003
46)	70241	Robert's Hawaii School Bus	Maui	$211,937
47)	70242	Akina Bus Service	Maui	$192,898
48)	70243	Robert's Hawaii School Bus	Maui	$372,419
49)	70244	Robert's Hawaii School Bus	Maui	$462,275
50)	70245	Robert's Hawaii School Bus	Maui	$286,377
51)	70246	Robert's Hawaii School Bus	Maui	$226,512
52)	70247	Robert's Hawaii School Bus	Maui	$226,512
53)	70248	Robert's Hawaii School Bus	Maui	$123,504
54)	70249	MTA	Maui	$249,720
55)	80112	Akita Enterprises	East O'ahu	$460,196
56)	80113	Yamaguchi Bus Service	West O'ahu	$1,341,171
57)	80123	Akita Enterprises	East O'ahu	$207,455
58)	80125	Robert's Hawaii School Bus	West O'ahu	$597,966
59)	80140	Robert's Hawaii School Bus	East O'ahu	$2,018,484
60)	90114	Akita Enterprises	East O'ahu	$370,119
61)	90115	Akita Enterprises	East O'ahu	$295,726
62)	90120	Robert's Hawaii School Bus	East O'ahu	$223,594
63)	90121	Robert's Hawaii School Bus	East O'ahu	$98,814
64)	90122	Robert's Hawaii School Bus	East O'ahu	$160,108
65)	90123	Robert's Hawaii School Bus	East O'ahu	$446,887
66)	90124	Robert's Hawaii School Bus	East O'ahu	$335,157
67)	90125	Robert's Hawaii School Bus	East O'ahu	$670,241
68)	90126	Robert's Hawaii School Bus	West O'ahu	$1,786,665
69)	90127	Robert's Hawaii School Bus	West O'ahu	$223,553
70)	90128	Robert's Hawaii School Bus	West O'ahu	$223,188
71)	10081	Akina Bus Service	Maui	$255,489
72)	02027	Robert's Hawaii School Bus	West O'ahu	$500,885
73)	50077	Akita Enterprises	Kauai	$429,576
74)	60134	Akita Enterprises	West O'ahu	$351,483
75)	60138	Robert's Hawaii School Bus	Honolulu	$1,269,463

	Contract No.	Contractor	Service area	SY2012 contract value
76)	60138AC	Robert's Hawaii School Bus	Honolulu	$153,302
77)	60139	Robert's Hawaii School Bus	Honolulu	$1,377,804
78)	60140	Robert's Hawaii School Bus	Central O'ahu	$1,917,072
79)	10181	Robert's Hawaii School Bus	Maui	$1,652,570
80)	70325	Robert's Hawaii School Bus	Central O'ahu	$506,687
81)	70326	Yamaguchi Bus Service	Central O'ahu	$456,427
82)	70327	Robert's Hawaii School Bus	Leeward O'ahu	$561,142
83)	70328	Ground Transport	Leeward O'ahu	$2,354,342
84)	70329	Tomasa's Bus Company	Windward O'ahu	$316,747
85)	70330	Gomes School Bus Service	Windward O'ahu	$1,231,931
86)	70331	Gomes School Bus Service	Windward O'ahu	$1,143,901
87)	80114	Robert's Hawaii School Bus	Central O'ahu	$617,719
88)	80115	Tomasa's Bus Company	Windward O'ahu	$564,763
89)	80126	Tomasa's Bus Company	Leeward O'ahu	$785,964
90)	90118	Ground Transport	Central O'ahu	$2,280,190
91)	90119	Ground Transport	Leeward O'ahu	$3,515,478
92)	70332	Robert's Hawaii School Bus	East O'ahu	$1,104,564
93)	70333	Robert's Hawaii School Bus	East O'ahu	$1,133,270
94)	70334	Robert's Hawaii School Bus	East O'ahu	$1,225,827
95)	70335	Robert's Hawaii School Bus	East O'ahu	$255,730
96)	70336	Robert's Hawaii School Bus	West O'ahu	$860,628
97)	70337	Robert's Hawaii School Bus	Maui	$601,014
98)	70338	Robert's Hawaii School Bus	Maui	$876,231
99)	70339	Robert's Hawaii School Bus	Maui	$766,003
100)	70340	Spencer	Maui	$329,583
101)	70341	Dudoit	Maui	$334,172
102)	80116	Akita Enterprises	Maui	$140,899
103)	80124	Akita Enterprises	West O'ahu	$234,109
104)	80141	Robert's Hawaii School Bus	West O'ahu	$681,199
105)	90116	Akita Enterprises	East O'ahu	$410,854
106)	90117	Akita Enterprises	Kaua'i	$776,690
107)	90129	Robert's Hawaii School Bus	Maui	$803,391
			Total:	**$ 74,299,383**

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Responses of the Affected Agencies

Comments on Agency Responses

We transmitted a draft of this report to the Board of Education and the superintendent of education on August 8, 2012. A copy of the transmittal letter to the board is included as Attachment 1. The board's response, received on August 23, 2012, is included as Attachment 2; the department's response, received on August 20, 2012, is included as Attachment 3.

The board expressed its appreciation for our work on what it called a comprehensive and thorough report. It stated that examining bus transportation costs remains a high priority, and that it intends to review the report with the department at its next meeting.

The department acknowledged that past practices relating to the procurement, delivery and oversight of student transportation services may not have been consistent with nationally recognized best practices and that much more work needs to be done to protect public transportation funds and improve public confidence. The department reports it has entered into an agreement with a consultant to assess its current business model, compare its practices to similar school districts, evaluate the current organizational infrastructure of the department and its transportation branch, and make recommendations for improvement. Many of these items are addressed in our report.

The department agreed with most of our recommendations but disputes several of our conclusions. For example, the department disagreed that it does not consolidate routes. Here, the department missed our broader point that the department's lack of systematic, routine evaluation of routes resulted in instances where underutilized routes were not consolidated. We also found the department lacked basic mileage, route description, and ridership data needed to conduct such route evaluations.

The department disagreed that the transportation branch allows contractors to delay the contract extension process to State's detriment, stating that contractors have forced delays in the contract extension process despite the department's efforts to maintain deadlines. However, this explanation supports our assertion that the department has allowed school bus contractors to dictate the timing of contract extensions. As stipulated in school bus contracts, the contract administrator is responsible for terms, conditions, and all decisions relating to contracts. However, the transportation branch manager told us the branch has often played a relatively passive role in the contract renewal process and

that untimely re-solicitations have affected the department's ability to encourage competition.

The department also disagreed that unsystematic oversight has permitted escalating costs, contending the cost of student transportation services is market-controlled. Again, the department misunderstands our point that it has failed to take adequate measures to monitor and bolster competition and flag suspected anti-competitive practices. Furthermore, the transportation branch manager acknowledged to us that the competitive market, which was supposed to have kept costs down, is no longer working.

Finally, the department disagrees that no one has drawn meaningful attention to suspected anti-competitive practices. The department says it has cooperated with a federal investigation into possible anti-trust violations by school bus contractors. However, the department's participation in that investigation does not absolve it from its responsibility to report suspected anticompetitive practices encountered during the bid solicitation process. Although the department was cognizant of persistent patterns of single bidders for route group solicitations, it failed to adopt procedures or a form to report suspected anticompetitive practices. Accordingly, we stand by our findings.

STATE OF HAWAI'I
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawai'i 96813-2917

MARION M. HIGA
State Auditor

(808) 587-0800
FAX: (808) 587-0830

August 8, 2012

The Honorable Donald G. Horner
Chairperson, At Large
Board of Education
Queen Lili'uokalani Building
1390 Miller Street
Honolulu, Hawai'i 96813

Dear Chair Horner:

Enclosed for your information are 11 copies, numbered 9 to 19, of our confidential draft report, *Management Audit of the Department of Education's School Bus Transportation Services*. We ask that you telephone us by Friday, August 10, 2012, on whether or not you intend to comment on our recommendations. Please distribute the copies to the members of the board. If you wish your comments to be included in the report, please submit them no later than Monday, August 20, 2012.

The Department of Education, Governor, and presiding officers of the two houses of the Legislature have also been provided copies of this confidential draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

Marion M. Higa
State Auditor

Enclosures

ATTACHMENT 2

NEIL ABERCROMBIE
GOVERNOR

DONALD G. HORNER
CHAIRPERSON

STATE OF HAWAI'I
BOARD OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI'I 96804

RECEIVED
2012 AUG 23 AM 8:36
OFC. OF THE AUDITOR
STATE OF HAWAII

August 21, 2012

Ms. Marion M. Higa
State Auditor
465 South King Street, Room 500
Honolulu, Hawaii 96813-2917

RE: Management Audit of the Department of Education's School Bus Transportation Services

Dear Ms. Higa:

The Board of Education (the "***Board***") is in receipt of the Management Audit of the Department of Education's School Bus Transportation Services (the "***Report***"). We appreciate the work that you and your office have done to review the Department of Education's (the "***Department***") student transportation operations and to recommend improvements.

Examining bus transportation costs remains a high priority for the Board and the Department. The Board will review the Report with the Department at its next scheduled Board meeting and we would like to invite you or a deputy auditor to the meeting to discuss the matter with the Board.

We appreciate your work on this comprehensive and thorough Report.

Sincerely yours,

Donald G. Horner

DH:lye

NEIL ABERCROMBIE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI'I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI'I 96804

OFFICE OF THE SUPERINTENDENT

RECEIVED
2012 AUG 20 AM 10:55
OFC. OF THE AUDITOR
STATE OF HAWAII

August 20, 2012

Marion M. Higa
State Auditor
Office of the Auditor
465 South King Street, Room 500
Honolulu, HI 96813-2917

RE: Management Audit of the Department of Education's School Bus Transportation Services

Dear Ms. Higa:

Independent audits are a key component of accountability and public transparency. The Department of Education (DOE) thanks the State Auditor for this evaluation of the internal policies and procedures of the Department's Student Transportation Services program.

The DOE acknowledges that some of its past practices relating to the procurement, delivery and oversight of pupil transportation services may not have been consistent with nationally recognized best practices. The DOE inherited many of those practices when the Governor reassigned the pupil transportation program from the Department of Accounting and General Services (DAGS) to the DOE in July 2000. In any event, the DOE has already entered into a professional services agreement with school bus industry-leading consultant firm, Management Partnership Services Inc. to assess the DOE's current business model, compare its practices to similar school districts, evaluate the current organizational infrastructure of the DOE and its transportation branch, and make recommendations for improvement. The DOE will work with this consultant to review the corrective measures that the Auditor's report outlines. The DOE will also work with the consultant to implement the following measures:

- Stimulating competition by redesigning the contract model in such a way that will enable non school bus entities to enter the market.
- Modernizing the way school bus routes are designed by acquiring and implementing bus route planning software that uses real time student information data.
- Developing a GPS-locator framework for school bus vehicles in order to collect, track and maintain bus route mileage and student ridership information.
- With the assistance of the DOE's consultant, implement measures to strengthen the cost effectiveness of school bus contracts such as outsourcing only the labor component of bussing services.
- Incorporating the Request for Proposal approach to procuring school bus management contracts in order to give the DOE maximum ability to evaluate offers before award.

AN AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY EMPLOYER

- Improving contractor activity monitoring by providing clerical support to our transportation officers, which will enable more frequent and meaningful field inspections.

- Taking full advantage of the State Procurement Office's anti-trust training opportunities and making full use of the Attorney General's office to investigate anti-competitive practices if "red-flags" appear during the procurement process.

The DOE acknowledges that there is much more work to be done to protect public transportation funds and improve public confidence. Although most of the audit recommendations to strengthen the DOE's student transportation program are reasonable and prudent, some statements and conclusions are not correct, such as the following statements:

- "The department does not consolidate routes" – For fiscal year 2012, the Department consolidated 23 bus routes for a savings of $1,372,717.

- "Transportation branch allows contractors to delay extension process to State's detriment" – Contractors have forced delays in the contract extension process despite DOE efforts to maintain strict deadlines.

- "Unsystematic oversight has permitted escalating costs" – The cost of pupil transportation services is market controlled.

- "No one has drawn meaningful attention to suspected anti-competitive practices" – The DOE has cooperated with federal authorities in their investigation into possible antitrust violations by school bus contractors.

The DOE looks forward to moving student transportation into the 21st century.

Very truly yours,

Kathryn S. Matayoshi
Superintendent

KSM:RL

§302A-406 Transportation of school children. (a) The department may provide suitable transportation to and from school and for educational field trips for all children in grades kindergarten to twelve and in special education classes. The department shall adopt policies, procedures, and programs as it deems necessary to provide suitable transportation.

(b) The department shall adopt rules under chapter 91 governing the supervision and administration of the transportation of school children under this section. [L 1996, c 89, pt of §2; am L 2010, c 167, §5; am L 2013, c 257, §2]

Cross References

Interference with the operator of a public transit vehicle, see §711-1112.

State function, see §27-11.

