

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
HIGHWAYS
HONOLULU, HAWAII

SPECIAL PROVISIONS, SPECIFICATIONS

AND CONTRACT

FOR

FURNISHING OF VEHICLE TOWING SERVICE FOR THE PALI TUNNEL

ISLAND OF OAHU

PROJECT NO. HWY-C-17-23R

2023

NOTICE TO BIDDERS
(Chapter 103D, HRS)

The receiving of SEALED BIDS for FURNISHING OF VEHICLE TOWING SERVICE FOR THE PALI TUNNEL, ISLAND OF OAHU, PROJECT NO. HWY-C-17-23R, will begin as advertised on April 28, 2023, in HiePRO. Bidders are to register and submit bids through HiePRO only. See the following HiePRO link for important information on registering: <https://hiepro.ehawaii.gov/welcome.html>.

The deadline to submit bids is May 9, 2023, at 2:00 P.M., Hawaii Standard Time. Bids received after said due date and time shall not be considered.

The scope of work consists of furnishing and having on duty a tow truck and driver near the Kailua Portal of the Pali Tunnel to assist and remove disabled vehicles from the roadway to a designated drop-off site. Towing service will be provided Monday through Friday from 5:30 A.M. to 8:30 A.M., excluding State holidays.

ALL requests for information (RFI) shall be received in writing via HiePRO prior to the Question Due Date in General Information of the HiePRO solicitation. Questions received after the deadline will not be addressed. Verbal requests for information will not receive a response.

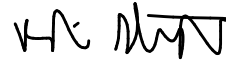
Any protest of this solicitation shall be submitted in writing to the Director of Transportation, in accordance with §103D-701, HRS and §3-126, HAR.

Campaign contributions by State and County Contractors. Contractors are hereby notified of the applicability of Section 11-355, HRS, which states that campaign contributions are prohibited from specified State or county government contractors during the term of the contract if the contractors are paid with funds appropriated by a legislative body. For more information, contact the Campaign Spending Commission at (808) 586-0285.

The U.S. Department of Transportation Regulation entitled “Nondiscrimination in Federally-Assisted Programs of the U.S. Department of Transportation,” Title 49, Code of Federal Regulations (CFR), Part 21 is applicable to this project. Bidders are hereby notified that the Department of Transportation will affirmatively ensure that the contract entered into pursuant to this advertisement will be awarded to the lowest responsible bidder without discrimination on the grounds of race, color, national origin or sex (as directed by 23 CFR Part 200).

For additional information, contact Jake Dickman, Project Manager, by phone at (808) 587-2189 or e-mail at jake.j.dickman@hawaii.gov.

The State reserves the right to reject any or all proposals and to waive any defects in said proposals for the best interest of the public.



ROBIN K. SHISHIDO
Highways Deputy Director

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STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
HIGHWAYS
HONOLULU, HAWAII

SPECIAL PROVISIONS

SPECIAL PROVISIONS

The specifications contain herein are amended as follows:

(A) SECTION 1 – DEFINITIONS AND TERMS shall be amended as follows:

1. 1.33 SUBCONTRACTOR is amended by deleting it and replacing it with the following:

“1.33 SUBCONTRACTOR – An individual, partnership, firm, corporation, or joint venture, or other legal entity, as licensed or required to be licensed under Chapter 444, Hawaii Revised Statutes, as amended, which enters into an agreement with the Contractor to perform a portion of the work.”

2. 1.38 WORKING DAY shall be amended in its entirety to read as follows:

“1.38 WORKING DAY – Every day, except Saturdays, Sundays, State holidays as applicable and as observed.

Normal State holidays are as follows:

New Year's Day (The first day in January)
Dr. Martin Luther King, Jr. Day (The third Monday in January)
President's Day (The third Monday in February)
Prince Jonah Kuhio Kalaniana'ole Day (The twenty-sixth day in March)
Good Friday (The Friday preceding Easter Sunday)
Memorial Day (The last Monday in May)
King Kamehameha Day (The eleventh day in June)
Independence Day (The fourth day in July)
Statehood Day (The third Friday in August)
Labor Day (The first Monday in September)
General Election Day (The first Tuesday in November following the first Monday of even numbered years)
Veteran's Day (The eleventh day in November)
Thanksgiving Day (The fourth Thursday in November)
Christmas Day (The twenty-fifth day in December)

State Holiday schedules can be obtained online at:

<http://dhrd.hawaii.gov/state-observed-holidays/>”

3. Add the following new subsections:

“1.39 HAWAII ePROCUREMENT SYSTEM (HIePRO) - The State of Hawaii eProcurement System for issuing solicitations, receiving proposals and responses, and issuing notices of award.

1.40 ENGINEER – The H-3 Tunnel Control Center Manager, acting directly or through his duly authorized representatives, who are responsible for engineering supervision of the H-3 Tunnel Control Center operations.

1.41 STANDARD SPECIFICATIONS – The Hawaii Standard Specifications for Road and Bridge Construction, 2005, Highways, Department of Transportation, including any amendments. To review the Standard Specifications, log on to:

<http://hidot.hawaii.gov/highways/s2005-standard-specifications/>

to review the 2005 Standard Specifications and their applicable amendments/Special Provisions.

The Contractor shall utilize the latest revision.

1.42 MUTCD – The Manual on Uniform Traffic Control Devices, 2009, Federal Highway Administration, U.S. Department of Transportation, including any amendments or revisions. To review the MUTCD, log on to:

<http://mutcd.fhwa.dot.gov/>

The Contractor shall utilize the latest revision.”

(B) SECTION 2 – PROPOSAL REQUIREMENTS AND CONDITIONS shall be amended as follows:

1. 2.3 PROPOSAL GUARANTY is amended by adding the following to the end of 2.3, (C).“4. Proposal Guaranty listed in (A) and (C) shall be in its original form, and shall be received at the Contracts Office, Department of Transportation, 869 Punchbowl Street, Honolulu, Hawaii 96813 before the bid deadline.”

2. 2.4 DELIVERY OF PROPOSALS is amended by replacing the entire subsection with:

“2.4 DELIVERY OF PROPOSALS – The bidder shall submit the proposal in HIePRO. The proposal shall be UPLOADED to HIePRO prior to the bid opening date and time. Proposals received after said due date and time shall not be considered. Original (wet ink) proposal documents are not required to be submitted. The award will be made based on proposals uploaded in HIePRO. Any and all other additional documents explicitly designated and labeled as CONFIDENTIAL OR PROPRIETARY shall be UPLOADED SEPARATELY to HIePRO.”

3. 2.5 WITHDRAWAL OF PROPOSALS is amended by replacing the entire subsection with:

“2.5 WITHDRAWAL OF PROPOSALS – A bidder may withdraw or revise a proposal after the bidder submits the proposal in HiePRO. Withdrawal or revision of proposal must be completed before the time set for receiving of bids.”

4. 2.6 PUBLIC OPENING OF PROPOSALS is not applicable.

“2.9 CERTIFICATE FOR PERFORMANCE OF SERVICES - Pursuant to Section 103-55, Hawaii Revised Statutes, and unless indicated otherwise, bidders should submit the attached "Certificate for Performance of Services" in the event bids are in excess of \$25,000. The notarized certificate must be submitted to said Contracts Office, Department of Transportation, 869 Punchbowl Street, Honolulu, Hawaii 96813, upon execution of contract.

