

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION
CITY AND COUNTY OF HONOLULU

ADDENDUM NO. 1

TO THE

REQUEST FOR PROPOSALS

FOR THE

HONOLULU RAIL TRANSIT PROJECT
INDEPENDENT FINANCIAL AUDITOR "II" CONTRACT
REQUEST FOR PROPOSALS NO. RFP-HRT-918006

ISSUED: November 16, 2015

NOTICE TO ALL PROSPECTIVE OFFERORS:

This Addendum is hereby made a part of the Request for Proposals RFP-HRT-918006 (RFP) for the HONOLULU RAIL TRANSIT PROJECT (HRTP), INDEPENDENT FINANCIAL AUDITOR "II" CONTRACT, and it shall amend the said RFP in the following respects:

1. QUESTIONS AND RESPONSES

The following questions were received in the Transit Mailbox. The responses provided by the Honolulu Authority for Rapid Transportation (HART) are as follows and are herein incorporated as a part of the RFP:

Question #1

Will there be any non-attest services (bookkeeping) required under this contract? If so, who will be the management personnel of HART that will oversee the non-attest services? Please provide a description of this individual's skills, knowledge or experience.

Response #1

No, there will not be any non-attest services (bookkeeping) required under this contract.

Question #2

Are HART's internal control policies and procedures over financial reporting and compliance with federal financial assistance programs documented?

Response #2

Yes.

Question #3

Are there any significant and or unusual transactions planned/anticipated for the fiscal years under contract?

Response #3

Significant contracts for the Airport Guideway and Stations segment and the City Center Guideway and Stations segment are expected to be awarded during the contract term. It is anticipated that one will be awarded in FY16 and the other in FY17. We are not aware of any unusual transactions being planned or anticipated.

Question #4

What types of accounting records/systems are utilized by HART?

Response #4

HART uses the City and County of Honolulu Enterprise Resource Planning System (C2HERPS) financial system.

Question #5

How many individuals are involved with maintaining the accounting records/systems utilized by HART?

Response #5

Currently there are six (6) individuals involved with maintaining HART's accounting records/systems.

Question #6

When will the general ledgers for HART be finalized for the fiscal year ended June 30, 2016?

Response #6

The general ledgers should be finalized by the end of October 2016.

Question #7

Are there any outsourced service providers used in the accounting systems of HART?

Response #7

No.

Question #8

What types of assistance will be provided by management of HART in connection with the audit services to be provided?

Response #8

HART staff will be available to assist in gathering requested documents, answering questions, preparing working papers, and preparing draft financial statements.

Question #9

Please provide a copy of the communication with those charged with governance letters for the fiscal year ended June 30, 2014.

Response #9

Attached are: (a) KMH LLP letter to HART Audit Committee, dated December 18, 2014; and (b) HART letter to KMH LLP, dated December 18, 2014.

Question #10

Please provide a copy of the adjusting journal entries, reclassification entries and past adjusting journal entries for the fiscal year ended June 30, 2014?

Response #10

This information will only be provided to the successful offeror after contract execution.

Question #11

Please provide the estimated number of hours incurred by the auditors by staff level for the June 30, 2014 audit.

Response #11

HART does not have this information.

Question #12

Please provide a copy of the current contract for the June 30, 2015 audit.

Response #12

Attached is a copy of Contract No. SC-HRT-1200054, dated April 17, 2012.

Question #13

Please provide the expected timetable for deadlines for the June 30, 2016 year-end audit.

Response #13

Financial statements should be in final draft form for discussion with the HART Audit Committee board members by no later than the end of November 2016.

It is expected that the contractor will conduct a formal presentation of the financial statements to the HART Audit Committee and Board of Directors by mid-December 2016.

Question #14

What was the prior contracted audit fees (historically for the past contract term) and were there any change orders or fee adjustments issued? If there were change orders or fee adjustments, what was the nature and amounts of those change orders or fee adjustments?

Response #14

The original contract amount was \$40,000 per year. The contract was amended to include an additional \$20,000 per year for assistance in implementing the new GASB pronouncements and financial statement reporting requirements.

Question #15

Were there any management letters issued in connection with the June 30, 2014 audit?

Response #15

No.

Question #16

What amount has been allocated for conducting the June 30, 2016 audit?

Response #16

This information will not be provided.

Question #17

Are there any planned or anticipated changes in operations of systems during the fiscal years under contract?

Response #17

No.

Question #18

Please describe the nature and extent of meetings with the HART Board members during the fiscal years under contract.

Response #18

Meetings will be held with HART Audit Committee board members to review the results of the annual audit. The contractor will conduct a formal presentation to the HART Audit Committee and HART Board of Directors when the audit has been completed.

Question #19

Have there been any regulatory concerns, internal audits or other matters that relate to the operations of HART?

Response #19

We are not aware of any regulatory concerns, internal audits or other matters that relate to the operations of HART.

Question #20

Will the responses to all questions from potential bidders be shared with everyone?

Response #20

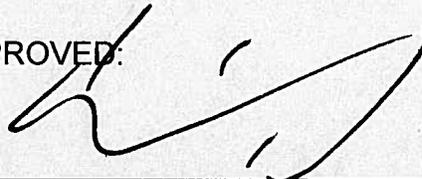
In accordance with Section 4.1 of the Instructions to Offerors, responses to questions will be communicated to all offerors via written addendum.

2. ATTACHED DOCUMENTS

The following documents are attached hereto and incorporated by reference herein.

- KMH LLP letter to HART Audit Committee, dated December 18, 2014;
- HART letter to KMH LLP, dated December 18, 2014; and
- Contract No. SC-HRT-1200054, dated April 17, 2012.

APPROVED:



Daniel A. Grabauskas
Executive Director and CEO
Honolulu Authority for Rapid Transportation