Previous Vol05_Ch0261-0319 Next

Attachment B – Pricing Form

Cluster 1 – Makawao

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	21		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	9		180				
Count of Special Needs Buses (Type II) with no special equipment	6		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	4		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Baldwin

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	10		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	3		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Lahaina

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	13		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 4 – Maui

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	18		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	7		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment A - Student Transportation Contract
Service Specifications

1) Student Transportation Service Requirements

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Attachment E. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

Attachment B – Pricing Form

Cluster 1 – Waimea

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	14		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	1		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Kapaa

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	19		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Kauai

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	15		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	4		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment A - Student Transportation Contract
Service Specifications

1) Student Transportation Service Requirements

a) Legal Compliance

i) The Contractor will comply with any and all applicable federal, state, county, municipal, and local laws, statutes, ordinances, policies, regulations, and/or prohibitions currently in force or that may come into force during the term of this Agreement that pertain to the provision of student transportation services to the Department.

ii) This compliance includes every aspect of student transportation service provision including, but not limited to: school buses and related vehicles; school bus equipment; school bus licensing; employee training; employee certification; driver licensing; employee background checks; employee drug and alcohol testing; first aid certification; emergency preparedness; environmental compliance; fueling; traffic and parking; and others.

iii) The Contractor is responsible for having full knowledge of all such laws, statutes, ordinances, Board of Education policies, and Department of Education regulations at all times over the term of this Agreement.

iv) The Department is responsible for providing an official copy of all applicable Board of Education policies and Department of Education regulations to the Contractor prior to the initial execution of this Agreement.

b) Transportation Service Provision – Programs, Types, and Volume

i) The Contractor will provide home to school and school to home transportation service for all regular education and special needs students defined as eligible for Transportation and assigned to the Contractor by the Department under this Agreement. This may also, at the Department's direction, include mid- and/or post-day routing between schools and specific educational programs before, during, or after the regular school day.

(1) The Department reserves the right at any time during the term of this Agreement to alter rider eligibility policies and other parameters that may increase or decrease the amount of service to be provided in accordance with this requirement.

(2) The number of vehicles to be operated by the Contractor in accordance with this requirement may increase or decrease by ten (10) percent per year at the prices established in this Agreement. A change of more than ten (10) percent will require the Contractor and the Department to renegotiate prices for the balance of the Agreement term.

ii) The Contractor will provide such additional and supplemental Transportation services as may be required by the Department including, but not limited to: co-curricular; activity; athletic; late or extended day; vocational; and special programs.

(1) The volume of services to be provided in accordance with this requirement will vary based on demand, and will not be specifically assigned to any one Contractor.

(2) All services provided in accordance with this requirement will be provided on a per-request basis. The Contractor may accept or decline to provide the service on a per-request basis. All requests for service accepted by the Contractor under this requirement will be provided at prices not to exceed those established in this Agreement.

c) Transportation Service Provision – Operating Parameters

i) The Contractor will provide Transportation in conjunction with certain parameters established by the Department as Board of Education policies, Department of Education regulations, and Student Transportation Services Branch Standard Operating Procedures. These may be altered at any time over the term of this Agreement and at the sole discretion of the Department.

ii) The Department's current transportation operating parameters shall be provided to the Contractor and may be modified at any time over the term of this Agreement at the sole discretion of the Department.

iii) The Department will assign routes and route packages to the Contractor in conjunction with the services referenced in this Agreement and the Agreement's supporting Exhibits. The Department is responsible for the development and administration of the planned routes and route packages. The Contractor is responsible to be fully aware of the parameters under which the service was planned and to communicate with the Department if recurring problems, issues, or exceptions are noted with any route or route package assigned to the Contractor.

iv) The Contractor is to perform the routes and route packages as assigned by the Department, except that:

(a) Deviations may occur irregularly based upon:

(i) A particular day's riders or schedule or weather

(ii) Unforeseen traffic situations or incidents

(iii) The bus driver or Contractor's contention that following the prescribed route creates an unsafe circumstance

(b) The Contractor will report, when recurring for three (3) consecutive school days and in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Zero (0) riders at morning or afternoon bus stops

(ii) Late arrival at a particular school in the morning of ten (10) minutes or more

(iii) Late departure from a particular school in the afternoon of ten (10) minutes or more

(c) The Contractor will immediately report in a manner acceptable to the Department, the following exceptions associated with performing the routes as designed:

(i) Road closure causing a route deviation

(ii) Any route turns, turnarounds or route paths that should be altered to reduce unnecessary travel or minimize potentially unsafe circumstances

(iii) Any bus ridership that is beyond the parameters established as acceptable by the Department

v) The Department will make every effort to notify the Contractor of route changes at least two (2) school days before the change is to occur.

vi) The Contractor will comply with route change orders from the Department within two (2) school days of notification.

vii) The Department will provide access to route data such that the Contractor can fulfill its service obligations.

2) <u>Contractor Accountabilities & Responsibilities</u>

a) Safe Service

i) Student, Department employee, constituent, and Contractor employee safety is paramount and will be the highest priority consideration in the delivery of services under this Agreement.

ii) The Contractor shall immediately inform the Department of any Department policies, regulations, procedures, or practices that may conflict with safety prioritization.

iii) The Contractor shall not intentionally compromise safety in order to achieve any of the requirements of this Agreement.

iv) The Contractor shall not intentionally perform an unsafe act to achieve contractual or related performance criteria.

v) The Contractor will immediately perform any service necessary to address a safety concern whether or not it is specifically required by this Agreement.

b) Appearance of Contractor Resources

i) The appearance of the Contractor's vehicles, facilities, work areas, and employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Department may, at its sole discretion and at any point over the term of this Agreement, impose specific dress, condition, or cleanliness standards upon the Contractor as the Department may deem appropriate.

c) Contractor Employee Conduct

i) The conduct of Contractor's employees will meet the higher of 1) standards specified by the Department in an Exhibit to this Agreement, or 2) customary and reasonable standards for the student transportation industry.

ii) The Contractor will be responsive to written direction provided by the Department as to any personnel or conditions deemed to be insufficient relative to these standards.

iii) The Department may, at its sole discretion and at any time over the term of this Agreement, mandate a change to the Contractor's management personnel if the Department

determines that the Contractor's repeated and progressive efforts to resolve a specific and documented shortcoming identified by the Department have been unsuccessful.

iv) The Contractor must comply with any Department request for the removal of an employee providing service under this Agreement if such removal is deemed to be in the best interest of the Department, and on submission of written documentation to the Contractor documenting the reasons for the request, and if the Department determines that the Contractor's repeated and progressive efforts to resolve the issue have not been successful.

d) Contractor Vehicles

i) The Contractor will provide school transportation vehicles of sufficient number, quality, and dependability to perform Transportation Services within the requirements of this Agreement, including, but not limited to the Legal Compliance and Minimum Service Level Criteria paragraphs of this Agreement, and the following:

(1) The average age of the Contractor's fleet of regular route and spare vehicles shall not exceed nine (9.0) years.

(2) No Contractor vehicle regularly assigned to a scheduled route shall exceed fifteen (15.0) years in age.

(3) The fleet age requirements of this section shall not apply to additional and supplemental Transportation services provided under this Agreement.

(4) The age of each vehicle shall be measured from the date the vehicle was first placed in service as a new vehicle.

(5) The Contractor will adhere to a minimum spare vehicle requirement of ten (10) percent of the total regular daily routes operated.

(6) The Contractor will repair and maintain all vehicles, at a minimum, in accordance with vehicle manufacturer recommendations.

ii) The Contractor will submit an inventory of their vehicle fleet to be assigned to the provision of services under this section of the Agreement, with content and in a format acceptable to the Department, a minimum of one-month prior to the commencement of services under this Agreement, and at least one-month prior to each subsequent annual anniversary date of the Agreement.

iii) The Contractor will provide all of the vehicle equipment required to provide Transportation. This may include, but is not limited to: wheelchair lift-equipped vehicles; wheelchair tie-downs; and other special equipment.

iv) Each Contractor vehicle will be equipped with two-way voice communications to the Contractor dispatch facility.

v) Each Contractor vehicle will be equipped with Automatic Vehicle Location (AVL/GPS) devices of a type and quality sufficient to interface with, and/or transfer data to the Department. The data available to the Department must, at a minimum, enable calculation of the Minimum Service Level Criteria of this Agreement, and adequately support the Department's Contract Performance Management Program.

vi) Each Contractor vehicle will be equipped with a minimum of two (2) digital video cameras of a type and quality sufficient to specifications established by the Department in Attachment E. The cameras must be able to, at a minimum, see the length of the bus from front to rear and be capable of recording activity at the loading door. The data available to the Department must, at a minimum, allow authorized DOE personnel to view and store video recordings, and adequately support the Department's Contract Performance Management Program.

e) Software, Hardware and Related Technologies

i) The Contractor will provide the software, hardware and technical services necessary to:

(1) Connect to the Department's designated online data systems via internet-based portals, as required.

(2) Provide the Department with electronic access, via electronic file transfer or direct data system access, to the Contractor's AVL/GPS data.

(3) View and store as required data from digital video cameras.

(4) Enable future acquisition and implementation of live student tracking technology.

ii) If providing direct data system access to Contractor systems, the Department's access to data will be restricted so as not to interfere with the integrity of the data system or with the Contractor's operations, and can be limited to ensure the privacy of Contractor information unrelated to this Agreement.

f) Pre-service Route Verification

i) The Contractor will perform one dry-run, defined as operating each bus at the scheduled times but without students on board, for each assigned route and route package not less than ten (10) days preceding the first day of school in each school year falling within the term of this Agreement. This process will be coordinated with Department officials who may monitor the process without restriction. The Department and Contractor will meet within one (1) day following completion of each dry-run to assess the outcome of the dry run.

ii) The Contractor shall not be compensated for the dry run.

iii) If the Department deems, at its sole discretion, that an additional dry-run is necessary, the Department may require one additional partial or full dry-run to be performed for any route or route package. In that event, the Department will be responsible for compensating the Contractor at a rate of eighty-five (85) percent of the contractual rate per day per bus operated.

g) Other Contractor Responsibilities

i) The Contractor will be responsible for providing all services related to the provision of Transportation Services not otherwise noted in, and not specifically reserved for the Department by this Agreement. No additional compensation shall be provided for these services. These services include, but shall not be limited to:

Mandatory interviews – The DOE will require an onsite presentation of the top two proponents' proposals for each cluster and interview of key staff as part of the selection process. These interviews will be conducted on Oahu and will be scheduled on the dates indicated in the Calendar of Events.

Notice of award(s) – The DOE will publicly announce the award of contract(s) to the successful proponents on the date indicated in the Calendar of Events.

Contract start date, services commence – This will be the effective date of the contracts. The successful proponents shall be fully prepared with all required resources and services as per the contract. Earlier readiness may be sufficient to support Extended School Year services prior to the start of regular 2017/18 school year services. The State will evaluate readiness for inclusion of any new contractor to provide services and such services will be provided at the contracted rates and at the option of the proponent.

2. Proposal Evaluation & Vendor Selection Process

This is a value-based procurement. The successful proponents must have the demonstrable experience and qualifications, staffing, and financial resources to deliver the required services for the entire term of the contract. Cost will be a significant factor in the evaluation process. However, cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* – The proposal must be received in good order, with all required forms, tabs, and information as required.

B. *Technical Evaluation* – An evaluation committee will evaluate the proponent's Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated service volume in each identified category on **Attachment B** to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The lowest cost proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the maximum available points.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

F. *Notice of Award* – the final results will be shared with the preferred vendors and with the next highest scoring vendor in each service cluster.

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.

D. PROPOSAL SUBMISSION REQUIREMENTS

1. Instructions to Proponents

A. GENERAL

Proponents shall be incorporated or organized under the laws of the State or be registered to do business in the State as a separate branch or division that is capable of fully performing under the contract. The following definitions are used in the solicitation documents:

Hawaii Business §3-122-112 HAR: A Proponent who is registered and incorporated or organized under the laws of the State is a "Hawaii Business" and eligible for an award.

Compliant non-Hawaii Business §3-122-112 HAR: A Proponent not incorporated or organized under the laws of the State, but is registered to do business in the State and complies with or is exempt from the requirements of §3-122-112 HAR, is a "Compliant Non-Hawaii Business" and eligible for an award.

Non-compliant Proponent: If a Proponent is a non-Hawaii business and is not registered with the DCCA Business Registration Division (BREG) or cannot comply with §3-122-112 HAR, than the Proponent is non-compliant and is ineligible for an award.

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> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below**.