As of October 1, 2022, salaries of State employees performing work similar to the work called for under this contract are as follows:

Class Title	Bargaining Unit (BU) Salary Schedule	Grade	Minimum Hourly Pay Rate
Truck Driver	BU 01	BC-06	\$ 25.55

The above information is provided to the Contractor for guidance only and is subject to change in accordance with existing collective bargaining contracts or shall change as contracts are renegotiated. It is the Contractor’s responsibility to verify the accuracy of the wage rates contained herein and to provide for changes in the minimum wages, which must be paid to personnel when work is done on this project. Information on the status of Bargaining Unit (BU) contracts, salary schedules, Class Specifications and minimum qualification requirements can be obtained from the State Department of Transportation, Highways, Personnel Management office (587-2229) or online at:

<http://dhrd.hawaii.gov/state-hr-professionals/class-and-comp/>

Bidders are further advised that they are not restricted to hire only those classifications of employees as listed but are free to employ such other classifications of workers as the bidder deems proper and proposes to use on the project, as may be according to the bidder’s common hiring practice. However, the principal duties of employees other than those listed hereinabove working on the project will be matched against those of State workers to determine the closest equivalent State employee classification, and the Contractor must compensate

such employee(s) at a rate which is no less than that of the equivalent State employee.”

(C) SECTION 3 – AWARD AND EXECUTION OF CONTRACT shall be amended as follows:

1. 3.1 AWARD OF CONTRACT shall be amended by adding the following to the end of the subsection:

“Any bid lacking a unit price or amount will disqualify the bidder and the bid shall be rejected.

The awarding of the contract will be made to the lowest responsible bidder. The bidder is required to “have” two (2) qualified tow trucks to be awarded the contract. For the purposes of this contract, “have” shall mean hold in possession and owned as a property by the bidder or owned/serviced provided by a subcontractor at the bidder’s disposal to perform the services that are required of this contract.

Since public safety is of utmost importance, the bidder must maintain an office and facilities on the Island of Oahu to be awarded a contract.”

2. 3.4 REQUIREMENT OF CONTRACT BOND is deleted in its entirety.

(D) SECTION 4 – SCOPE OF WORK shall be amended as follows:

1. 4.2 PERFORMANCE OF WORK shall be amended by adding the following to the end of the subsection:

“The Contractor shall perform work satisfactorily in the judgment of the State during the contract period. If it appears at any time that the work contracted to be performed is not satisfactory, the State may require the Contractor to furnish and place in operation such additional force and equipment as the State shall deem necessary to bring the work up to satisfactory status.

In case the Contractor fails to comply after five (5) working days from the date of receipt of such a written order from the State, the State may employ a working force and equipment and charge the Contractor for the reasonable cost thereof including depreciation for equipment and or he may terminate the contract. An explanation report with substantiating evidence shall be filed by the State.”

(E) SECTION 5 – CONTROL OF WORK shall be amended as follows:

1. 5.4 INSPECTION shall be amended by adding the following to the end of the subsection:

“The State reserves the right to have all work as specified by the contract documents to be inspected by a State Inspector or by a State-Contractor/Consultant-provided inspector.

The Contractor shall maintain all books, documents, papers, records, and other evidence pertaining to payroll, employee’s name, wage rates and hours worked and to make such materials and information available at their respective offices at all reasonable times during the contract period and for three (3) years from the date of final payment under the contract, for inspection by the State. Failure to comply with the conditions of this Section during the contract period may result in cancellation of the contract.”

(F) SECTION 6 – CONTROL OF MATERIAL AND EQUIPMENT shall be amended as follows:

1. 6.2 TRADE NAMES AND ALTERNATES is amended as follows:

The first paragraph of A. QUALIFICATION BEFORE BID OPENING shall be replaced with the following:

“A. QUALIFICATION BEFORE BID OPENING - When the specifications and/or plans specify one or more manufacturer's brand names of materials or equipment to indicate a quality, style, appearance, or performance, the bidder will be assumed to have based its bid on one of the specified named products, except where such proprietary product are specified, alternate brands may be qualified if found equal or better by the Department. The bidder shall submit a request to the Department for review and approval at the earliest date possible. Requests shall be submitted via email to the Contact person listed in HIePRO for the solicitation and also posted as a question in HIePRO under the question/answer tab referencing the email with the request. The request must be posted in HIePRO no later than fourteen (14) calendar days before the bid opening date, not including the bid opening date.”

2. The first sentence of the second paragraph of A. QUALIFICATION BEFORE BID OPENING shall be replaced with the following:

“It shall be the responsibility of the bidder to submit sufficient evidence based upon which a determination can be made by the Department that the alternate brand is a qualified equivalent.”

(G) SECTION 7 – LEGAL RELATIONS AND RESPONSIBILITY shall be amended as follows:

1. 7.8 LABOR AND COMPENSATION REQUIREMENTS shall be amended by replacing the first two paragraphs with the following:

7.8 LABOR AND COMPENSATION REQUIREMENTS - Pursuant to Section 103-55, H.R.S., Wages, Hours, Working Conditions of Employees of Contractor's Supplying Services, services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work.

Additional information on the requirements of Section 103-55, H.R.S. may be obtained at http://www.capitol.hawaii.gov/hrscurrent/Vol02_Ch0046-0115/HRS0103/HRS_0103-0055.htm”

The Contractor shall be required to comply with the laws of the U.S. Citizenship and Immigration Services (USCIS). The Department reserves the right to periodically check the employable status of persons listed on the certified payroll certificates. Any person, who is found to be an illegal alien (undocumented alien) under the laws of the USCIS, shall be immediately dismissed from the project and not be rehired until he or she is properly cleared.”

2. Add the following new subsection:

“7.10 PUBLIC CONVENIENCE AND SAFETY

The Contractor shall always conduct traffic control operations with due regard to the convenience and safety of the public. The protection of persons and property shall be provided by the Contractor.

All work under this contract shall be in full compliance with Subsection 107.11, Safety: Accident Prevention and 107.12, Protection of Persons and Property of the Standard Specifications. The standard specification can be found online at:

<https://hidot.hawaii.gov/highways/s2005-standard-specifications/>

The Contractor shall take all necessary precautions to protect all personnel from hazards and injuries. The rules and regulations promulgated by the U.S. Department of Labor Occupational Safety and Health Acts (OSHA); the Hawaii Department of Labor and Industrial Relations (DLIR); the Hawaii Occupational Safety and Health Division (HIOSH) and any other applicable federal, state, and local rules and regulations are not included herein, but are applicable and made part of these specifications.”

- (H) SECTION 8 – PROSECUTION AND PROGRESS shall be amended as follows:

1. 8.2 SUBCONTRACTING is amended by adding the following sentence after the first sentence in the second paragraph:

“The Contractor, however, shall perform with its own organization, work amounting to not less than fifty percent (50%) of the total contract cost. The subcontractor shall meet the requirements of Section 291C-135, H.R.S.”

- (I) 8.6 LIQUIDATED DAMAGES shall be amended by adding the following to the end of the subsection:

“The Contractor shall work in a manner to perform towing service during the hours specified in Section 10.7, Hours of Operation, of the Specifications. Failure to comply with the requirements shall result in damages sustained by the State. As reasoned above, the following liquidated damages may be charged to the Contractor:

- A. Twenty-five dollars (\$25.00) for every one (1) to fifteen (15) minute increment that a tow truck is late, or does not arrive at the scene, or does not show up for work at the duty station. The maximum amount per day shall be two hundred fifty dollars (\$250.00).
- B. Fifty dollars (\$50.00) per incident for inattentiveness, sleeping or any other behavior that will detract from the primary duties of the truck driver.

