

**UNIVERSITY OF HAWAII
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS**

Purchase Order No. / Contract No. C210064

Name of Contractor: Ernst & Young U.S. LLP

Description of goods or services:

Services to manage the University's Affordable Care Act processes and IRS Reporting Services.

The scope of work for the purchase is revised as follows:

The scope of work shall remain the same but the period of performance shall be extended for a period of three years for the ACA reporting of tax years 2024, 2025, and 2026.

Original Purchase Price:
\$ 96,000 per year (est.)

Amended Purchase Price:
\$ 73,000 per year (est.)

Direct any inquiries to:

Department: Office of Human Resources and Office of System Integration

Contact Name/Title: Katherine Wong-Nakamura, Director, System Integration

Address: 2440 Campus Road
Administrative Services Building 2
Honolulu, Hawaii 96822

Phone Number:
(808) 956-8989

Fax Number:
(808) 956-3175

Date Posted: May 21, 2024

Submit written objections to this notice of intent to amend a procurement exemption purchase within seven (7) calendar days from the date posted to:

Office of Procurement Management
1400 Lower Campus Road, Room 15
Honolulu, Hawaii 96822
email: OPM@hawaii.edu

REQUEST FOR AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS

TO: OFFICE OF PROCUREMENT MANAGEMENT

FROM: Office of Human Resources and Office of System Integration, University of Hawaii
(Department/Program)

Pursuant to APM Section A8.220, the Department requests an amendment to a contract or purchase order issued under a previously approved procurement exemption.

Purchase Order No./Contract No. See attached.

Name of Contractor: See attached.

Description of goods, services, or construction:
See attached.

Original Purchase Price: \$ See attached. Amended Purchase Price: \$ See attached.

(1) The scope of work will be revised as follows:
See attached.

(2) Explanation of the reasons that the amendment is necessary:

See attached.

Direct questions to: Katherine Wong-Nakamura Phone: (808) 956-8989

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.

Katherine Wong-Nakamura, Director, OSI
Full Name of Principal Investigator, Department Head, or Administrator

Kathy Wong-Nakamura Digitally signed by Kathy Wong-Nakamura
Date: 2024.05.21 08:09:02 -10'00'
Signature Date 5/21/2024

Blanche Fountain, Director, SAS
Full Name of Fiscal Administrator

Blanche Fountain Digitally signed by Blanche Fountain
Date: 2024.05.21 08:36:15 -10'00'
Signature Date 5/21/24

APPROVED:

Sheri Ching, Interim Assistant Vice President for Administration
Full Name of Vice President or Chancellor

Sheri Ching Digitally signed by Sheri Ching
Date: 2024.05.21 10:22:15 -10'00'
Signature Date 5/21/2024

FOR OPM USE ONLY

OPM COMMENTS:

APPROVED DENIED

David Lassner Digitally signed by David Lassner
Date: 2024.06.06 13:15:25 -10'00'
PRESIDENT, UNIVERSITY OF HAWAII DATE 06/06/24

**REQUEST FOR AMENDMENT TO EXEMPTION FROM CHAPTER 103D, HRS
SERVICES TO ASSIST THE UNIVERSITY
TO MANAGE ITS AFFORDABLE CARE ACT REPORTING COMPLIANCE**

Purchase Order No. /Contract No.: C210064

Name of Contractor: Ernst & Young U.S. LLP (“E&Y”)

Description of goods, services, or construction:

Services to assist the University to manage its annual Affordable Care Act (ACA) reporting compliance to the IRS. Services will include but are not limited to: data processing, advice on handling data exceptions, identifying and addressing potential reporting exceptions that may translate into potential fines to the University, generating and mailing 1095C forms to University employees, and ensuring timely transmission of the University file to the IRS.

Original Purchase Price: \$96,000 per year (est.)

Amended Purchase Price: \$73,000 per year (est.)

(1) The scope of work will be revised as follows:

The scope of work shall remain the same but the period of performance shall be extended for a period of three years for the ACA reporting of tax years 2024, 2025, and 2026.

(2) Explanation of the reasons that the amendment is necessary:

A. The ACA Compliance Program that has been established utilizes proprietary goods and services specific to E&Y.

- 1) Extending the engagement with E&Y for another three years would provide the University with continuity in the areas discussed below differentiating E&Y from other ACA compliance service providers.
- 2) All required ACA validation data from Employment systems have been imported into E&Y's proprietary ACA Compass system.
- 3) Custom queries from various University systems that house data for the requisite populations for ACA reporting were developed during the implementation with E&Y.
- 4) E&Y's ACA Compass System was configured based on inputs from the University's Office of Human Resources business unit and customer profile information which is updated annually.

B. If we disengage with E&Y in favor of issuing another competitive solicitation for these services, the University would be confronted with the following operational and timing issues which are not easily bridged:

- 1) If a new service provider is engaged, it is estimated that it would take another year to implement the same services and system that E&Y currently has in place with their proprietary system.
- 2) Although E&Y will provide the University with our data if the University were to transition to a new provider, the University will not be able to leverage the use of its data in another service provider's solution for historical context.
- 3) Upon termination of their services E&Y as required, will purge all of the University's employee data from its system. If the University were to get audited for the 2021-2023 years that E&Y supported the University with these services, E&Y will continue to respond on our behalf however, they will no longer have our data for reference.
- 4) This estimated two+ year gap would require the University to manage the ACA compliance requirements on its own. This will mean that the University would manage the ACA mandates via spreadsheets and offerings and ACA business rules via a series of scripts, queries and manual updates. The University would also need to preserve the data with relevant documentation to respond to audit inquiries. This would be very resource intensive.