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

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On November 1, 2016, the DOE issued a Notice of Award noting that Robert's was awarded Cluster 1 (Makawao), with Ground Transport Incorporated ("GTI") being awarded Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

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DEPARTMENT OF EDUCATION

PROJECT CONTROL SECTION

September 22, 2016

RFP D17-001

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF MAUI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 3

Below is the third addendum to RFP D17-001 for student transportation services on the island of Maui. This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

    A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

2. Is the cost of aide to be included in the Daily Rate for 3.5 hour minimum for special education vehicles?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

3. Is the cost of aide to be included in the additional cost over 3.5 hours for special education vehicles?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

4. Is the cost of aide to be included in the driving rate for supplemental services, (inclusive of all personnel & vehicle costs)?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

5. Is the cost of aide to be included in the layover & wait time rate for supplemental services (inclusive of all personnel & vehicle costs)?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

6. What will the cost per hour for bus aide be used for?

    A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

Attachment B – Pricing Form

Cluster 1 – Makawao

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	21		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	9		180				
Count of Special Needs Buses (Type II) with no special equipment	6		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	4		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Baldwin

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	10		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	3		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Lahaina

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	13		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 4 – Maui

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	18		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	7		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

DEPARTMENT OF EDUCATION

PROJECT CONTROL SECTION

September 22, 2016

RFP D17-002

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF KAUAI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 3

Below is the third addendum to RFP D17-002 for student transportation services on the island of Kauai. This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

2. Is the cost of aide to be included in the Daily Rate for 3.5 hour minimum for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

3. Is the cost of aide to be included in the additional cost over 3.5 hours for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

4. Is the cost of aide to be included in the driving rate for supplemental services, (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

5. Is the cost of aide to be included in the layover & wait time rate for supplemental services (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

6. What will the cost per hour for bus aide be used for?

   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

Attachment B – Pricing Form

Cluster 1 – Waimea

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	14		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	1		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Kapaa

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	19		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Kauai

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	15		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	4		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

BE
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

SK
10/12/16

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES
(Sent via email: jsm@ksglaw.com, cdh@ksglaw.com)

Certified Mail No. 7013 1090 0001 2087 3877
Return Receipt Requested

February 24, 2017

Jonathan S. Moore, Esq.
Charles D. Hunter, Esq.
Kobayashi, Sugita & Goda
999 Bishop Street, 26th Floor
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s
Protest of Awards for Request for Proposals No. RFP D17-001

Dear Messrs. Moore & Hunter:

The Department of Education (DOE) is in receipt of your protest on behalf of Robert's Hawaii School Bus, Inc. (RHSB) in the above referenced matter. The DOE finds numerous alleged quotes of DOE personnel cited in the protest. This can only be accounted for by the use of a recording device which the DOE was neither informed of prior to its use, nor given a copy of the resulting recording/transcript. In the future, we request that the use of any recording device be announced prior to the beginning of any oral exchange with DOE staff and that the DOE be offered a copy of the recording/transcript.

RHSB raises six issues in their protest – we respond as follows:

1. **RHSB Claims the DOE Did Not Abide By Its Own Stated Scoring Procedure**

   A. Robert's Claims the DOE Represented that Cost Evaluations Would Only Take Place AFTER the Completion of the Technical Evaluation

RHSB takes exception to the fact that the DOE rescored proposals after the evaluators were exposed to the pricing data during the initial evaluation. RHSB cites section C.2 of the Request for Proposals (RFP) in support of their assertion that the isolation of the pricing information was integral to the scoring methodology. RHSB argues that failure to keep the evaluation committee isolated from the pricing data in the subsequent re-scoring of proposals violated the terms of the RFP and thus nullifying the process. The relevant portion of section C.2 states:

> .....Cost will be a significant factor in the evaluation process. However, cost will be a factor only after the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources.
>
> .....C. Cost Evaluation – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the cost analyzed... [See Exhibit A]

RHSB goes on to acknowledge in its protest on page six that the separation of the pricing data as part of the scoring process was presumptive on their part. RHSB states:

> **Presumably,** the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information in a *separate and sealed envelope.* [See Exhibit B]

The DOE acknowledges the pricing information was requested separately from the response; however it takes exception to RHSB's argument that the DOE was not permitted to accommodate the re-scoring process as it did. The DOE's position is supported on the basis of the following:

The Hawaii Public Procurement Code (Procurement Code) does not require that the evaluation committee make a final evaluation of the technical proposals prior to viewing the price proposals (what we will refer to as "blind" evaluation of the technical proposals). The two primary rules relating to how RFPs are to be structured and how proposals are to be evaluated are Hawaii Administrative Rules (HAR) § 3-122-46, Preparing a Request for Proposals and HAR § 3-122-52, Evaluations of Proposals. They contain no provisions requiring that evaluators be isolated from price proposals when evaluating technical proposals. The only requirement is that the award be based on price and the evaluation factors set forth in the RFP (see HRS § 103D-303(g); HAR § 3-122-57).

As RHSB points out in the protest, the DOE feels it is a good practice, but also explains that the RFP provisions relating to evaluating price proposals were included as an extra, but not required step (see statements attributed to Chris Butt on p. 7 and 9 of the protest). In fact, the DOE followed this process until the discovery of minor errors in the evaluation process necessitated a re-evaluation after the prices had become known to the members of the evaluation committee. This was not anticipated and no express provision of the RFP covered this circumstance, but it was not prohibited by the Procurement Code or by the RFP.

In a decision reversing an agency's inflexible adherence to procedural minutia, leading to the rejection of a low bid, a Hearings Officer concluded that the Procurement Code allowed for reasonable flexibility and quoted a Senate Committee Report on the bill creating the Procurement Code:

> This bill lays the foundation and sets the standards for the way government purchases will be made, but allows for flexibility and the use of common sense by purchasing officials to implement the law in a manner that will be economical and efficient and will benefit the people of the State.
>
> S. Comm. Rep. SS-93, Spec. Sess., Senate Journal at page 39 (1993) as quoted in: *The Systemcenter, Inc. v. State Dept. of Transportation,* p. 8, PCH 98-9 (December 10, 1998).

Another Office of Administrative Hearings decision, *Fletcher Pacific Construction Co., Ltd., v. State Dept. of Transportation*, PCH 98-2 (May 19, 1998) addresses an issue that arose during a flawed evaluation process for a construction solicitation. The central issue was whether or not the pre-award or post-award remedies should apply. After considering the options, the Hearings Officer

adopted the remedy to order the re-evaluation of the solicitation rather than cancelling the solicitation and starting over again. By doing so, the Hearings Officer avoided the more serious problem of requiring bidders to submit bids for a new solicitation **after** the original bid prices had been disclosed:

> In view of the findings and conclusions resulting from this hearing, it would appear that a fair, equitable, and expeditious resolution would be to remand the matter to the Respondent with instructions to: 1) withdraw its January 12, 1998 notification letter to Murphy stating that it was awarded the contract; 2) make a specific determination as to whether Murphy met the DBE good faith efforts goal [Disadvantaged Business Enterprise, a procurement preference], and if so; 3) make a specific determination as to whether allowing Murphy to add a licensed subcontractor to meet the soil treatment requirements after bid opening would be in the best interests of the State. **In other words, to fully and correctly perform (and document) the bid evaluation process as it should have been done, but without rebidding the project.** The Respondent could then proceed with an award - to either Murphy or such other responsive low bidder as might properly be selected from the remaining four bids.
>
> *****
>
> **Furthermore, the advantages such a remedy would include: minimizing the impact of the Respondent's errors on Murphy, on Fletcher, and on the other bidders; eliminating the substantial costs inevitably associated with the issuance of a new invitation for bids; protecting current bidders from the potential misuse of their now disclosed bid costs by other competitors; reducing further loss of time on initiating the underlying project; and, enhancing public confidence in the procurement code by its application in a manner consistent with the elements of common sense and legislative intent.** *Fletcher Pacific*, at p. 22 (emphasis added).

In *Fletcher Pacific*, the Hearings Officer, when confronted with a flawed evaluation process, determined that the best way forward was to have the state agency re-perform the evaluation process and adjust the award accordingly. This was much preferred over the alternative of re-bidding the whole project which would result in greater harm to the field of bidders – especially the potential misuse of the now disclosed bid costs. Obviously, there are many differences in the facts and context that generated the *Fletcher Pacific* decision, but it clearly shows that re-evaluation is not only allowed, but preferable in circumstances where the alternative is to re-bid once pricing has been disclosed. This is precisely the situation that the DOE was confronted with after the first debriefing and the resulting determination that the original evaluation of the technical proposals had some minor errors. And, like the Hearings Officer in *Fletcher Pacific*, the DOE made a carefully weighed judgment call and opted to re-evaluate. The minor impact of having to forgo "blind" evaluation of the technical proposals was outweighed by the benefits of avoiding the much more harmful impact of potential misuse of disclosed pricing information that would result from a re-bidding.

RHSB stated that their "proposal strategy" relied on "blind" evaluation of the technical proposals as described in the RFP (see p. 4 of protest). However, the only reason for the DOE to take the "extra step" of structuring the RFP for "blind" evaluation was to add the extra measure of isolation from any possible influence that a proposer's pricing might have when evaluating the technical

proposals – a belt and suspenders approach. RHSB did not state how their "proposal strategy" would be influenced or in any way be different if the RFP did not provide for "blind" evaluations. The DOE can find no basis that would cause a proposer to alter their "proposal strategy" by the inclusion or non-inclusion of a structural element to isolate evaluators from any potential bias – or how an additional safeguard against bias changed the way a technical proposal or pricing proposal was written.

Another factor that bears on the issue of "blind" evaluation of the technical proposals is that the evaluators were in fact exposed to the pricing information before scores were finalized. The RFP states in Section C.2(d and e):

> *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score.** The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. **The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed**. [See Exhibit A]

So by the express process detailed in the solicitation, the evaluators were privy to the pricing information while still evaluating responses and before scores on the technical proposals were finalized. Therefore, RHSB's argument that the evaluators were barred from seeing the pricing data, as set forth under the terms of the solicitation, holds no validity. RHSB was a participant in the interview for the Maui award, and did not object to the evaluators revising their scores after having been exposed to the pricing information to determine the preferred vendors. The pricing scores were revised as part of the re-scoring based on a concern raised by RHSB, and so the evaluation committee awarded their points before they knew the revised pricing scores.

RHSB raised a concern in their first debriefing that the DOE did not follow the information in Addendum 3 by considering the bus aide rate in the price evaluation. The DOE, as part of its efforts to ensure fairness to all vendors, subsequently re-calculated the points to be awarded to each vendor through the cost proposals. This recalculation did not change any overall results regarding contract awards. Consequently, the previous price score the committee was exposed to were no longer valid. The re-scoring process for the cost portion of the proposals was performed without providing these results to the committee while they were re-scoring the technical portion of the proposals. Ergo, despite there being no prohibition to the committee knowing the results of the cost portion scoring, re-scoring was performed without committee knowledge of the changes to the cost scores.

B. Robert's Claims that the DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates

RHSB claims that the DOE erred by not using just the bus aide rate to calculate the four points available for supplemental services. After the first debriefing, the DOE issued Addendum 3 to clarify how cost proposals would be evaluated and revised Attachment B, the Pricing Form by adding a place for contractors to include a separate "Hourly Rate for Bus Aide" (see Addendum 3, p. 4, 6, 8, and 10).

Section D.3 of the RFP explained how the supplemental services were to be scored by stating:

> A total of 36 points will be applied to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in **Attachment B.**

Furthermore, Addendum 3, explained the requirement for bus aides and how the added element of "Hourly Rate for Bus Aide" was to be scored:

1. Are we required to provide aides for each special education vehicle?

   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

****

6. What will the cost per hour for bus aide be used for?

   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor. (emphasis added --See Exhibit C)

As Section D.3 of the RFP was not deleted or replaced, its provisions still governed the scoring of the four available points for supplemental services. Addendum 3 is clear that the bus aide rate was to be used in conjunction with the supplemental services rate to derive a price for evaluation of the four point component – nowhere in the Addendum does it state that the bus aid rate is to replace the supplemental services rate. RHSB's position that the bus aide rate alone was to be used is not consistent with the express language of the RFP. Furthermore, whether the bus aide rate was used alone or in conjunction with the supplemental service rate, the overall results of the award would not change. RHSB claims that "Robert's strategized its bid rates based on what the Addendum stated." (see Protest at p.11). With this claim, RHSB indicates that its bid was based on using only the bus aide rate and leaving out the supplemental services rate. However, this is inconsistent with the fact that when calculated using RHSB's method, RHSB's score goes down. As the scoring shows, the DOE did not harm RHSB by using the bus aid rate in conjunction with the supplemental services rate as called for in Addendum 3.

2. **RHSB Claims the Re-scoring Shows the Procedure was Arbitrary and Shows Bias**

RHSB argues that since the scores changed from the first evaluation to the second, without any input or changes from RHSB, the process was either flawed or arbitrary. However, this position fails to consider the DOE's determination to re-score the proposals in the first place: RHSB took exception to the discrepancy between the evaluator's notes and the final scores. Upon review, the DOE discovered the evaluators did not go back and adjust their notes resulting from adjustments arising from the interviews and simply reflected their changes in the scoring tally sheet. Rather than proceeding with a discrepancy between the evaluators' notes and the total sheet, the DOE, in an abundance of caution and giving RHSB the benefit of the doubt, chose to have the evaluator's re-score the responses. This was after the benefit of the interviews, and so RHSB's assertion that no changes or new information was available to the evaluators is not accurate. Given the benefit of the interview, it is foreseeable that scores could change.