Delay in placing the duty truck on time that is caused by a problem beyond the Contractor’s control, may be considered for waiving the liquidated damages. Equipment breakdown is not cause to waive liquidated damages. If the equipment breaks down more than three (3) times in the first six (6) months, the liquidated damages will be doubled for the remainder of the contract period and may be considered as an unsatisfactory performance of work under the provisions of Section 4.2, Performance of Work”

- (J) SECTION 9 – PAYMENT shall be amended as follows:

1. 9.2 RETAINAGE/DEDUCTION FROM PAYMENT shall be amended by adding the following to the end of the third paragraph:

“Retainage is deducted monthly starting on the first invoice of the applicable term and if contract performance is satisfactory, deduction will end after six months. The Contractor has two options to be paid the retainage amount:

- i. Submit the total retainage invoice at the end of the first term. Repeat the whole process of deducting retainage and submitting total retainage for payment for each contract term, or
- ii. Submit the total retainage invoice held during the first term at the end of the fifth term or the final term, as applicable (when the contract is not renewed, etc.). Retainage will no longer be deducted at the 2nd, 3rd, 4th, and 5th term, or the final term, as applicable (when the contract is not renewed, etc.) of the contract.”

2. 9.4 PROGRESS PAYMENTS shall be amended by adding the following to the end of the subsection:

“The Contractor shall bill the State once a month.

All monthly payments are approximate only and shall be subject for correction at any time prior to or in the final estimate and payment.

To expedite processing of all payments for services rendered, the Contractor shall forward copies of the invoice as specified in this section to:

Department of Transportation, Highways Mr. Alex Oshiro 727 Kakoi Street Honolulu, Hawaii 96819
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Each invoice shall include but not limited to the following information:

- a. Contractor's name, address, phone number, and electronic mail.
- b. Contract number, project number and project title.
- c. Bid item number, description of services, periods covered or date of service performed, quantity, unit price, amount, subtotal, and total.
- d. Deductions, as applicable, shall be included in the invoices as separate subtotal(s) and labeled as either (1) Deductions, (2) Liquidated Damages, and/or (3) Retainage.
- e. Certification by the Contractor that services as requested under the contract have been performed as specified in Section 9.4 Progress Payments, of the Specifications.

Pursuant to Section 7.8 Labor and Compensation Requirements, of the Special Provisions, the Contractor shall submit certified copies of the payrolls with the monthly invoice within seven (7) days after the end of the month. The certification shall affirm that the payrolls are correct and complete. The certificates shall be forwarded to the same address as specified above.”

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION

SPECIFICATIONS

SECTION 1 - DEFINITION AND TERMS

Whenever the following pronouns are used in these specifications, or in any documents or instruments where these specifications govern, the intent and meaning shall be interpreted as follows:

1.1 ADDENDA - A written document which may be issued by the Director during the bidding period involving changes to the specifications and plans, if any, which shall be considered and made a part of the contract.

1.2 AIRPORTS DIVISION - Airports Division, Department of Transportation, State of Hawaii.

1.3 AWARD - The written acceptance of a proposal by the State.

1.4 BIDDER - Any individual, partnership, corporation or other legal entity, or combination thereof, submitting a proposal for the work contemplated, acting either directly or through a duly authorized representative.

1.5 CALENDAR DAY - Every day shown on the calendar. If no designation of calendar or working day is made, "day" shall mean calendar day.

1.6 CHANGE ORDER - A written order issued by the Director to the Contractor requiring the contract work to be performed in accordance with a change or changes that may involve an adjustment in contract time and price or requiring performance of any unforeseen work essential to complete the contract.

1.7 CONTRACT - The written agreement between the State and the Contractor setting forth the obligations of the parties thereunder, including, but not limited to, the performance of the work, the furnishing of labor and materials, and the basis of payment.

The contract includes the (1) notice to bidders, (2) proposal, (3) contract form and contract bond, (4) specifications, (5) special provisions and plans, if any, (6) addenda, (7) notice to proceed, and (8) change orders and agreements that are required to complete the work, all of which constitute one instrument.

1.8 CONTRACT BOND - The approved form of security, executed by the Contractor and its Surety or Sureties, guaranteeing the completion of the work in accordance with the terms of the contract, and guaranteeing full payment of all claims for labor, materials, and supplies used or incorporated in the work.

1.9 CONTRACT TIME - The number of working days or calendar days allowed for completion of the contract, including authorized time extensions.

If a calendar date is specified as the date of completion in lieu of the number of working days or calendar days, the contract shall be completed by that date.

In case the contract is for a specified period of time, the contract time shall be for said specified period of time.

1.10 CONTRACTOR - The individual, partnership, corporation or other legal entity, or combination thereof, contracting with the State for performance of the prescribed work.

1.11 DEPARTMENT - The State Department of Transportation.

1.12 DIRECTOR - The Director of Transportation, acting either directly or through the Director's duly authorized representative.

1.13 EQUAL OR APPROVED EQUAL - Whenever this term is used in the specifications and plans, if any, it means a brand or article pre-qualified in accordance with Section 6.2 Trade Names and Alternates and which may be used in place of the one specified.

1.14 H.A.R. or HAR - Hawaii Administrative Rules.

1.15 H.R.S. or HRS - Hawaii Revised Statutes.

1.16 HARBORS DIVISION - Harbors Division, Department of Transportation, State of Hawaii.

1.17 HIGHWAYS DIVISION - Highways Division, Department of Transportation, State of Hawaii.

1.18 HOLIDAYS - The days which are set apart and established as State holidays pursuant to Section 8-1, H.R.S.

1.19 INSPECTOR - The Director's authorized representative assigned to make detailed inspections of contract performance and materials supplied.

1.20 NOTICE TO BIDDERS - The public announcement, as required by law, inviting proposals for the work to be performed or materials to be furnished.

1.21 NOTICE OF FINAL ACCEPTANCE - Written notice from the Director to the Contractor that the entire contract has been completed in all respects in accordance with the specifications and plans, if any, and any changes thereof previously approved by the Director.

1.22 NOTICE TO PROCEED - Written notice from the Director to the Contractor advising the Contractor of the date on which he is to begin the prosecution of the work.

1.23 PLANS - The contract drawings approved by the Director which show the location, character, dimensions and details of the work to be done and shall be a part of the contract.

1.24 PROCUREMENT OFFICER - The Director's duly authorized representative including project managers, project engineers and contract administrators assigned to prepare, evaluate and administer contracts for the purchasing of goods and services.

1.25 PROPOSAL (OR BID) - The offer of a bidder, on the prescribed form, to perform the work and to furnish the labor and materials at the prices quoted.

1.26 PROPOSAL FORM - The approved format prepared by the Department or a facsimile thereof on which bids for the work must be prepared and submitted. (Reasonable facsimile acceptable for bidding.)

1.27 PROPOSAL GUARANTY - The security furnished with a proposal to guarantee that the bidder will enter into the contract and furnish all other requirements if the bidder's proposal is accepted.

1.28 QUALIFICATION QUESTIONNAIRE - The specified forms on which the bidder shall furnish required information as to the bidder's ability to perform and finance the work.

1.29 S.L.H. or SLH - Session Laws of Hawaii.

1.30 SPECIAL PROVISIONS - Revisions to the specifications. The specific clauses setting forth conditions or requirements peculiar to the project under consideration which are not thoroughly or satisfactorily stipulated in these specifications.

1.31 SPECIFICATIONS - The directions, provisions, and requirements pertaining to the method and manner of performing the work and to the quantities and qualities of materials to be furnished under the contract.

1.32 STATE - The State of Hawaii.

1.33 SUBCONTRACTOR - An individual, partnership, corporation, other legal entity, or any combination thereof, that enters into an agreement with the Contractor to perform a portion of the work for the Contractor.

1.34 SUPERINTENDENT - The Contractor's representative who is responsible for and in charge of the work.

1.35 SURETY - The corporation, partnership or individual, other than the Contractor, executing a bond furnished by the Contractor and guaranteeing performance by the Contractor.

1.36 TITLES (OR HEADINGS) - The titles or headings of the Sections herein are intended for convenience of reference and shall not be considered as having any bearing on their interpretation. Unless otherwise indicated, whenever the word "Section" is used, reference is being made to a Section in these specifications.

