

CHARMAINE TAVARES
Mayor



KALBERT K. YOUNG
Director of Finance

AGNES M. HAYASHI
Deputy Director of Finance

COUNTY OF MAUI
DEPARTMENT OF FINANCE
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

March 3, 2009

TO: GREG KING
PURCHASING & PROCUREMENT DIVISION

FILE

FROM: KALBERT YOUNG, DIRECTOR
DEPARTMENT OF FINANCE

RE: SCORING EVALUATION FOR AUDIT AND MANAGEMENT ASSESSMENT
PROJECT, SOLID WASTE DIVISION, DEPARTMENT OF ENVIRONMENTAL
MANAGEMENT

This communication is to declare that special circumstances and issues related to confidentiality and timeliness do hereby necessitate a review of forensic auditing consultants through the Qualified Bidder Solicitation (QBS) process is to be undertaken with directors and deputies as evaluators.

The director of finance and the director of environmental management have discovered a number of critical shortcomings and highly sensitive problems within the fiscal operations of the Solid Waste Division with the Department of Environmental Management. In my opinion and judgment, such matters have compromised the integrity of fiscal operations in complying with the requirements of the Maui County Code and the budget ordinances. This matter is of such severity that I have reason to believe that to allow this matter to progress and continue is to allow the situation to be rife with opportunity for criminal behavior.

Given the severity and sensitivity of this matter, I believe an audit and review of fiscal operations is needed immediately. This review should primarily entail an assessment of operational management, staff, procedures and a review of operational adherence to established policies and procedures. The sensitivity of this situation dictates that confidentiality and discreetness are in order to review employee behavior. In this regard, I intend to specifically allow the selection of the contractor for this service to be based on a review of those on the qualified submittals from the PROVIDERS OF PROFESSIONAL SERVICES AUDITOR – FORENSIC ACCOUNTING AND MANAGEMENT ASSESSMENT. Furthermore, the evaluators will specifically be the director and deputy of the department of environmental management and the director of finance since this matter is of the direct and immediate responsibility and interest of upper-level management for both of those departments. To allow civil service employees to review and select a contractor knowing of the issues that dictate this project would compromise the integrity of the selection process and lead to potential leaking of information.

I recognize that allowance for directors and deputies to be involved in the selection process are highly irregular. However, given the special and unique circumstances of this matter, I contend exemption is warranted. This memo is submitted for your information and is requested to be held in confidence and handled with discreetness.

xc: Cheryl Okuma, Director, Dept. of Environmental Management

RECEIVED AT PIA MEETING ON 10/27/14
Solid Waste Div. Chief

Contract Request Number CA430
Pending

For Finance Use Only

DATE: March 11, 2009

APPROVED FOR TRANSMITTAL

3/13/09
3/11/09
Authorized Finance Agent/Date

MEMO TO: Director of Finance

TRANSMIT TO: Corporation Counsel

FROM: Kalbert Young (with and for) Cheryl Okuma
Department Director's Signature

DEPT. CONTACT PERSON: Kalbert Young, Director, FIN Ext. 8220
Cheryl Okuma, Director, DEM Ext. 7475

PROJECT TITLE: (Job No. or IFB No.): Program Assessment and Management Audit

SCOPE OF WORK:(Brief Description): Program review and performance assessment of solid waste division fiscal operations

CONTRACT AMENDMENT: (Contract No. and Amendment No.): _____

CONTRACT AMT: \$90,000.00 SOURCE OF FUNDS: See Below
(Index Code and Subobject Code)

DEM Solid Waste Admin 919500 SubObj 6132 - \$35,000
DEM Director Admin 919000 SubObj 6132 - \$35,000
Finance Director Admin 907014 SubObj 6132 - \$20,000

TITLE OF INDEX CODE See Above

CONTRACT AMENDMENT INDICATE ONLY ADDITIONAL COMPENSATION: \$ _____

TIME OF PERFORMANCE: 90 DAYS

CONTRACT AMENDMENT INDICATE ONLY ADDITIONAL TIME: (If any): _____

CONSULTANT SELECTION COMMITTEE APPROVAL NUMBER: Q-FN-09-01

The following consultant/contractor has been selected for the above-referenced project: NAME EXACTLY AS ON BIDDER'S PROPOSAL OR INVOICE

NAME: Quality + Engineering
ADDRESS: 4052 N.E. Couch
Portland, OR 97232
 Individual Partnership Corporation

State of Incorporation: Hawaii Other

Please specify if other: Oregon

- Conduct bid review and, if satisfactory, prepare contract and bond for execution.
- Prepare amendment to contract (copy of existing contract and all amendments must be attached).
- Other: _____

NOTE: **BOND REQUIREMENT:** Pursuant to Section 103D-324, Hawaii Revised Statutes, the contracted party is required to place 100% for construction projects over \$25,000.00; 50% for other projects when required.

Attachments: Bid Proposals Consultant's Proposal Request for Proposals
 Request for Exemption Privatization Determination from Civil Service
 Original Contract Contract Amendments (with Certification)

REMARKS: _____

cc: Managing Director
2x6 Dept. Of Finance Purchasing
Requesting Department(s) DEM