Additionally, evaluation of technical proposals by committee members is by definition, to some extent subjective and the only thing that would be truly "astounding," to use the characterization in the protest, would be that all evaluators gave precisely the same score as each other, or that the scores were identical from the first to second evaluation. If this were not the case, the Procurement Code would not require a minimum of three members so that averaging will minimize the subjective element inherent in the process (see HAR § 3-122-45.01). Despite the characterization of "astounding" attributed to the difference of one committee member's first and second score, when the scoring is viewed as a whole, the variations are remarkably consistent and certainly within the bounds of normal variation – it is also relevant that the second re-scoring did not change the overall results with respect to contract awards.

3. **RHSB Claims the Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

RHSB takes exception to the fact that two of the evaluators are related by marriage. Specifically, Robert Joseph is married to the Student Transportation Services Branch (STSB) manager James Kauhi's sister. This relationship coupled with a perceived correlation in scoring is the proof offered by RHSB as evidence of a conflict of interest and collusion. However, HRS § 84-14 as it pertains to governmental employees states:

> Conflicts of interests. (a) No employee shall take any official action directly affecting:
>
> (1) A business or other undertaking in which the employee has a substantial financial interest;

In making its allegation, RHSB does not claim that the Procurement Code or other state law precludes either Mr. Kauhi or Mr. Joseph from serving on the evaluation committee. RHSB claims that the very existence of the relationship raises "serious issues of partiality and conflict." (see Protest at p. 16).

RHSB fails to offer anything linking Mr. Kauhi or Mr. Joseph to any financial interest with any of the bus contractors submitting proposals to this solicitation – the familial relationship is only to each other. All members of the evaluation committee signed declarations that they have no conflicts of interest. [See Exhibit D]. RHSB's argument does not distinguish the fact that both Mr. Kauhi and

Mr. Joseph are employed by the DOE, and work for STSB. Determining the winning vendor pursuant to the terms of legally solicited procurement, subject to a fair degree of cooperation and interaction, is both natural, routine, and in and of itself does not provide any basis for the unsupported allegation of collusion RHSB seeks to level. As such, the relationship between Mr. Kauhi and Mr. Joseph is irrelevant.

RHSB also cites the changes by Mr. Kauhi and Mr. Joseph in their re-score as evidence of improper conduct. As noted above, the two gentlemen are colleagues. There is no prohibition from evaluators discussing a proposal during evaluation. The Hearings Officer in *Kiewit Infrastructure West Co. v. Department of Transportation, State of Hawaii, PCX-2011-001 (June 6, 2011)* found that consensus scoring of proposals was acceptable and in light of that ruling, it is illogical to assert that evaluators are barred from discussing an ongoing evaluation. It is the DOE's position that the change in scores from Mr. Kauhi and Mr. Joseph is not dispositive of any improper conduct in the absence of any other evidence. Of further note is the fact that Mr. Joseph's and Mr. Kauhi's scores for Ground Transport, Inc. (GTI) diverged in the re-scoring process and Mr. Kauhi's nominal and percentage score change was notably greater than the change to RHSB. It should be noted Mr. Joseph served on the evaluation committee for RFP D14-012 for similar services on the Island of Hawaii. In that solicitation, RHSB was the top scoring response, and RHSB had no issue with Mr. Joseph or Mr. Kauhi at that time. It appears RHSB objects to the outcome as opposed to the composition of the committee.

RHSB also objects to DOE's break from past practice of not utilizing on-island Transportation Officers (TO) to evaluate proposals. The operative term is "past practice". The DOE never employed any such criteria in determining qualifications. Any such consideration, if at all, was completely informal and subject to the Purchasing Agency's discretion.

RHSB objects to the qualification of Ms. Pualani Foster as she has no experience with the island of Maui and only 2 years of experience as a TO. The duties of a TO involve monitoring and overseeing the delivery of transportation services in the various districts the DOE services; exactly the services this solicitation seeks to purchase. The DOE finds that the fact that Ms. Foster qualified for her position as a TO under the civil service laws is sufficient to determine she is qualified to serve on the committee. Her inclusion was subject to review and approval by the delegated Chief Procurement Officer [See Exhibit E]. RHSB's argument contradicts its earlier assertion that the DOE is enjoined by past practice from using an "on-island TO" to evaluate this solicitation. That is exactly what Ms. Foster is, an off-island TO, and the DOE finds the contradiction of RHSB's own arguments unpersuasive.

4. <u>RHSB Claims the Evaluations Were Inconsistent with the Stated Method in the RFP</u>

RHSB asserts that the inconsistency among individual evaluators and the divergence between scores demonstrates that the evaluators did not follow the scoring criteria. However, there is a distinction between disagreeing with the evaluator's interpretation of the **<u>content</u>** of the response, as opposed to claiming the evaluator did not follow the criteria set forth in the RFP. RHSB claims that differences between RHSB's scoring and the scoring of other proposers (most notably Ground Transportation, Inc.) are proof that the evaluators failed to follow the evaluation criteria. In supporting this allegation, RHSB brings up numerous instances where points were deducted from RHSB's response. However, the DOE maintains that those deductions were based on the **<u>content</u>** of RHSB's response and that RHSB fails to show anything to support the claim that the evaluation

criteria were not followed. RHSB also claims the deductions were made in error because RHSB felt they addressed the issue in the interview and that on that basis, the deductions should have been removed. RHSB contends that another proposer failed to address the same issue and yet received no deductions. The Hawaii Public Procurement Code addresses the issue of how evaluations are to be conducted:

HAR § 3-122-52(a) States:

> Evaluation factors shall be set out in the request for proposals and the evaluation shall be based only on the evaluation factors. Evaluation factors not specified in the request for proposals may not be considered.

In this case, RHSB's objections do not relate to whether the criteria were in fact followed, rather the objections focus on the **content** of the finding and a disagreement with the interpretation of their proposal by the evaluators. The DOE does not find sufficient evidence presented that the scores awarded did not correspond to the criteria set forth in the solicitation. All evaluators documented supporting reasoning for any point deducted, and all deductions were according to Section D of the RFP. The DOE does not find the level of divergence among committee members' scores to be dispositive of a failure to follow the scoring criteria; rather it is a natural consequence of having multiple points of view among the committee members. This is the rationale behind having multiple members on the evaluation committee in the first place.

5. **RHSB Claims the DOE Did Not Abide by the "Fair and Equal Standard"**

RHSB claims the DOE did not adhere to HAR § 3-122-53(d) which states:

> (d) Priority-listed offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.
>
> (1) Any substantial oral clarification of a proposal shall be reduced to writing by the priority-listed offeror;
>
> (2) If, during discussions there is a need for any substantial clarification or change in the request for proposals, the request for proposals shall be amended by an addendum to incorporate the clarification or change.

RHSB asserts that representations made by Ground Transportation, Inc. during their interview (conducted as set forth in the RFP Section C.2(E.)) were both substantial and subject to submission in writing as provided for in the rule. The DOE disagrees with this interpretation. As stated in the RFP, the interview allows for clarifications and it is the DOE's position that the clarifications raised during the interview were not substantial. Both RHSB and GTI were afforded equal opportunity to clarify their responses. RHSB did not submit any of their clarifications from their interview in writing. The DOE maintains that it adhered to the provisions of the subject rule and that all parties were treated fairly and equally.

6. **RHSB Claims that Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

RHSB asserts that documentation selecting the evaluation committee members and their declarations were not in the procurement file. This is not correct. [See Exhibits D and E] The documentation was not initially provided to RHSB as part of their document request due to an oversight, but were subsequently supplied via e-mail to Mr. Aaron Kimura on January 25, 2017.

RHSB claims that Bruce Ellerman was a paid consultant and that the rules governing his participation were not followed by the DOE. HAR § 3-122-45.01 states:

> Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. A copy of the document identifying any committee members and any subsequent changes thereto shall be placed in the contract file.
>
> (1) The evaluation committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services, or construction to be procured;
>
> (2) Private consultants may also serve on the committee and shall:
>
> (A) Have sufficient knowledge to serve on the committee;
>
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
>
> (C) Sign an affidavit:
>
> (i) Attesting to having no personal, business, or any other relationship that will influence their decision in the evaluation process;
>
> (ii) Agreeing not to disclose any information on the evaluation process to other than an employee of a governmental body; and
>
> (iii) Agreeing that their names will become public information upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
>
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

RHSB "believes that there were numerous violations of HAR § 3-122-45.01." (See Protest at p. 24). The documents show that the DOE observed all the requirements of the rule (see Exhibits D and E) and that if there are any deviations (such as the use of a declaration rather than an affidavit), they are only technical requirements and not the basis for requesting a re-solicitation. The Hearings Officer in *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7, January 2, 1998, provides helpful guidance in assigning the proper role of technical requirements:

A savings of $21,000 of public funds would do more to foster public confidence in the integrity of the procurement system than would a strict adherence to a largely technical requirement. The requirement of HAR § 3-122-108(a) was not meant to cost public bodies thousands of dollars by requiring acceptance of higher bids for mere technical violations. *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7 at p. 9, January 2, 1998).

Based on the facts and events that transpired, it is clear that the DOE fulfilled the essential requirements of the rule.

Conclusion

Based on the foregoing, and subject to H.R.S. § 103D-701(c), your protest on this matter is hereby denied. This decision is final. Pursuant to Hawaii Administrative Rule, Chapter 126, Subchapter 5, you have the right to an administrative proceeding. Should you file such a request, your request must be made directly to the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs within seven (7) calendar days of the issuance of this determination. You must also notify this office of such a decision within the same time period.

Very truly yours,

FOR Kathryn S. Matayoshi
Superintendent

KSM:cak
Enclosures

c: Student Transportation Services Branch
James E. Raymond, Deputy Attorney General
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

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Return Receipt Requested

February 24, 2017

Jonathan S. Moore, Esq.
Charles D. Hunter, Esq.
Kobayashi, Sugita & Goda
999 Bishop Street, 26th Floor
Honolulu, Hawaii 96813

Re: Robert's Hawaii School Bus, Inc.'s
Protest of Awards for Request for Proposals No. RFP D17-002

Dear Messrs. Moore and Hunter:

The Department of Education (DOE) is in receipt of your protest on behalf of Robert's Hawaii School Bus, Inc. (RHSB) in the above referenced matter. The DOE finds numerous alleged quotes of DOE personnel cited in the protest. This can only be accounted for by the use of a recording device which the DOE was neither informed of prior to its use, nor given a copy of the resulting recording/transcript. In the future, we request that the use of any recording device be announced prior to the beginning of any oral exchange with DOE staff and that the DOE be offered a copy of the recording/transcript.

RHSB raises six issues in their protest – we respond as follows:

1. **RHSB Claims the DOE Did Not Abide By Its Own Stated Scoring Procedure**

   A. Robert's Claims the DOE Represented that Cost Evaluations Would Only Take Place AFTER the Completion of the Technical Evaluation

RHSB takes exception to the fact that the DOE rescored proposals after the evaluators were exposed to the pricing data during the initial evaluation. RHSB cites section C.2 of the Request for Proposals (RFP) in support of their assertion that the isolation of the pricing information was integral to the scoring methodology. RHSB argues that failure to keep the evaluation committee isolated from the pricing data in the subsequent re-scoring of proposals violated the terms of the RFP and thus nullifying the process. The relevant portion of section C.2 states:

> .....Cost will be a significant factor in the evaluation process. However, cost will be a factor only after the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources.
>
> .....C. Cost Evaluation – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the cost analyzed... [See Exhibit A]

> RHSB goes on to acknowledge in its protest on page six that the separation of the pricing data as part of the scoring process was presumptive on their part. RHSB states:
>
> **Presumably,** the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information in a *separate and sealed envelope.* [See Exhibit B]

The DOE acknowledges the pricing information was requested separately from the response; however it takes exception to RHSB's argument that the DOE was not permitted to accommodate the re-scoring process as it did. The DOE's position is supported on the basis of the following:

The Hawaii Public Procurement Code (Procurement Code) does not require that the evaluation committee make a final evaluation of the technical proposals prior to viewing the price proposals (what we will refer to as "blind" evaluation of the technical proposals). The two primary rules relating to how RFPs are to be structured and how proposals are to be evaluated are Hawaii Administrative Rules (HAR) § 3-122-46, Preparing a Request for Proposals and HAR § 3-122-52, Evaluations of Proposals. They contain no provisions requiring that evaluators be isolated from price proposals when evaluating technical proposals. The only requirement is that the award be based on price and the evaluation factors set forth in the RFP (see HRS § 103D-303(g); HAR § 3-122-57).