1.37 WORK - The furnishing of all labor, materials, equipment, and other incidentals necessary or convenient for the successful completion of the project and the execution of all the duties and obligations imposed by the contract.

1.38 WORKING DAY - Any day, except Saturdays, Sundays and State holidays.

SECTION 2 - PROPOSAL REQUIREMENTS AND CONDITIONS

2.1 QUALIFICATION OF BIDDERS - Prospective bidders must be capable of performing the work for which bids are called.

In accordance with Section 103D-310, HRS, the Department may require any prospective bidder to submit answers to questions contained in the "Standard Qualification Questionnaire for Prospective Bidders on Public Works Contracts" on the form furnished by the Department, properly executed and notarized, setting forth a complete statement of the experience of such prospective bidder and its organization in performing similar work and a statement of the equipment proposed to be used, together with adequate proof of the availability of such equipment. Whenever it appears to the Department, from answers to the questionnaire or otherwise, that the prospective bidder is not fully qualified and able to perform the intended work, the Department will, after affording the prospective bidder an opportunity to be heard and if still of the opinion that the bidder is not fully qualified to perform the work, refuse to receive or consider any bid offered by the prospective bidder. All information contained in the answers to the questionnaire shall be kept confidential. Questionnaire so submitted shall be returned to the bidders after serving their purpose.

Failure to complete the qualification questionnaire will be sufficient cause for the Department to disqualify a prospective bidder.

No person, firm or corporation may bid where (1) the person, firm, or corporation, or (2) a corporation owned substantially by the person, firm, or corporation, or (3) a substantial stockholder or an officer of the corporation, or (4) a partner or substantial investor in the firm is in arrears in payments owed to the State of Hawaii or its political subdivisions or is in default as a surety or failure to do faithfully and diligently previous contracts with the State.

2.2 REJECTION OF PROPOSALS CONTAINING ALTERATIONS, ERASURES, OR IRREGULARITIES - Proposals may be rejected if they show any alterations of form, additions not called for, conditional bids, incomplete bids, erasures, or irregularities of any kind.

When proposals are signed by any agent, other than the officer or officers of a corporation authorized to sign contract on its behalf or a member of copartnership, a Power of Attorney must be on file with the Department prior to opening bids or shall be submitted with the proposal; otherwise, the proposal may be rejected as irregular and unauthorized.

Members of a joint venture may be requested to supply the Department with a copy of their joint venture agreement or each member of the joint venture may be required to sign the proposal.

2.3 PROPOSAL GUARANTY - A proposal guaranty (bid bond) is not required except when specifically noted in the proposal section of the bid document.

When a proposal guaranty is required with a bid, it will be specifically stated in the proposal; and no proposal totaling \$25,000 or more will be considered unless accompanied by one of the following forms of bidder's security:

- A. a deposit of legal tender; or
- B. a surety bid bond underwritten by a company licensed to issue bonds in the State of Hawaii and submitted on the standard form provided herewith; or
- C. a certificate of deposit, share certificate, cashier's check, treasurer's check, teller's check, or official check drawn by, or a certified check accepted by and payable on demand to the State by a bank, savings institution, or credit union insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
 - 1. The bidder may use these instruments only to a maximum of one hundred thousand dollars (\$100,000.00).
 - 2. If the required security or bond amount totals over one hundred thousand dollars (\$100,000.00), more than one instrument not exceeding one hundred thousand dollars (\$100,000.00) each and issued by different financial institutions shall be acceptable.
 - 3. The instrument shall be made payable at sight to the Department of Transportation, State of Hawaii.

According to Section 103D-323, HRS, the above shall be in a sum not less than five percent (5%) of the amount bid.

2.4 DELIVERY OF PROPOSALS - Each proposal shall be placed, together with the proposal guaranty when required, in an envelope and sealed and so marked as to indicate the identity of the project, the name and address of the bidder, and other required information and then delivered as indicated in the Notice to Bidders. Proposals will be received up to the time fixed in the Notice to Bidders for the opening of bids.

2.5 WITHDRAWAL OF PROPOSALS - Any proposal may be withdrawn at any time prior to the time fixed in the Notice to Bidders for the opening of proposals upon the filing of a written request therefore with the Department, executed by the bidder or a duly authorized representative. The withdrawal of a proposal shall not preclude a bidder from submitting a new proposal.

2.6 PUBLIC OPENING OF PROPOSALS - Proposals will be opened and read publicly at the time and place indicated in the Notice to Bidders. Bidders or their authorized agents are invited to be present.

2.7 DISQUALIFICATION OF BIDDERS - Any of the following reasons may be considered as being sufficient grounds for the disqualification of a bidder and the rejection of his proposal or proposals.

A. More than one proposal for the same work from an individual, firm, or corporation under the same or different name.

B. Evidence of collusion among bidders. Participants in such collusion will receive no recognition as bidders for any future work of the Department until such participant shall have been reinstated as a qualified bidder.

C. Evidence of assistance from a person who has been an employee of the agency within the preceding two years and who participated while in State office or employment in the matter with which the contract is directly concerned, pursuant to Section 84-15, H.R.S.

D. Lack of proposal guaranty.

E. Unsigned proposal or proposal not signed in ink by person or persons legally authorized to submit a proposal on behalf of the bidder.

2.8 MATERIAL GUARANTY - The bidder may be required to furnish a complete statement of the origin, composition and manufacture of any or all materials to be used in the prosecution of the work, together with samples. Such samples may be subjected to tests to determine their quality and fitness for the work.

SECTION 3 - AWARD AND EXECUTION OF CONTRACT

3.1 AWARD OF CONTRACT - The State reserves the right to reject any and all proposals and to waive any defects as may be deemed to be in the best interest of the public.

The award of contract, if it be awarded, will be made within sixty (60) calendar days after the opening of bids to the lowest responsive and responsible bidder whose proposal complies with all the prescribed requirements. The successful bidder will be notified, by letter mailed to the address shown in its proposal, that its proposal has been accepted and it has been awarded the contract.

Requirement for award. To be eligible for award, the apparent low Bidder will be contacted to submit copies of the documents listed below to demonstrate compliance with Section 103D-310(c), HRS. The documents should be submitted to the Department as soon as possible. If a valid certificate/clearance is not submitted on a timely basis for award of a contract, a Bidder otherwise responsive and responsible may not receive the award.

A. Tax Clearance.

Pursuant to §103D-310(c), 103-53 and 103D-328, HRS, the successful bidder shall be required to submit a certified copy of its tax clearance issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) to demonstrate its compliance with Chapter 237, HRS. A tax clearance is valid for six (6) months from the most recent approval stamp date on the tax clearance and must be valid on the bid's first legal advertisement date or any date thereafter up to the bid opening date.

FORM A6, TAX CLEARANCE CERTIFICATE, is available at the following website:

<http://www.hawaii.gov/tax/>

To receive DOTAX Forms by fax or mail, phone (808)587-7572 or 1-800-222-7572.

The application for the Tax Clearance Certificate is the responsibility of the bidder, and must be submitted directly to the DOTAX or IRS. The approved certificate may then be submitted to the Department.

B. DLIR Certificate of Compliance.

Pursuant to §103D-310(c), HRS, the successful bidder shall be required to submit a copy (faxed copies are acceptable) of its approved Certificate of Compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR) to demonstrate its compliance with unemployment insurance (Chapter 383, HRS), workers' compensation (Chapter 386, HRS), temporary disability insurance (Chapter 392, HRS), and prepaid health care (Chapter 393, HRS). The certificate is valid for six (6) months from the most recent approval stamp date on the certificate and must be valid on the bid's first legal advertisement date or any date thereafter up to the bid opening date. For certificates which receive a "pending" approval stamp, a DLIR approval stamp is required prior to the issuance of the Notice to Proceed.

FORM LIR#27, APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 3-122-112, HAR, is available at the following website:

www.hawaii.gov/labor

More information is available by calling the DLIR Unemployment Insurance Division at (808) 586-8926.

Inquiries regarding the status of a LIR#27 Form may be made by calling the DLIR Disability Compensation Division at (808)586-9200.

The application for the Certificate of Compliance is the responsibility of the bidder, and must be submitted directly to the DLIR. The approved certificate may then be submitted to the Department.

C. DCCA Certificate of Good Standing.

Pursuant to §103D-310(c), HRS, the successful bidder shall be required to submit a copy (faxed copies are acceptable) of its approved Certificate of Good Standing issued by the Hawaii State Department of Commerce and Consumer Affairs (DCCA), Business Registration Division (BREG) to demonstrate that it is either:

- (1) incorporated or organized under the laws of the State; or
- (2) registered to do business in the State as

a separate branch or division that is capable of fully performing under the contract.

A Certificate of Good Standing is valid for six (6) months from the approval date on the certificate and must be valid on the bid's first legal advertisement date or any date thereafter up to the bid opening date. A Hawaii business that is a sole proprietorship, is not required to register with the BREG, and therefore not required to submit a Certificate of Good Standing. Bidders are advised that there are costs associated with registering and obtaining a Certificate of Good Standing from the DCCA.

To purchase a CERTIFICATE OF GOOD STANDING, go to On-Line Services at the following website:

www.hawaii.gov/dcca/

The application for the Certificate of Good Standing is the responsibility of the bidder, and must be submitted directly to the DCCA. The approved certificate may then be submitted to the Department.

3.2 CANCELLATION OF AWARD - The State reserves the right to cancel the award of any contract any time before the execution of said contract by all parties without any liability to the successful bidder or any other bidder.

3.3 RETURN OF PROPOSAL GUARANTY - All proposal guaranties, except those of the lowest two (2) bidders, will be returned immediately following the opening and checking of the proposals. The retained proposal guaranty of the second lowest bidder, if not a bid bond, will be returned within ten (10) calendar days following execution of contract by the successful bidder. The successful bidder's proposal guaranty, if not a bid bond, will be returned after a satisfactory contract bond has been furnished and the contract has been executed.

3.4 REQUIREMENT OF CONTRACT BOND - Only when required by the proposal, the successful bidder at the time of the execution of the contract shall file good and sufficient performance and payment bonds on the forms furnished by the Department, or a facsimile thereof, conditioned for the full and faithful performance of the contract in accordance with the terms and intent thereof and also for the prompt payment to all others for all labor and materials furnished by them to it and use in the prosecution of the work provided for in such contract,

in the manner, form and amount required by Section 3-122-224(b)(2), H.A.R., which bonds shall be in an amount equal to fifty per cent (50%) of the contract price, including amounts estimated to be required for extra work, or in the case of price-term, open-end, or requirements contract under which the total amount to be paid to the Contractor cannot be accurately estimated at the time the contract is to be awarded, the bond amounts shall be as designated in the bid documents. Such bonds shall also by their terms inure to the benefit of any and all persons entitled to file claims for labor performed or materials furnished in the work so as to give them a right of action as contemplated by Section 103D-324, H.R.S.

The bidder shall limit the acceptable performance and payment bonds to the following:

- (a) Legal tender; or
- (b) Surety bond underwritten by a company licensed to issue bonds in the State of Hawaii; or
- (c) A certificate of deposit; share certificate; cashier's check; treasurer's check; teller's check drawn by or a certified check accepted by and payable on demand to the State by a bank, savings institution or credit union insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).

1. The bidder may use these instruments only to a maximum of one hundred thousand dollars (\$100,000.00).
2. If the required security or bond amount totals over one hundred thousand dollars (\$100,000.00) more than one instrument not exceeding one hundred thousand dollars (\$100,000.00) each and issued by different financial institutions shall be acceptable.

3.5 EXECUTION OF CONTRACT - The contract and the "Certificate for Performance of Services", similar to a copy of the same annexed hereto, shall be executed by the successful bidder and returned, together with the contract bonds, when required, within ten (10) days after the award of the contract or within such further time as the Director may allow after the bidder has received the contract for execution.

Pursuant to Section 103D-309, H.R.S., the contract shall not bind the State in any way unless said contract has been fully and properly executed by all the parties thereto and

the Comptroller has endorsed thereon a certificate that there is available an unexpended appropriation over and above all outstanding contracts, sufficient to cover the amount required by the contract.

3.6 FAILURE TO EXECUTE CONTRACT - Failure to execute the contract, Certificate for Performance of Services and file acceptable bonds, when required, within ten (10) days after the award of the contract, or within such further time as the Director may allow, shall be cause for the cancellation of the award and the forfeiture of the proposal guaranty. Award of the contract may then be made to the next lowest responsible bidder.

SECTION 4 - SCOPE OF WORK

4.1 WORK TO BE DONE - The work to be done is described in the Section(s) following Section 9 of these specifications.

4.2 PERFORMANCE OF WORK - The Contractor shall employ, so far as possible, such methods and means in carrying out his work so as not to cause any interruption, disturbance, or interference with the public.

In case the Contractor is performing work in a building, the Contractor shall conduct the work in such a manner so as not to cause any interruption, disturbance, or interference with the business activities of the tenants in the building.

4.3 EXTRA WORK - New and unforeseen items of work will be classed as extra work when they cannot be covered by any of the various items for which there is a bid price.

4.4 CHANGES AND CLAIMS FOR ADJUSTMENT

A. Change order. By a written order, at any time, and without notice to any surety, the procurement officer may, 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 to be furnished are to be specially manufactured for the State in accordance therewith;
2. Method of shipment or packing;
3. Place of delivery;
4. Changes in the work within the scope of the contract; or
5. Changes in the time of performance of the contract that do not alter the scope of work.

B. 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 contract price made pursuant to this clause shall be determined in accordance with the price adjustment clause 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 procurement officer promptly and duly make 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 an extension of time for completion.

C. Time period for claim. Within thirty (30) days after receipt of a written change order under subsection (a) unless the period is extended by the procurement officer in writing, the contractor shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the contractor's claim unless the State or county is prejudiced by the delay in notification.

D. Claim barred after final payment. No claim by the contractor for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this contract.

E. Other claims not barred. In the absence of a change order, nothing in this clause shall be deemed to restrict the contractor's right to pursue a claim as under the contract or for breach of contract.

4.5 PRICE ADJUSTMENT

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

- A. By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
- B. By unit prices specified in the contract or subsequently agreed upon;
- C. By the costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as specified in the contract or subsequently agreed upon;
- D. In such other manner as the parties may mutually agree; or
- E. In the absence of agreement between the parties, by a unilateral determination by the procurement officer of the costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as computed by the procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126 of the Hawaii Administrative Rules.

4.6 VARIATION IN QUANTITY

Upon agreement of the parties, the quantity of goods or services or both specified in this contract may be increased by a maximum of ten (10) percent provided (1) the unit prices will remain the same except for any price adjustments otherwise applicable and (2) the 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.

SECTION 5 - CONTROL OF WORK

5.1 AUTHORITY OF DIRECTOR - The Director shall decide all questions which may arise as to the quality or acceptability of materials furnished and work performed; the manner of performance and rate of progress of the work; the compensation for work performed; the interpretation of the contract and the fulfillment of the contract on the part of the Contractor. The Director's decision shall be final and the Director shall have the authority to enforce any such decision and order which the Contractor fails to carry out promptly and diligently. The Director shall have the following powers in the way of enforcement:

- A. The right to suspend the work.
- B. The right to withhold payment due the Contractor.