As RHSB points out in the protest, the DOE feels it is a good practice, but also explains that the RFP provisions relating to evaluating price proposals were included as an extra, but not required step (see statements attributed to Chris Butt on p. 7 and 9 of the protest). In fact, the DOE followed this process until the discovery of minor errors in the evaluation process necessitated a re-evaluation after the prices had become known to the members of the evaluation committee. This was not anticipated and no express provision of the RFP covered this circumstance, but it was not prohibited by the Procurement Code or by the RFP.

In a decision reversing an agency's inflexible adherence to procedural minutia, leading to the rejection of a low bid, a Hearings Officer concluded that the Procurement Code allowed for reasonable flexibility and quoted a Senate Committee Report on the bill creating the Procurement Code:

> This bill lays the foundation and sets the standards for the way government purchases will be made, but allows for flexibility and the use of common sense by purchasing officials to implement the law in a manner that will be economical and efficient and will benefit the people of the State.
>
> S. Comm. Rep. SS-93, Spec. Sess., Senate Journal at page 39 (1993) as quoted in: *The Systemcenter, Inc. v. State Dept. of Transportation,* p. 8, PCH 98-9 (December 10, 1998).

Another Office of Administrative Hearings decision, *Fletcher Pacific Construction Co., Ltd., v. State Dept. of Transportation*, PCH 98-2 (May 19, 1998) addresses an issue that arose during a flawed evaluation process for a construction solicitation. The central issue was whether or not the pre-award or post-award remedies should apply. After considering the options, the Hearings Officer

adopted the remedy to order the re-evaluation of the solicitation rather than cancelling the solicitation and starting over again. By doing so, the Hearings Officer avoided the more serious problem of requiring bidders to submit bids for a new solicitation **after** the original bid prices had been disclosed:

> In view of the findings and conclusions resulting from this hearing, it would appear that a fair, equitable, and expeditious resolution would be to remand the matter to the Respondent with instructions to: 1) withdraw its January 12, 1998 notification letter to Murphy stating that it was awarded the contract; 2) make a specific determination as to whether Murphy met the DBE good faith efforts goal [Disadvantaged Business Enterprise, a procurement preference], and if so; 3) make a specific determination as to whether allowing Murphy to add a licensed subcontractor to meet the soil treatment requirements after bid opening would be in the best interests of the State. **In other words, to fully and correctly perform (and document) the bid evaluation process as it should have been done, but without rebidding the project.** The Respondent could then proceed with an award - to either Murphy or such other responsive low bidder as might properly be selected from the remaining four bids.
>
> *****
>
> **Furthermore, the advantages such a remedy would include: minimizing the impact of the Respondent's errors on Murphy, on Fletcher, and on the other bidders; eliminating the substantial costs inevitably associated with the issuance of a new invitation for bids; protecting current bidders from the potential misuse of their now disclosed bid costs by other competitors; reducing further loss of time on initiating the underlying project; and, enhancing public confidence in the procurement code by its application in a manner consistent with the elements of common sense and legislative intent.** *Fletcher Pacific*, at p. 22 (emphasis added).

In *Fletcher Pacific*, the Hearings Officer, when confronted with a flawed evaluation process, determined that the best way forward was to have the state agency re-perform the evaluation process and adjust the award accordingly. This was much preferred over the alternative of re-bidding the whole project which would result in greater harm to the field of bidders – especially the potential misuse of the now disclosed bid costs. Obviously, there are many differences in the facts and context that generated the *Fletcher Pacific* decision, but it clearly shows that re-evaluation is not only allowed, but preferable in circumstances where the alternative is to re-bid once pricing has been disclosed. This is precisely the situation that the DOE was confronted with after the first debriefing and the resulting determination that the original evaluation of the technical proposals had some minor errors. And, like the Hearings Officer in *Fletcher Pacific*, the DOE made a carefully weighed judgment call and opted to re-evaluate. The minor impact of having to forgo "blind" evaluation of the technical proposals was outweighed by the benefits of avoiding the much more harmful impact of potential misuse of disclosed pricing information that would result from a re-bidding.

RHSB stated that their "proposal strategy" relied on "blind" evaluation of the technical proposals as described in the RFP (see p. 4 of protest). However, the only reason for the DOE to take the "extra step" of structuring the RFP for "blind" evaluation was to add the extra measure of isolation from any possible influence that a proposer's pricing might have when evaluating the technical proposals – a belt and suspenders approach. RHSB did not state how their "proposal strategy" would be influenced or in any way be different if the RFP did not provide for "blind" evaluations. The DOE can find no basis that would cause a proposer to alter their "proposal strategy" by the inclusion or non-inclusion of a structural element to isolate evaluators from any potential bias – or how an additional safeguard against bias changed the way a technical proposal or pricing proposal was written.

Another factor that bears on the issue of "blind" evaluation of the technical proposals is that the evaluators were in fact exposed to the pricing information before scores were finalized. The RFP states in Section C.2 (d and e):

> *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. **This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score.** The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. **The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed**. [See Exhibit A]

So by the express process detailed in the solicitation, the evaluators were privy to the pricing information while still evaluating responses and before scores on the technical proposals were finalized. Therefore, RHSB's argument that the evaluators were barred from seeing the pricing data, as set forth under the terms of the solicitation, holds no validity. RHSB was a participant in the interview for the Maui award, and did not object to the evaluators revising their scores after having been exposed to the pricing information to determine the preferred vendors. The pricing scores were revised as part of the re-scoring based on a concern raised by RHSB, and so the evaluation committee awarded their points before they knew the revised pricing scores.

RHSB raised a concern in their first debriefing that the DOE did not follow the information in Addendum 3 by considering the bus aide rate in the price evaluation. The DOE, as part of its efforts to ensure fairness to all vendors, subsequently re-calculated the points to be awarded to each vendor through the cost proposals. This recalculation did not change any overall results regarding contract awards. Consequently, the previous price score the committee was exposed to were no longer valid. The re-scoring process for the cost portion of the proposals was performed

without providing these results to the committee while they were re-scoring the technical portion of the proposals. Ergo, despite there being no prohibition to the committee knowing the results of the cost portion scoring, re-scoring was performed without committee knowledge of the changes to the cost scores.

B. Robert's Claims that the DOE Erred on Financial Scoring By Using the Supplemental Rates Rather Than Aides Rates

RHSB claims that the DOE erred by not using just the bus aide rate to calculate the four points available for supplemental services. After the first debriefing, the DOE issued Addendum 3 to clarify how cost proposals would be evaluated and revised Attachment B, the Pricing Form by adding a place for contractors to include a separate "Hourly Rate for Bus Aide" (see Addendum 3, p. 4, 6, 8, and 10).

Section D.3 of the RFP explained how the supplemental services were to be scored by stating:

> A total of 36 points will be applied to the home-to-school service pricing. A total of 4 points will be applied to the average "Hourly driving rate for supplemental services" rate provided in **Attachment B**.

Furthermore, Addendum 3, explained the requirement for bus aides and how the added element of "Hourly Rate for Bus Aide" was to be scored:

1. Are we required to provide aides for each special education vehicle?
   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

   ****

6. What will the cost per hour for bus aide be used for?
   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor. (emphasis added --See Exhibit C)

As Section D.3 of the RFP was not deleted or replaced, its provisions still governed the scoring of the four available points for supplemental services. Addendum 3 is clear that the bus aide rate was to be used in conjunction with the supplemental services rate to derive a price for evaluation of the four point component – nowhere in the Addendum does it state that the bus aid rate is to replace the supplemental services rate. RHSB's position that the bus aide rate alone was to be used is not consistent with the express language of the RFP. Furthermore, whether the bus aide rate was used alone or in conjunction with the supplemental service rate, the overall results of the award would not change. RHSB claims that "Robert's strategized its bid rates based on what the Addendum stated." (see Protest at p.11). With this claim, RHSB indicates that its bid was based on using only the bus aide rate and leaving out the supplemental services rate. However, this is inconsistent with the fact that when calculated using RHSB's method, RHSB's score goes down. As the scoring shows, the DOE did not harm RHSB by using the bus aid rate in conjunction with the supplemental services rate as called for in Addendum 3.

2. **RHSB Claims the Re-scoring Shows the Procedure was Arbitrary and Shows Bias**

RHSB argues that since the scores changed from the first evaluation to the second, without any input or changes from RHSB, the process was either flawed or arbitrary. However, this position fails to consider the DOE's determination to re-score the proposals in the first place: RHSB took exception to the discrepancy between the evaluator's notes and the final scores. Upon review, the DOE discovered the evaluators did not go back and adjust their notes resulting from adjustments arising from the interviews and simply reflected their changes in the scoring tally sheet. Rather than proceeding with a discrepancy between the evaluators' notes and the total sheet, the DOE, in an abundance of caution and giving RHSB the benefit of the doubt, chose to have the evaluator's re-score the responses. This was after the benefit of the interviews, and so RHSB's assertion that no changes or new information was available to the evaluators is not accurate. Given the benefit of the interview, it is foreseeable that scores could change.

Additionally, evaluation of technical proposals by committee members is by definition, to some extent subjective and the only thing that would be truly "astounding," to use the characterization in the protest, would be that all evaluators gave precisely the same score as each other, or that the scores were identical from the first to second evaluation. If this were not the case, the Procurement Code would not require a minimum of three members so that averaging will minimize the subjective element inherent in the process (see HAR § 3-122-45.01). Despite the characterization of "astounding" attributed to the difference of one committee member's first and second score, when the scoring is viewed as a whole, the variations are remarkably consistent and certainly within the bounds of normal variation – it is also relevant that the second re-scoring did not change the overall results with respect to contract awards.

3. **RHSB Claims the Solicitation Process Involved Numerous Conflicts of Interest in Violation of HRS § 103D-101 and HAR § 3-120-1**

RHSB takes exception to the fact that two of the evaluators are related by marriage. Specifically, Robert Joseph is married to the Student Transportation Services Branch (STSB) manager James Kauhi's sister. This relationship coupled with a perceived correlation in scoring is the proof offered by RHSB as evidence of a conflict of interest and collusion. However, HRS § 84-14 as it pertains to governmental employees states:

> Conflicts of interests. (a) No employee shall take any official action directly affecting:
>
> (1) A business or other undertaking in which the employee has a substantial financial interest;

In making its allegation, RHSB does not claim that the Procurement Code or other state law precludes either Mr. Kauhi or Mr. Joseph from serving on the evaluation committee. RHSB claims that the very existence of the relationship raises "serious issues of partiality and conflict." (see Protest at p. 16).

RHSB fails to offer anything linking Mr. Kauhi or Mr. Joseph to any financial interest with any of the bus contractors submitting proposals to this solicitation – the familial relationship is only to each other. All members of the evaluation committee signed declarations that they have no conflicts of interest. [See Exhibit D]. RHSB's argument does not distinguish the fact that both Mr. Kauhi and

Mr. Joseph are employed by the DOE, and work for STSB. Determining the winning vendor pursuant to the terms of legally solicited procurement, subject to a fair degree of cooperation and interaction, is both natural, routine, and in and of itself does not provide any basis for the unsupported allegation of collusion RHSB seeks to level. As such, the relationship between Mr. Kauhi and Mr. Joseph is irrelevant.

RHSB also cites the changes by Mr. Kauhi and Mr. Joseph in their re-score as evidence of improper conduct. As noted above, the two gentlemen are colleagues. There is no prohibition from evaluators discussing a proposal during evaluation. The Hearings Officer in *Kiewit Infrastructure West Co. v. Department of Transportation, State of Hawaii, PCX-2011-001 (June 6, 2011)* found that consensus scoring of proposals was acceptable and in light of that ruling, it is illogical to assert that evaluators are barred from discussing an ongoing evaluation. It is the DOE's position that the change in scores from Mr. Kauhi and Mr. Joseph is not dispositive of any improper conduct in the absence of any other evidence. Of further note is the fact that Mr. Joseph's and Mr. Kauhi's scores for Ground Transport, Inc. (GTI) diverged in the re-scoring process and Mr. Kauhi's nominal and percentage score change was notably greater than the change to RHSB. It should be noted Mr. Joseph served on the evaluation committee for RFP D14-012 for similar services on the Island of Hawaii. In that solicitation, RHSB was the top scoring response, and RHSB had no issue with Mr. Joseph or Mr. Kauhi at that time. It appears RHSB objects to the outcome as opposed to the composition of the committee.

RHSB also objects to DOE's break from past practice of not utilizing on-island Transportation Officers (TO) to evaluate proposals. The operative term is "past practice". The DOE never employed any such criteria in determining qualifications. Any such consideration, if at all, was completely informal and subject to the Purchasing Agency's discretion.

RHSB objects to the qualification of Ms. Pualani Foster as she has only 2 years of experience as a TO. The duties of a TO involve monitoring and overseeing the delivery of transportation services in the various districts the DOE services; exactly the services this solicitation seeks to purchase. The DOE finds that the fact that Ms. Foster qualified for her position as a TO under the civil service laws is sufficient to determine she is qualified to serve on the committee. Her inclusion was subject to review and approval by the delegated Chief Procurement Officer [See Exhibit E]. RHSB's argument contradicts its earlier assertion that the DOE is enjoined by past practice from using an "on-island TO" to evaluate this solicitation. That is exactly what Ms. Foster is, an off-island TO, and the DOE finds the contradiction of RHSB's own arguments unpersuasive.