5.2 COORDINATION OF PLANS, SPECIFICATIONS AND SPECIAL PROVISIONS - These specifications, the plans, special provisions, and all supplementary documents are essential parts of the contract, and a requirement occurring in one is as binding as though occurring in all. They are intended to describe and provide for the complete work.

5.3 COOPERATION OF CONTRACTOR AND DIRECTOR - The Contractor shall have available at the work site at all times, a copy of the specifications, special provisions and plans. The Contractor shall give the work constant attention to facilitate the progress thereof and shall cooperate with the Director in every way possible.

Before starting work on the project, the Contractor shall designate in writing a superintendent who shall have complete authority to represent and to act for the Contractor.

5.4 INSPECTION - The Director at all times shall have access to the work during its prosecution and shall be furnished with every reasonable facility for ascertaining that the materials and the workmanship are in accordance with the requirements and intentions of these specifications and special provisions. All work done and all materials furnished shall be subject to the Director's inspection and approval.

The inspection of the work shall not relieve the Contractor of any of its obligations to fulfill its contract as prescribed, and defective work shall be made good and unsuitable materials may be rejected, notwithstanding that such defective work and materials may have been previously overlooked by the Director and accepted or included in an estimate for payment.

Projects financed in whole or in part with Federal funds shall be subject to inspection at all times by representatives of the Federal agency involved.

5.5 REMOVAL OF DEFECTIVE AND UNAUTHORIZED WORK - All work which has been rejected shall be corrected or removed and replaced by the Contractor in an acceptable manner and no compensation will be allowed the Contractor for such correction or removal and replacement. Upon failure on the part of the Contractor to comply promptly with any order of the Director, the Director may cause any rejected work to be corrected or removed and replaced and to deduct the costs thereof from any monies due or to become due the Contractor.

5.6 CLAIMS AND DISPUTES - The Contractor may give notice in writing to the Director for claims that extra compensation, damages, or an extension of time for completion is due the Contractor for one or more of the following reasons:

- A. Requirements not clearly covered in the contract, or not ordered by the Director as extra work;
- B. Failure between the State and the Contractor to agree to an adjustment in price for a contract change order issued by the State; or
- C. An action or omission on the part of the Director requiring performance changes within the scope of the contract.

The Contractor shall continue with performance of the contract in compliance with the directions or orders of the procurement officer, 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:

- A. The notice in writing be given:
 - 1. Before the commencement of the work involved, if at that time the Contractor knows of such requirements or the occurrence of such actions or omissions; or
 - 2. Within thirty (30) calendar days after the Contractor knows of such requirements or the occurrence of such action or omission if the Contractor did not have such knowledge before the commencement of the work; or
 - 3. Within thirty (30) calendar days after receipt of the written contract change order that was not

agreed upon by both parties; or

4. Within such further time as may be allowed by the Director in writing.

B. The notice shall clearly state the Contractor's intention to make claim and the reasons why the Contractor believes that additional compensation, changes or an extension of time may be remedies to which the Contractor is entitled; and afford the Director every facility for keeping records of the actual cost of work. Failure on the part of the Contractor to give such notification or to afford the procurement officer proper facilities for keeping strict account of actual cost shall constitute waiver of the claim for such extra compensation. The filing of such notice by the Contractor and the keeping of costs by the procurement officer shall not in any way be construed to prove the validity of the claim.

The Director will review the notice and render a decision. The Director's decision shall be final and conclusive unless, within thirty (30) calendar days from the date of the decision, the Contractor mails or otherwise furnishes a written appeal to the Director. The decision of the Director shall be final. Later notification of such claims shall not bar the Contractor's claim unless the State is prejudiced by the delay in notification. No claim by the Contractor for an adjustment hereunder shall be allowed if notice is not given before final payment under this contract. Any adjustment in the contract price made pursuant to this clause shall be determined according to Section 4.5 - Price Adjustment.

The provisions of this Section shall not be construed as establishing any claims contrary to the terms of Section 4.4 - Changes and Claims for Adjustment.

Nothing herein contained, however, shall excuse the Contractor from compliance with any rules of law precluding any state officers and any Contractors from acting in collusion or bad faith in issuing or performing contract change orders which are clearly not within the scope of the contract.

SECTION 6 - CONTROL OF MATERIAL AND EQUIPMENT

6.1 DEFECTIVE MATERIALS - All materials not conforming to the requirements of these specifications or the special provisions shall be considered defective and all such materials, whether in place or not, shall be rejected. They shall be removed immediately from the site of the work, unless otherwise permitted by the Director. No rejected materials, the defects of which have been subsequently corrected, shall be used until approval in writing has been given by the Director. Upon failure on the part of the Contractor to comply promptly with any order to remove and replace defective materials, the Director may remove and replace defective material and to deduct the cost of removal and replacement from any monies due or to become due the Contractor.

6.2 TRADE NAMES AND ALTERNATES - For convenience in designation on the plans or in the specifications, certain equipment or articles or materials may be designated under a trade name or the name of a manufacturer and its information catalogue. The use of alternate equipment or an article or material which is of equal quality and of the required characteristics for the purposes intended will be permitted, subject to the written approval of the Director, in accordance with the following requirements:

A. QUALIFICATION BEFORE BID OPENING - When the specifications and/or plans specify one or more manufacturer's brand names of materials or equipment to indicate a quality, style, appearance, or performance, the bidder will be assumed to have based its bid on one of the specified named products, except where such proprietary product are specified, alternate brands may be qualified if found equal or better by the Director. Bidders requesting qualification of alternate proprietary products must submit a request to the Director for review and approval at the earliest date possible, but in any event, such request must be received at the Contracts office not later than ten (10) days before the bid opening date, not including the bid opening date.

It shall be the responsibility of the bidder to submit sufficient evidence based upon which a determination can be made by the Director that the alternate brand is qualified. The evidence shall be transmitted with a covering letter which shall list the evidence submitted and the items for which the substitution is requested.

If the evidence accompanying a request for substitution is insufficient to qualify a particular

model, the request shall be denied provided that further evidence may be submitted to qualify the item five (5) days prior to the bid opening date if the initial request was made prior to the deadline set above.

B. SUBSTITUTION AFTER BID OPENING - Substitution of material or equipment will not be allowed after the bid opening date except under the following unforeseen circumstances:

1. If a specified or pre qualified item is delayed by a lengthy strike in the factory or other unforeseeable contingency beyond the control of the Contractor which would cause an abnormal delay in the project completion.
2. If a specified or pre qualified item is found to be unusable due to change or other circumstances.
3. If the Contractor is willing to provide a more recently developed or manufactured item of material or equipment of the same manufacturer which the Director determines to be equal or better than the one specified or pre-qualified.

A substitution request, regardless of reason, shall be fully explained in writing by the Contractor and shall include its justification for said request, the quantities and unit prices involved, quotations and such other documents as are deemed necessary to support the request. Any savings in cost will accrue to the State and any additional cost for the substituted items will be paid by the Contractor.

The burden of proof as to the comparative quality and suitability of alternate equipment, articles, or materials shall be upon the bidder or Contractor and bidder or Contractor shall furnish, at its own expense, all information necessary or related thereto as required by the Director. The Director shall be the sole judge as to the comparative quality and suitability of alternate equipment, articles or materials and the Director's decisions shall be final.

The above shall not be construed to mean that substitution for brand name specified materials and equipment will be allowed; the Director reserves the right to deny any request he deems irregular or not in the best interest of the State.

6.3 ASSIGNMENT OF ANTITRUST CLAIMS FOR OVERCHARGES FOR GOODS AND MATERIALS PURCHASED

A. Vendor and purchaser recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, vendor hereby assigns to purchaser any and all claims for such overcharges as to goods and materials purchased in connection with this order or contract, except as to overcharges which result from antitrust violations commencing after the price is established under this order or contract and which are not passed on to the purchaser under an escalation clause.