RHSB also alleges that Ms. Foster's experience is only with pre-existing contracts, and therefore is unqualified to evaluate this RFP. However, this interpretation is narrow and self-serving as the knowledge in question relates to the delivery of student transportation services. If RHSB's argument was found to be compelling, purchasing agencies would be forever enjoined from adopting service delivery systems that differed in the slightest way from past practice as it would be nearly impossible to empanel an evaluation committee with specific experience in the service delivery model. RHSB's interpretation is both unreasonable and unduly restrictive.

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distinction between disagreeing with the evaluator's interpretation of the **content** of the response, as opposed to claiming the evaluator did not follow the criteria set forth in the RFP. RHSB claims that differences between RHSB's scoring and the scoring of other proposers (most notably Ground Transportation, Inc.) are proof that the evaluators failed to follow the evaluation criteria. In supporting this allegation, RHSB brings up numerous instances where points were deducted from RHSB's response. However, the DOE maintains that those deductions were based on the **content** of RHSB's response and that RHSB fails to show anything to support the claim that the evaluation criteria were not followed. RHSB also claims the deductions were made in error because RHSB felt they addressed the issue in the interview and that on that basis, the deductions should have been removed. RHSB contends that another proposer failed to address the same issue and yet received no deductions. The Hawaii Public Procurement Code addresses the issue of how evaluations are to be conducted:

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5. **RHSB Claims the DOE Did Not Abide by the "Fair and Equal Standard"**

RHSB claims the DOE did not adhere to HAR § 3-122-53(d) which states:

> (d) Priority-listed offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.
>
> (1) Any substantial oral clarification of a proposal shall be reduced to writing by the priority-listed offeror;
>
> (2) If, during discussions there is a need for any substantial clarification or change in the request for proposals, the request for proposals shall be amended by an addendum to incorporate the clarification or change.
>
> RHSB asserts that representations made by Ground Transportation, Inc. during their interview (conducted as set forth in the RFP Section C.2(E.)) were both substantial and subject to submission in writing as provided for in the rule. The DOE disagrees with this interpretation. As stated in the RFP, the interview allows for clarifications and it is the DOE's position that the clarifications raised during the interview were not

substantial. Both RHSB and GTI were afforded equal opportunity to clarify their responses. RHSB did not submit any of their clarifications from their interview in writing. The DOE maintains that it adhered to the provisions of the subject rule and that all parties were treated fairly and equally.

6. **RHSB Claims that Documentation Regarding the Evaluation Committee Was Not in the File, and No Affidavit Was Signed**

RHSB asserts that documentation selecting the evaluation committee members and their declarations were not in the procurement file. This is not correct. [See Exhibits D and E] The documentation was not initially provided to RHSB as part of their document request due to an oversight, but were subsequently supplied via e-mail to Mr. Aaron Kimura on January 25, 2017.

RHSB claims that Bruce Ellerman was a paid consultant and that the rules governing his participation were not followed by the DOE. HAR § 3-122-45.01 states:

> Prior to the preparation of the request for proposals, a determination shall be made by the procurement officer that the procurement officer or an evaluation committee selected in writing by the procurement officer shall evaluate the proposals. A copy of the document identifying any committee members and any subsequent changes thereto shall be placed in the contract file.
>
> (1) The evaluation committee shall consist of at least three governmental employees with sufficient qualifications in the area of the goods, services, or construction to be procured;
>
> (2) Private consultants may also serve on the committee and shall:
>
> (A) Have sufficient knowledge to serve on the committee;
>
> (B) Serve without compensation, unless justified and determined in writing by the head of the purchasing agency that compensation is justified; and
>
> (C) Sign an affidavit:
>
> (i) Attesting to having no personal, business, or any other relationship that will influence their decision in the evaluation process;
>
> (ii) Agreeing not to disclose any information on the evaluation process to other than an employee of a governmental body; and
>
> (iii) Agreeing that their names will become public information upon award of the contract;
>
> (3) The contract administrator shall serve as a member of the committee;
>
> (4) The contract administrator or a designee shall serve as chairperson, and the procurement officer or a designee shall serve as advisor.

RHSB "believes that there were numerous violations of HAR § 3-122-45.01." (See Protest at p. 24). The documents show that the DOE observed all the requirements of the rule (see Exhibits D and E) and that if there are any deviations (such as the use of a declaration rather than an affidavit), they are only technical requirements and not the basis for requesting a re-solicitation. The Hearings Officer in *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7, January 2, 1998, provides helpful guidance in assigning the proper role of technical requirements:

> A savings of $21,000 of public funds would do more to foster public confidence in the integrity of the procurement system than would a strict adherence to a largely technical requirement. The requirement of HAR § 3-122-108(a) was not meant to cost public bodies thousands of dollars by requiring acceptance of higher bids for mere technical violations. *Standard Electric, Inc., vs. City & County of Honolulu, et. al,* PCH 97-7 at p. 9, January 2, 1998).

Based on the facts and events that transpired, it is clear that the DOE fulfilled the essential requirements of the rule.

Conclusion

Based on the foregoing, and subject to H.R.S. § 103D-701(c), your protest on this matter is hereby denied. This decision is final. Pursuant to Hawaii Administrative Rule, Chapter 126, Subchapter 5, you have the right to an administrative proceeding. Should you file such a request, your request must be made directly to the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs within seven (7) calendar days of the issuance of this determination. You must also notify this office of such a decision within the same time period.

Very truly yours,

FOR Kathryn S. Matayoshi
Superintendent

KSM:cak
Enclosures

c: Student Transportation Services Branch
James E. Raymond, Deputy Attorney General
Project Control Section

EXHIBIT C

DEPARTMENT OF EDUCATION

PROJECT CONTROL SECTION

September 22, 2016

RFP D17-001

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF MAUI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 3

Below is the third addendum to RFP D17-001 for student transportation services on the island of Maui. This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

1. Are we required to provide aides for each special education vehicle?

    A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

2. Is the cost of aide to be included in the Daily Rate for 3.5 hour minimum for special education vehicles?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

3. Is the cost of aide to be included in the additional cost over 3.5 hours for special education vehicles?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

4. Is the cost of aide to be included in the driving rate for supplemental services, (inclusive of all personnel & vehicle costs)?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

5. Is the cost of aide to be included in the layover & wait time rate for supplemental services (inclusive of all personnel & vehicle costs)?

    A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

6. What will the cost per hour for bus aide be used for?

    A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

Attachment B – Pricing Form

Cluster 1 – Makawao

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	21		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	9		180				
Count of Special Needs Buses (Type II) with no special equipment	6		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	4		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Baldwin

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	10		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	3		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Lahaina

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	13		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 4 – Maui

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly **driving rate** for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly **layover & wait time** rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	18		180				
SPECIAL REQUIREMENT MAUI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	7		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions	0		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning	1		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning	1		180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

BE
10/12/16

EXHIBIT D

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

DECLARATION

I, James Kauhi, do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-001, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-001 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-001 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

EXHIBIT E

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-001 for Student Transportation Services for the Island of Maui:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

Mandatory interviews – The DOE will require an onsite presentation of the top two proponents' proposals for each cluster and interview of key staff as part of the selection process. These interviews will be conducted on Oahu and will be scheduled on the dates indicated in the Calendar of Events.

Notice of award(s) – The DOE will publicly announce the award of contract(s) to the successful proponents on the date indicated in the Calendar of Events.

Contract start date, services commence – This will be the effective date of the contracts. The successful proponents shall be fully prepared with all required resources and services as per the contract. Earlier readiness may be sufficient to support Extended School Year services prior to the start of regular 2017/18 school year services. The State will evaluate readiness for inclusion of any new contractor to provide services and such services will be provided at the contracted rates and at the option of the proponent.

2. Proposal Evaluation & Vendor Selection Process

This is a value-based procurement. The successful proponents must have the demonstrable experience and qualifications, staffing, and financial resources to deliver the required services for the entire term of the contract. Cost will be a significant factor in the evaluation process. However, cost will become a factor only AFTER the proponent is evaluated on the basis of its qualifications, experience, wherewithal, and proposed approach to delivering the required services and resources. The evaluation of proposals and vendor selection process will proceed in accordance with the following sequence:

A. *Determination of Proposal Qualification* – The proposal must be received in good order, with all required forms, tabs, and information as required.

B. *Technical Evaluation* – An evaluation committee will evaluate the proponent's Technical Proposal. The members of the committee will evaluate each proposal individually. The scoring rubric will be applied consistently by all evaluators, to all proponents, and to all proposals.

C. *Cost Evaluation* – AFTER the technical evaluation is completed, the proponent's cost proposal will be opened and the costs analyzed based on a model that extends the proposed prices against the estimated service volume in each identified category on **Attachment B** to this RFP (pricing forms). Points will be assigned by formula in accordance with the following criteria:

- The lowest cost proponent in each individual service cluster, as measured by the estimated total aggregated annual cost, will receive the maximum available points.
- Each proposal that has a higher cost factor will receive a proportional share of the points available based on the comparative total aggregated annual cost. The points allocated to all proposals other than the lowest cost proponent will be equal to the lowest cost proponent proposal multiplied by the maximum points available for price, divided by the estimated total aggregated annual cost.
- This process will be applied to both the home to school cost and the proposed supplemental services cost per cluster.

D. *Determination of Preferred Vendor(s)* – The Technical Proposal score from each evaluator will be averaged to arrive at the final Technical Proposal score for each proponent. This will be combined with the Cost Proposal score for the same proponent and service cluster combination to arrive at the proponent's total score. The proponents will then be ranked within each of the three service clusters. The top scoring proponent will become the preferred vendor in each cluster. The DOE will then apply any volume restrictions provided by proponents submitting an Option B proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.

E. *Mandatory Interviews* – After reviewing the results of the evaluation, the preferred and next highest scoring proponent in each cluster will be invited to an interview with the evaluation committee in Honolulu. The purpose of these interviews will be to clarify and expand upon any element of the proponent's submission. The results of these interviews may be used by any individual evaluator to reassess and adjust their scoring of the Technical Proposal. The final point totals for the interviewees will be compared again to assess whether the preferred vendor position has changed.

F. *Notice of Award* – the final results will be shared with the preferred vendors and with the next highest scoring vendor in each service cluster.

The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.

D. PROPOSAL SUBMISSION REQUIREMENTS

1. Instructions to Proponents

A. GENERAL

Proponents shall be incorporated or organized under the laws of the State or be registered to do business in the State as a separate branch or division that is capable of fully performing under the contract. The following definitions are used in the solicitation documents:

Hawaii Business §3-122-112 HAR: A Proponent who is registered and incorporated or organized under the laws of the State is a "Hawaii Business" and eligible for an award.

Compliant non-Hawaii Business §3-122-112 HAR: A Proponent not incorporated or organized under the laws of the State, but is registered to do business in the State and complies with or is exempt from the requirements of §3-122-112 HAR, is a "Compliant Non-Hawaii Business" and eligible for an award.

Non-compliant Proponent: If a Proponent is a non-Hawaii business and is not registered with the DCCA Business Registration Division (BREG) or cannot comply with §3-122-112 HAR, than the Proponent is non-compliant and is ineligible for an award.

> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
> F. *Notice of Award* – * * *
>
> **The evaluation criteria to be applied and point totals available by section will align with the parameters established in Proposal Submission Requirements section below.**

See, RFP at pps. 9-10 (emphasis added). Further, Section D states in its Terms and Conditions that, "Proposals ***must*** be submitted using the instructions in this RFP." (emphasis added). Finally, Section D.3 makes clear:

> **No pricing information is to be included in the proposal**. One hard copy of Attachment B or an exact replica, in its entirety, with all required information **must be included in a separate, marked, sealed envelope** as part of the proponent's submission.

Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE issued a Notice of Award noting that Robert's was awarded Cluster 1 (Makawao), with Ground Transport Incorporated ("GTI") being awarded Cluster 2 (Baldwin), Cluster 3 (Lahaina), and Cluster 4 (Maui). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

> First of all, you know, I'm disappointed that you guys didn't do better, and I'm sure not as much as you, but you've been a good vendor for us and I'm sure the outcome, you're disappointed. We appreciate your participation in the process and the effort so…you want to get it started Jimmy? **You want to talk about the real difference maker? You guys must've looked at it, but in my perspective really the determining factor was price. You can look at all the technical stuff but price really controlled the difference**.

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> proposal, elevating the next highest scoring vendor to the preferred vendor category, as required.
>
> E. *Mandatory Interviews* – * * *
>
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Presumably the DOE believed the segregation of cost from other factors was important to the process given the "value-based" nature of the procurement. To that end, the DOE required all proposers to submit cost information *in a separate and sealed envelope*.