B. Contractor and owner recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the owner. Therefore, contractor hereby assigns to owner any and all claims for such overcharges as to goods and materials purchased in connection with this order or contract, except as to overcharges which result from antitrust violations commencing after the price is established under this order or contract and any change order. In addition, contractor warrants and represents that each of its first tier suppliers and subcontractors shall assign any and all such claims to owner, subject to the aforementioned exception.

SECTION 7 - LEGAL RELATIONS AND RESPONSIBILITY

7.1 LAWS TO BE OBSERVED - The Contractor shall comply with all federal, state, city and county laws, ordinances, rules and regulations which in any manner affect those engaged or employed in the work, the materials used in the work, and the conduct of the work. Any reference to such laws, ordinances, rules and regulations shall include any amendments thereto effective as of the date of the call for sealed proposals.

The Contractor shall hold harmless, indemnify, defend and where appropriate, insure the State, its officers, agents and employees against any claim or liability arising from or based on the violation of any such laws, ordinances, rules or regulations. If any discrepancy or inconsistency is discovered in the contract for the work in relation to any law, ordinance, rule, regulation, order or decree, the Contractor shall forthwith report the same to the Director in writing.

7.2 PERMITS AND LICENSES - The Contractor shall procure all permits and licenses, pay all charges and fees, and give all notices necessary and incident to the due and lawful prosecution of the work.

7.3 PATENTS - The Contractor shall assume all costs arising from the use of patented materials, equipment, devices, or processes used on or incorporated in the work, and shall hold harmless, indemnify, defend and where appropriate, insure the State, its officers, agents and employees from all suits at law or actions of every nature, for or on account of the use of any patented materials, equipment, devices or processes.

7.4 RESPONSIBILITY FOR INJURY AND DAMAGE - The State, its officers, agents and employees shall not be held accountable in any manner for any loss or damage to the work or any part thereof, or for any of the materials and equipment used or employed in performing the work, or for any injury to any person or persons either workers or the public, or for any damage to property caused by the Contractor or its workers or any one employed by the Contractor. The Contractor shall be responsible for any liability imposed by law for any injury to any person or any damage to property resulting from defects or obstructions or from any cause whatsoever during the progress of the work or at any time before its completion and final acceptance. The acceptance of the completed work of the Contractor by the Director shall not relieve the Contractor from any liability which may have accrued or may accrue as a result of the performance of the work by the Contractor. The Contractor shall hold harmless, indemnify, defend and where appropriate, insure the State, its officers, agents and employees, from all suits or actions of every name, kind and description, brought for or on account of

any injuries or damages sustained by any persons or property caused by the Contractor, its servants or agents, or by or on account of any act or omission of the Contractor or its servants or agents, regardless of whether such actions or any claim is brought against them or any one of them before or after the final acceptance of the work. In addition to any remedy authorized by law, the State may withhold payment of any money due to Contractor as shall be reasonable until disposition has been made of any suits or claims for injuries or damages.

It is not the intention of the parties to this contract to make the public or any member thereof a third party beneficiary hereunder, or to authorize anyone not a party hereto to maintain a suit for personal injuries or property damage based on a contract theory of liability. In any event, the Contractor shall hold harmless, indemnify, defend and where appropriate, insure the State from suits and claims for personal injuries or property damage where such injuries or damage are caused by the negligent acts or omissions of the Contractor, its agents or employees.

7.5 COOPERATION BETWEEN CONTRACTORS - Where two or more Contractors are employed on related or adjacent work, each shall conduct its operations in such a manner as not to cause any unnecessary delay or hindrance to the other.

7.6 CONTRACTOR'S RESPONSIBILITY FOR WORK - Until the acceptance of the contract, the Contractor shall have the charge and care thereof and shall bear the risk of injury or damage to any part thereof by the action of the elements or from any other cause, whether arising from the execution or from the non-execution of the work. The Contractor shall rebuild, repair, restore, and make good all damages to any portion of the work occasioned by any of the above causes before its completion and acceptance and shall bear the expenses thereof.

7.7 NO PERSONAL LIABILITY - Neither the Director nor any other officer or authorized employee of the Department shall be personally responsible for any liability arising under the contract.

7.8 LABOR AND COMPENSATION REQUIREMENTS - Wages paid each laborer employed by the Contractor or any subcontractor shall not be less than the prevailing minimum wage rate prescribed by law.

Every laborer employed by the Contractor or any subcontractor whose rate of compensation is Five Dollars (\$5.00) or less per day shall be paid his wages weekly pursuant to Section 103-54, H.R.S.

The Contractor's attention is directed to Chapter 377, H.R.S., Hawaii Employment Relations Act; Chapter 378, H.R.S., Employment Practices; Chapter 383, H.R.S., Hawaii Employment Security Law; Chapter 386, H.R.S., Workers' Compensation Law; Chapter 387, H.R.S., Wage and Hour Law; Chapter 392, H.R.S., Temporary Disability Insurance; Chapter 393, H.R.S., Prepared Health Care Act; Chapter 396, H.R.S., Occupational Safety and Health; and Section 103-55, H.R.S., Wages, Hours, Working Conditions of Employees of Contractor's Supplying Services.

7.9 INSURANCE - Prior to commencing with the work, the Contractor shall, at its own expense, obtain and submit to the Department, Certificate of Insurance from an insurance company authorized by the laws of the State to issue such insurance in the State of Hawaii showing full policy coverage of the Contractor.

TYPES OF INSURANCE:

A. Workers' Compensation:

The Contractor shall obtain worker's compensation insurance for all persons whom they employ in carrying out the work under this contract. This insurance shall be in strict conformity with the requirements of the most current and applicable State of Hawaii Worker's Compensation Insurance laws in effect on the date of the execution of this contract and as modified during the duration of the contract. The minimum limit of liability for workers compensation is the HRS 386 statutory limit.

B. Comprehensive Automobile Liability:

The Contractor shall obtain Auto Liability Insurance covering all owned, non-owned and hired autos with a combined single Limit of not less than \$1,000,000 per accident for bodily injury and property damage with the State of Hawaii named as additional insured. The required limit of insurance may be provided by a single policy or with a combination of primary and excess

policies.

C. Commercial General Liability:

The Contractor shall obtain General Liability insurance with a limit of not less than \$1,000,000 per occurrence and in the aggregates. The General liability insurance shall include the State of Hawaii as an additional insured. The required limit of insurance may be provided by a single policy or with a combination of primary and excess policies.

All policies must provide that 30 days prior written notice of cancellation or material change in coverage be given to certificate holders stated above.

Such insurance when accepted by the Director in writing shall become applicable and shall remain unmodified throughout the entire term of the contract and in no event shall be terminated or otherwise allowed to lapse prior to written certification of final acceptance of the work by the State. Such insurance aforementioned shall cover the State for all work performed under the contract, all work performed incidental thereto or directly or indirectly connected therewith, including other work performed outside of the work area, and all change orders.

Any delay in the submission and approval of insurance certificates shall not be justification of or grounds for a request by the Contractor postponing the issuance of a notice to proceed notwithstanding the fact that the Contractor shall not be allowed to proceed with the work until said certificates are submitted and approved.

Failure to obtain insurance in accordance with the Section, on the part of the Contractor, shall be considered a major breach of the contract; and should the State be forced to expend funds which would have been covered under the insurance, the Contractor agrees to assume the liability for such funds and to indemnify and hold the State harmless.

SECTION 8 - PROSECUTION AND PROGRESS

8.1 NOTICE TO PROCEED - A "Notice to Proceed" letter will be written to the Contractor by the Director. Such letter will indicate the date the Contractor is to begin work and from which date the contract time will commence to run.