On November 1, 2016, the DOE sent a Notice of Non-Award to Robert's announcing that Yamaguchi was selected as the winning bidder for the Cluster 1 (Waimea) under the RFP, and that Akita was selected as the winning bidder for Clusters 2 and 3 (Kapaa and Kauai respectively). As noted above, Robert's submitted its First Request for Debriefing on November 2, 2016, and the First Debriefing was held on November 16, 2016.

During the First Debriefing, Christian Butt highlighted how important the price/cost determination was to the results of the scoring process:

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EXHIBIT C

DEPARTMENT OF EDUCATION

PROJECT CONTROL SECTION

September 22, 2016

RFP D17-002

REQUEST FOR PROPOSALS

STUDENT TRANSPORTATION SERVICES ON THE ISLAND OF KAUAI FOR THE STATE OF HAWAII DEPARTMENT OF EDUCATION (DOE)

ADDENDUM 3

Below is the third addendum to RFP D17-002 for student transportation services on the island of Kauai. This addendum provides clarification for submission requirements of the RFP related to the need to provide bus aides for special needs services. This response is hereby incorporated and made a part of the RFP.

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   A. Bus contractors should expect to provide bus aides for each bus that is identified as a special needs bus. It should be noted that this requirement may change over time, but for purposes of developing their response vendors should plan to provide a bus aide for all identified special needs buses shown on Attachment B.

2. Is the cost of aide to be included in the Daily Rate for 3.5 hour minimum for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

3. Is the cost of aide to be included in the additional cost over 3.5 hours for special education vehicles?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

4. Is the cost of aide to be included in the driving rate for supplemental services, (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

5. Is the cost of aide to be included in the layover & wait time rate for supplemental services (inclusive of all personnel & vehicle costs)?

   A. No. The cost of the bus aide should be identified on the appropriate line included on the revised Attachment B – Pricing Form include with this Addendum.

6. What will the cost per hour for bus aide be used for?

   A. The cost of the bus aide will be used in the evaluation of cost provided by each vendor.

Attachment B – Pricing Form

Cluster 1 – Waimea

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	14		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	1		180				
Count of Special Needs Buses (Type II) with no special equipment	2		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

_____	_____
Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 2 – Kapaa

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	19		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger	2		180				
Count of Special Needs Buses (Type II) with no special equipment	1		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	3		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
			Cluster Total Cost				

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

Attachment B – Pricing Form

Cluster 3 – Kauai

	A	B	C	Total Cost=A*B*C			
	Number of Buses Required	Daily Rate for 3.5 hour minimum	Number of Days	Subtotal Cost	Additional Cost Over 3.5 hours (price should represent cost in 15 minute increments)	Hourly driving rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments	Hourly layover & wait time rate for supplemental services (inclusive of all personnel and vehicle costs) priced in one hour increments
Count of Regular Home-to-School Buses (Type I)	15		180				
SPECIAL REQUIREMENT KAUAI ONLY: Count of Regular Home-to-School Buses 42 passenger			180				
Count of Special Needs Buses (Type II) with no special equipment	4		180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions	2		180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions			180				
Count of Special Needs Buses (Type II) with at least 2 wheelchair positions with Air Conditioning			180				
Count of Special Needs Buses (Type II) with 3 or more wheelchair positions with Air Conditioning			180				
Cluster Total Cost							

Attachment B – Pricing Form

Hourly Rate for Bus Aide: $_____

The Department is also interested in receiving incremental pricing for schools bus with a rated capacity of 78 passengers or greater. In the blocks below pleased provide the proposed daily rate for those types of assets and the number of buses you would be willing to provide:

Daily rate for 78 and greater passenger bus	Number of units that could be provided

SK
10/12/16

EXHIBIT D

DECLARATION

I, Bruce Ellerman, do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Bruce Ellerman
Printed Name

Bruce Ellerman
Signature

DECLARATION

I, James Kauhi , do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

James Kauhi
Printed Name

Signature

DECLARATION

I, Pualani Foster, do hereby certify and affirm the following:
[Print Name]

1) I have no conflict of interest with RFP D17-002, or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Pualani Foster
Printed Name

Pualani Foster
Signature

DECLARATION

I, Robert Joseph Jr. , do hereby certify and affirm the following:
[*Print Name*]

1) I have no conflict of interest with RFP D17-002 , or I have disclosed any potential conflict of interest with the Chair of the evaluation committee, and they have cleared my participation.
2) I will not disclose any information regarding RFP D17-002 including but not limited to the names of the Respondents, the contents of their proposals, the discussions or information presented, and any other information related to this procurement until the award is posted.
3) I will not discuss the information presented, or provide any input or opinion regarding the RFP respondents, the evaluation, or the award with anyone not permitted access to this information until posting of award.

I do hereby certify that the information presented in this declaration is true and correct to the best of my knowledge.

Robert Joseph Jr.
Printed Name

Robert Joseph Jr.
Signature

EXHIBIT E

MEMO FOR RECORD:

The following individuals have been designated for the evaluation committee for RFP D17-002 for Student Transportation Services for the Island of Kauai:

James Kauhi	Manager, Student Transportation Services Branch
Pualani Foster	Transportation Officer, Kauai District
Robert Joseph	Transportation Officer, Maui District
Bruce Ellerman	Consultant

I have reviewed the above listed individuals' qualifications to serve on the evaluation committee for this RFP, and have determined them to be qualified.

[x] Approved [ ] Disapproved

Dann Carlson
Assistant Superintendent
OSFSS

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: lgomes@groundtransportinc.com and postal mail

November 1, 2016

Mr. Louis Gomes
Ground Transport Incorporated
P.O. Box 29540
Honolulu, HI 96820

RE: Request for Proposals, RFP D17-001
Notice of Award

Dear Mr. Gomes:

I am pleased to inform you that Ground Transport Incorporated is awarded the following clusters:

Cluster 2, Baldwin
Cluster 3, Lahaina
Cluster 4, Maui

Your response received the top score in all four clusters. However, due to the award limit stated in the RFP, Cluster 1 was awarded to the second ranking vendor, Robert's Hawaii School Bus, Inc.

Your scores for each cluster are as follows:

Cluster 1, Makawao	96.46
Cluster 2, Baldwin	97.06
Cluster 3, Lahaina	97.06
Cluster 4, Maui	97.06

You will be contacted by the Student Transportation Services Branch regarding how to proceed with contracts for the clusters you are awarded.

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: lgomes@groundtransportinc.com and postal mail

December 5, 2016

Mr. Louis Gomes
Ground Transport Incorporated
P.O. Box 29540
Honolulu, HI 96820

RE: Request for Proposals, RFP D17-001
Notice of Award (Re-score)

Dear Mr. Gomes:

I am pleased to inform you that Ground Transport Incorporated is awarded the following clusters:

Cluster 2, Baldwin
Cluster 3, Lahaina
Cluster 4, Maui

Your response received the top score in all four clusters. However, due to the award limit stated in the RFP, Cluster 1 was awarded to the second ranking vendor, Robert's Hawaii School Bus, Inc.

Your scores for each cluster are as follows:

Cluster 1, Makawao	97.06
Cluster 2, Baldwin	97.06
Cluster 3, Lahaina	97.06
Cluster 4, Maui	97.06

You will be contacted by the Student Transportation Services Branch regarding how to proceed with contracts for the clusters you are awarded.

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing. Please note that the date of protest tolls until the debriefing if applicable.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: aaron.kimura@robertshawaii.com and postal mail

November 1, 2016

Mr. Aaron Kimura
Robert's Hawaii School Bus, Inc.
680 Iwilei Road, Suite 700
Honolulu, HI 96817

RE: Request for Proposals, RFP D17-001
Notice of Award

Dear Mr. Kimura:

I am pleased to inform you that Robert's Hawaii School Bus, Inc. is awarded the following cluster:

Cluster 1, Makawao

Your response received the second highest score in all four clusters, with Ground Transport Incorporated (GTI) being the top scoring vendor in all four clusters. However, due to the award limit stated in the RFP, GTI was awarded Clusters 2, 3, and 4.

Your scores for each cluster are as follows:

Cluster 1, Makawao	93.62
Cluster 2, Baldwin	91.28
Cluster 3, Lahaina	90.92
Cluster 4, Maui	90.42

You will be contacted by the Student Transportation Services Branch regarding how to proceed with contracts for the cluster you are awarded.

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: aaron.kimura@robertshawaii.com and postal mail

December 5, 2016

Mr. Aaron Kimura
Robert's Hawaii School Bus, Inc.
680 Iwilei Road, Suite 700
Honolulu, HI 96817

RE: Request for Proposals, RFP D17-001
Notice of Award (Re-score)

Dear Mr. Kimura:

I am pleased to inform you that Robert's Hawaii School Bus, Inc. is awarded the following cluster:

Cluster 1, Makawao

Your response received the second highest score in all four clusters, with Ground Transport Incorporated (GTI) being the top scoring vendor in all four clusters. However, due to the award limit stated in the RFP, GTI was awarded Clusters 2, 3, and 4.

Your scores for each cluster are as follows:

Cluster 1, Makawao	94.58
Cluster 2, Baldwin	91.74
Cluster 3, Lahaina	91.59
Cluster 4, Maui	90.84

You will be contacted by the Student Transportation Services Branch regarding how to proceed with contracts for the cluster you are awarded.

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing. Please note that the date of protest tolls until the debriefing if applicable.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: wwakita@gmail.com and postal mail

November 1, 2016

Ms. Wendy Akita
Akita Enterprises, Limited
2960 Aukele Street
Lihue, HI 96766

RE: Request for Proposals, RFP D17-002
Notice of Award

Dear Ms. Akita:

I am pleased to inform you that Akita Enterprises, Limited received the top scores in and is awarded the following clusters:

Cluster 2, Kapaa
Cluster 3, Kauai

The award for the other cluster is listed below, followed by your response's points and ranking among the responses:

Cluster 1, Waimea	Yamaguchi Bus Service, Inc.	91.82	2nd

You will be contacted by the Student Transportation Services Branch regarding how to proceed with contracts for the clusters you are awarded.

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: wwakita@gmail.com and postal mail

December 5, 2016

Ms. Wendy Akita
Akita Enterprises, Limited
2960 Aukele Street
Lihue, HI 96766

RE: Request for Proposals, RFP D17-002
Notice of Award (Re-score)

Dear Ms. Akita:

I am pleased to inform you that Akita Enterprises, Limited is awarded the following clusters:

Cluster 2, Kapaa
Cluster 3, Kauai

Your response received the top score in all three clusters. However, due to the award limit stated in the RFP, Cluster 1 was awarded to the second ranking vendor, Yamaguchi Bus Service, Inc. Your scores for each cluster are as follows:

Cluster 1, Waimea	94.82
Cluster 2, Kapaa	95.75
Cluster 3, Kauai	95.75

You will be contacted by the Student Transportation Services Branch regarding how to proceed with contracts for the clusters you are awarded.

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing. Please note that the date of protest tolls until the debriefing if applicable.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: yamabus@gmail.com and postal mail

November 1, 2016

Mr. Howard Yamaguchi
Yamaguchi Bus Service, Inc.
P.O. Box 1127
Kilauea, HI 96754

RE: Request for Proposals, RFP D17-002
Notice of Award

Dear Mr. Yamaguchi:

I am pleased to inform you that Yamaguchi Bus Service, Inc. received the top score in and is awarded the following cluster:

Cluster 1, Waimea

The awards for the other clusters are listed below, followed by your response's points and ranking among the responses:

Cluster 2, Kapaa	Akita Enterprises, Limited	88.19	2nd
Cluster 3, Kauai	Akita Enterprises, Limited	91.69	2nd

You will be contacted by the Student Transportation Services Branch regarding how to proceed with contracts for the cluster you are awarded.

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: yamabus@gmail.com and postal mail

December 5, 2016

Mr. Howard Yamaguchi
Yamaguchi Bus Service, Inc.
P.O. Box 1127
Kilauea, HI 96754

RE: Request for Proposals, RFP D17-002
Notice of Award (Re-score)

Dear Mr. Yamaguchi:

I am pleased to inform you that Yamaguchi Bus Service, Inc. is awarded the following cluster:

Cluster 1, Waimea

Your response received the second highest score in all three clusters, with Akita Enterprises, Limited being the top scoring vendor in all three clusters. However, due to the award limit stated in the RFP, Akita Enterprises, Limited was awarded Clusters 2 and 3. Your scores for each cluster are as follows:

Cluster 1, Waimea	92.57
Cluster 2, Kapaa	88.18
Cluster 3, Kauai	91.40

You will be contacted by the Student Transportation Services Branch regarding how to proceed with contracts for the cluster you are awarded.

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing. Please note that the date of protest tolls until the debriefing if applicable.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: cakina@akinatours.com and postal mail

November 1, 2016

Ms. Cassie Akina-Ancog
Akina Enterprises, LLC dba Akina Bus Service, Ltd.
140 Alahele Place
Kihei, HI 96753

RE: Request for Proposals, RFP D17-001
Notice of Non-Award

Dear Ms. Akina-Ancog:

I regret to inform you that your response to the above referenced Request for Proposals was not the top score in either of the clusters you applied for.

The awards for the following clusters are listed below, followed by your response's points and ranking among the responses:

Cluster 1, Makawao	Robert's Hawaii School Bus, Inc.	N/A	
Cluster 2, Baldwin	Ground Transport Incorporated	79.67	4th
Cluster 3, Lahaina	Ground Transport Incorporated	N/A	
Cluster 4, Maui	Ground Transport Incorporated	78.49	4th

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing.

Thank you for your interest in this program, and I hope the outcome does not discourage you from participating in future solicitations. I fondly wish you the best of luck in your future endeavors.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: cakina@akinatours.com and postal mail

December 5, 2016

Ms. Cassie Akina-Ancog
Akina Enterprises, LLC dba Akina Bus Service, Ltd.
140 Alahele Place
Kihei, HI 96753

RE: Request for Proposals, RFP D17-001
Notice of Non-Award (Re-score)

Dear Ms. Akina-Ancog:

I regret to inform you that your response to the above referenced Request for Proposals was not the top score in either of the clusters you applied for.

The awards for the following clusters are listed below, followed by your response's points and ranking among the responses:

Cluster 1, Makawao	Robert's Hawaii School Bus, Inc.	N/A	
Cluster 2, Baldwin	Ground Transport Incorporated	79.64	4th
Cluster 3, Lahaina	Ground Transport Incorporated	N/A	
Cluster 4, Maui	Ground Transport Incorporated	78.37	4th

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing. Please note that the date of protest tolls until the debriefing if applicable.

Thank you for your interest in this program, and I hope the outcome does not discourage you from participating in future solicitations. I fondly wish you the best of luck in your future endeavors.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: ryan@wasatchtransportation.com and postal mail

November 1, 2016

Mr. Ryan Fuller
Iosepa Transportation LLC
5970 Dannon Way
West Jordan, UT 84081

RE: Request for Proposals, RFP D17-001
Notice of Non-Award

Dear Mr. Fuller:

I regret to inform you that your response to the above referenced Request for Proposals was not the top score in any of the clusters you applied for.

The awards for the following clusters are listed below, followed by your response's points and ranking among the responses:

Cluster 1, Makawao	Robert's Hawaii School Bus, Inc.	87.29	3rd
Cluster 2, Baldwin	Ground Transport Incorporated	80.13	3rd
Cluster 3, Lahaina	Ground Transport Incorporated	83.28	3rd
Cluster 4, Maui	Ground Transport Incorporated	82.88	3rd

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing.

Thank you for your interest in this program, and I hope the outcome does not discourage you from participating in future solicitations. I fondly wish you the best of luck in your future endeavors.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: ryan@wasatchtransportation.com and postal mail

December 5, 2016

Mr. Ryan Fuller
Iosepa Transportation LLC
5970 Dannon Way
West Jordan, UT 84081

RE: Request for Proposals, RFP D17-001
Notice of Non-Award (Re-score)

Dear Mr. Fuller:

I regret to inform you that your response to the above referenced Request for Proposals was not the top score in any of the clusters you applied for.

The awards for the following clusters are listed below, followed by your response's points and ranking among the responses:

Cluster 1, Makawao	Robert's Hawaii School Bus, Inc.	89.85	3rd
Cluster 2, Baldwin	Ground Transport Incorporated	82.27	3rd
Cluster 3, Lahaina	Ground Transport Incorporated	85.16	3rd
Cluster 4, Maui	Ground Transport Incorporated	85.25	3rd

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing. Please note that the date of protest tolls until the debriefing if applicable.

Thank you for your interest in this program, and I hope the outcome does not discourage you from participating in future solicitations. I fondly wish you the best of luck in your future endeavors.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: ryan@wasatchtransportation.com and postal mail

November 1, 2016

Mr. Ryan Fuller
Iosepa Transportation LLC
5970 Dannon Way
West Jordan, UT 84081

RE: Request for Proposals, RFP D17-002
Notice of Non-Award

Dear Mr. Fuller:

I regret to inform you that your response to the above referenced Request for Proposals was not the top score in any of the clusters you applied for.

The awards for the following clusters are listed below, followed by your response's points and ranking among the responses:

Cluster 1, Waimea	Yamaguchi Bus Service, Inc.	75.04	4th
Cluster 2, Kapaa	Akita Enterprises, Limited	76.98	4th
Cluster 3, Kauai	Akita Enterprises, Limited	76.28	4th

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing.

Thank you for your interest in this program, and I hope the outcome does not discourage you from participating in future solicitations. I fondly wish you the best of luck in your future endeavors.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: ryan@wasatchtransportation.com and postal mail

December 5, 2016

Mr. Ryan Fuller
Iosepa Transportation LLC
5970 Dannon Way
West Jordan, UT 84081

RE: Request for Proposals, RFP D17-002
Notice of Non-Award (Re-score)

Dear Mr. Fuller:

I regret to inform you that your response to the above referenced Request for Proposals was not the top score in any of the clusters you applied for.

The awards for the following clusters are listed below, followed by your response's points and ranking among the responses:

Cluster 1, Waimea	Yamaguchi Bus Service, Inc.	76.45	4th
Cluster 2, Kapaa	Akita Enterprises, Limited	78.04	4th
Cluster 3, Kauai	Akita Enterprises, Limited	77.71	4th

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing. Please note that the date of protest tolls until the debriefing if applicable.

Thank you for your interest in this program, and I hope the outcome does not discourage you from participating in future solicitations. I fondly wish you the best of luck in your future endeavors.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: aaron.kimura@robertshawaii.com and postal mail

November 1, 2016

Mr. Aaron Kimura
Robert's Hawaii School Bus, Inc.
680 Iwilei Road, Suite 700
Honolulu, HI 96817

RE: Request for Proposals, RFP D17-002
Notice of Non-Award

Dear Mr. Kimura:

I regret to inform you that your response to the above referenced Request for Proposals was not the top score in any of the clusters you applied for.

The awards for the following clusters are listed below, followed by your response's points and ranking among the responses:

Cluster 1, Waimea	Yamaguchi Bus Service, Inc.	78.82	3rd
Cluster 2, Kapaa	Akita Enterprises, Limited	84.10	3rd
Cluster 3, Kauai	Akita Enterprises, Limited	84.46	3rd

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing.

Thank you for your interest in this program, and I hope the outcome does not discourage you from participating in future solicitations. I fondly wish you the best of luck in your future endeavors.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via email: aaron.kimura@robertshawaii.com and postal mail

December 5, 2016

Mr. Aaron Kimura
Robert's Hawaii School Bus, Inc.
680 Iwilei Road, Suite 700
Honolulu, HI 96817

RE: Request for Proposals, RFP D17-002
Notice of Non-Award (Re-score)

Dear Mr. Kimura:

I regret to inform you that your response to the above referenced Request for Proposals was not the top score in any of the clusters you applied for.

The awards for the following clusters are listed below, followed by your response's points and ranking among the responses:

Cluster 1, Waimea	Yamaguchi Bus Service, Inc.	82.18	3rd
Cluster 2, Kapaa	Akita Enterprises, Limited	87.03	3rd
Cluster 3, Kauai	Akita Enterprises, Limited	87.21	3rd

You may submit a written request for a debriefing. Requests must be submitted within three (3) working days from the posting of this notice. Requests for debriefing shall be filed with the Auxiliary Services Branch, Project Control Section, 3633 Waialae Avenue, Building E, 1st Floor, Honolulu, Hawaii 96816.

If you wish to file written objections to the issuance of this award, you must file your objections within five (5) working days from the date that this notice was posted, at the same address listed above for the request for debriefing. Please note that the date of protest tolls until the debriefing if applicable.

Thank you for your interest in this program, and I hope the outcome does not discourage you from participating in future solicitations. I fondly wish you the best of luck in your future endeavors.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via U.S. Postal Service and email: cakina@akinatours.com

November 21, 2016

Ms. Cassie Akina-Ancog
Akina Enterprises, LLC dba Akina Bus Service, Ltd.
140 Alahele Place
Kihei, HI 96753

RE: Request for Proposals, RFP D17-001
Notice of Re-score

Dear Ms. Akina-Ancog:

You are being notified that the awards for RFP D17-001 are being rescinded. It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring. Upon review, the DOE concurs and has decided to re-score the RFP. As there is currently no award, if you have not yet had a debriefing, the DOE will reschedule it upon the findings. Any kind of protest or action is tolled until the new awards are issued, at which time the process may be initiated.

Should you have any questions, please contact me via phone at (808) 784-5012 or via email at christian_butt@notes.k12.hi.us. We apologize for the inconvenience.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via U.S. Postal Service and email: lgomes@groundtransportinc.com

November 21, 2016

Mr. Louis Gomes
Ground Transport Incorporated
P.O. Box 29540
Honolulu, HI 96820

RE: Request for Proposals, RFP D17-001
Notice of Re-score

Dear Mr. Gomes:

You are being notified that the awards for RFP D17-001 are being rescinded. It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring. Upon review, the DOE concurs and has decided to re-score the RFP. As there is currently no award, if you have not yet had a debriefing, the DOE will reschedule it upon the findings. Any kind of protest or action is tolled until the new awards are issued, at which time the process may be initiated.

Should you have any questions, please contact me via phone at 784-5012 or via email at christian_butt@notes.k12.hi.us. We apologize for the inconvenience.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via U.S. Postal Service and email: ryan@wasatchtransportation.com

November 21, 2016

Mr. Ryan Fuller
Iosepa Transportation LLC
5970 Dannon Way
West Jordan, UT 84081

RE: Request for Proposals, RFP D17-001 and RFP D17-002
Notice of Re-score

Dear Mr. Fuller:

You are being notified that the awards for RFP D17-001 and RFP D17-002 are being rescinded. It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring. Upon review, the DOE concurs and has decided to re-score both RFPs. As there is currently no award, if you have not yet had a debriefing, the DOE will reschedule it upon the findings. Any kind of protest or action is tolled until the new awards are issued, at which time the process may be initiated.

Should you have any questions, please contact me via phone at (808) 784-5012 or via email at christian_butt@notes.k12.hi.us. We apologize for the inconvenience.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via U.S. Postal Service and email: aaron.kimura@robertshawaii.com

November 21, 2016

Mr. Aaron Kimura
Robert's Hawaii School Bus, Inc.
680 Iwilei Road, Suite 700
Honolulu, HI 96817

RE: Request for Proposals, RFP D17-001 and RFP D17-002
Notice of Re-score

Dear Mr. Kimura:

You are being notified that the awards for RFP D17-001 and RFP D17-002 are being rescinded. It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring. Upon review, the DOE concurs and has decided to re-score both RFPs. As there is currently no award, if you have not yet had a debriefing, the DOE will reschedule it upon the findings. Any kind of protest or action is tolled until the new awards are issued, at which time the process may be initiated.

Should you have any questions, please contact me via phone at 784-5012 or via email at christian_butt@notes.k12.hi.us. We apologize for the inconvenience.

Very truly yours,

for

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via U.S. Postal Service and email: wwakita@gmail.com

November 21, 2016

Ms. Wendy Akita
Akita Enterprises, Limited
2960 Aukele Street
Lihue, HI 96766

RE: Request for Proposals, RFP D17-002
Notice of Re-score

Dear Ms. Akita:

You are being notified that the awards for RFP D17-002 are being rescinded. It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring. Upon review, the DOE concurs and has decided to re-score the RFP. As there is currently no award, if you have not yet had a debriefing, the DOE will reschedule it upon the findings. Any kind of protest or action is tolled until the new awards are issued, at which time the process may be initiated.

Should you have any questions, please contact me via phone at (808) 784-5012 or via email at christian_butt@notes.k12.hi.us. We apologize for the inconvenience.

Very truly yours,

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section

DAVID Y. IGE
GOVERNOR

KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAI`I
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAI`I 96804

OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES

Sent via U.S. Postal Service and email: yamabus@gmail.com

November 21, 2016

Mr. Howard Yamaguchi
Yamaguchi Bus Service, Inc.
P.O. Box 1127
Kilauea, HI 96754

RE: Request for Proposals, RFP D17-002
Notice of Re-score

Dear Mr. Yamaguchi:

You are being notified that the awards for RFP D17-002 are being rescinded. It has been brought to the Department of Education's (DOE) attention that there are discrepancies and mathematical errors with the scoring. Upon review, the DOE concurs and has decided to re-score the RFP. As there is currently no award, if you have not yet had a debriefing, the DOE will reschedule it upon the findings. Any kind of protest or action is tolled until the new awards are issued, at which time the process may be initiated.

Should you have any questions, please contact me via phone at (808) 784-5012 or via email at christian_butt@notes.k12.hi.us. We apologize for the inconvenience.

Very truly yours,

for

Christian H. Butt
Section Administrator
Project Control Section

CHB:kst

c: Student Transportation Services Branch
Project Control Section