The Contractor shall diligently perform the required duties during the term of the contract, or if the work is to be completed within a specified time limit, the Contractor shall diligently prosecute the work to completion within the specified time limit.

8.2 SUBCONTRACTING - The Contractor shall give its personal attention to the fulfillment of the contract and shall keep the work under its control.

Subject to Section 103D-302, H.R.S., the Contractor may subcontract a portion of the work pursuant to the provisions of this section, but the Contractor shall be primarily responsible for the work so subcontracted. The Contractor shall not subcontract any work to any subcontractor who has been suspended by the State.

Before any work is started under a subcontract, the Contractor shall have the written approval of the Director on a written statement on forms furnished by the Department, indicating the work to be subcontracted, the names of the subcontractors and the description of each portion of the work to be so subcontracted and showing that the subcontractors are particularly experienced and equipped to do the work subcontracted. The Contractor shall give assurance that the minimum wage rate schedule as stated in the contract shall apply to labor performed on the work so subcontracted. Consent of the Director to the subcontracting of work shall not be construed to relieve the Contractor of any responsibility for the fulfillment of the contract.

When any portion of the work which has been subcontracted by the Contractor is not prosecuted in a manner satisfactory to the Director, the Contractor, upon receipt of a notice thereof in writing from the Director, shall remove the subcontractor immediately from the project and the subcontractor shall not again be employed on the work.

8.3 ASSIGNMENT OF CONTRACT - The performance of the contract may be assigned only with the prior written consent of the Director and when applicable, the Contractor's surety. Consent to any assignment shall not relieve the Contractor or the Contractor's surety of any obligations of the contract.

8.4 INSUBORDINATION - If any subcontractor or person employed by the Contractor shall fail or refuse to carry out the directions of the Director or shall appear to the Director to be incompetent or to act in a disorderly or improper manner, the subcontractor or person shall be removed immediately upon request by the Director and shall not again be employed on the work, nor shall it be employed upon any other Department project currently under contract to the same Contractor or subcontractor.

8.5 TEMPORARY SUSPENSION OF WORK

A. Order to stop work. The Director, 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 work 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 work order issued pursuant to this section. Upon receipt of such an order, the contractor shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the Director shall either:

1. Cancel the stop work order; or
2. Terminate the work covered by such order as provided in the "termination for default clause" or the "termination for convenience clause" of this contract.

B. Cancellation or expiration of the order. If a stop work order issued under this section is canceled or if the period of the order or any extension thereof expires, the contractor shall have the right to resume work. 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 work 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 work stoppage; provided that, if the Director 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 work. If a stop work order is not canceled and the work covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowable by adjustment or otherwise.

D. Adjustment of price. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the price adjustment clause of this contract.

8.6 LIQUIDATED DAMAGES - It is mutually understood and agreed by and between the parties to the contract that the performance by the Contractor of its duties every calendar/working day is an essential part of the contract and in case of failure on the part of the Contractor to perform its duties for the time specified in the contract, the State will be damaged thereby and the amounts of said damages being difficult, if not impossible of definite ascertainment and proof, shall be estimated, agreed upon and fixed at the sum shown in the proposal for each and every calendar/working day that the Contractor fails to perform its duties during the period the contract is in effect; and the Contractor shall pay the liquidated damages as provided for in the proposal and, in case the same are not paid, the Department may deduct the amount thereof from any monies due or that may become due the Contractor under the contract.

8.7 DEFAULT AND TERMINATION OF CONTRACT

A. Termination by 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 Director 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 Director, 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 Director may procure similar goods or services in the manner and upon terms deemed appropriate by the Director. 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.

1. Contractor's duties. Notwithstanding termination of the contract and subject to any directions from the Director, the contractor shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the contractor in which the State or county has an interest.

2. Compensation. Payment for completed goods delivered and accepted by the State shall be at the contract price. Payment for the protection and preservation of property shall be in an amount agreed upon by the contractor and Director; if the parties fail to agree, the Director 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 Director deems to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders and to reimburse the State for the excess costs incurred in procuring similar goods and services.

3. Excuse for nonperformance or delayed performance. Except with respect to defaults of subcontractors, 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 work hereunder which endangers such performance, if the contractor has notified the Director within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the 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 or services to be furnished by the subcontractor were unreasonably obtained from other sources in sufficient time to permit the contractor to meet the contract requirements. Upon request of the contractor, the Director 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 the clause entitled "Termination for Convenience". As used in this paragraph of this clause, the term "subcontractor" means subcontractor at any tier.

4. Erroneous termination for default. If, after notice of termination of the contractor's right to proceed under the provisions of this clause, it is determined for any reason that the contractor was not in default under the provisions of the clause, or that the delay was excusable under the provisions of paragraph 3 above, Excuse for nonperformance or delayed performance of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the notice of termination had been issued pursuant to such clause.

5. Additional rights and remedies. The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

B. Termination for convenience. The Director may, when the interests of the State so require, terminate this contract in whole or in part, for the convenience of the State. The Director shall give written notice of the termination to the contractor specifying the part of the contract terminated and when termination becomes effective.

1. Contractor's obligation. The contractor shall incur no further obligations in connection with the terminated work and on the dates set in the notice of termination the contractor will stop work to the extent specified. The contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Director 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 work not terminated by the notice of termination and may incur obligations as are necessary to do so.

2. Right to goods. The Director may require the contractor to transfer title and deliver to the State in the manner and to the extent directed by the Director:

- a. Any completed goods; and
- b. 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 Director, protect and preserve property in the possession of the contractor in which the State has an interest. If the Director does not exercise this right, the contractor shall use the Contractor's best efforts to sell such goods and manufacturing materials. Use of this section in no way implies that the State has breached the contract by exercise of the termination for convenience clause.

3. Compensation:

- a. The Contractor shall submit a termination claim specifying the amounts due because of the termination for convenience together with cost or pricing data to the extent required by subchapter 15, chapter 3-122, HAR, bearing on such claim. If the Contractor fails to file a termination claim within one (1) year from the effective date of termination, the Director may pay the Contractor, if at all, an amount set in accordance with subparagraph c. below.
- b. The Director and the Contractor may agree to settlement provided the Contractor has filed a termination claim supported by cost or pricing data to the extent required by subchapter 15, chapter 3-122, HAR, 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 paragraph (2) of this clause, and the contract price of the work not terminated.

c. Absent complete agreement under subparagraph b above, the Director shall pay the Contractor the following amounts, provided payments agreed to under subparagraph b shall not duplicate payments under this subparagraph for the following:

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

(ii) Costs incurred in preparing to perform and performing the terminated portion of the work plus a fair and reasonable profit on such portion of the work, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided 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;

(iii) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to paragraph 1 of this clause. These costs must not include costs paid in accordance with subparagraph (ii) above.

(iv) 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 cost of the Contractor reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph b of this paragraph, and the contract price of work not terminated.

d. Cost claimed, agreed to, or established under subparagraphs b and c shall be in accordance with chapter 3-123, HAR. bearing on such claim.

8.8 FINAL INSPECTION - Upon notice from the Contractor of the completion of the work or contract, the Director shall make an inspection. If the contract is found completed to the Director's satisfaction, such inspection shall constitute the final inspection and acceptance of the work.

If the work is unsatisfactory in whole or in part, the Director shall notify the Contractor of the work necessary for final completion and acceptance and the Contractor shall forthwith perform the work required by the Director. Upon performance of such required work by the Contractor, another inspection shall be made which shall constitute the final inspection if the work is completed satisfactorily.

Within ten (10) days after final inspection and acceptance of the work, or as soon thereafter as is practicable, the Contractor shall be notified by the Director in writing of such acceptance.

8.9 TERMINATION OF CONTRACTOR'S RESPONSIBILITY - The contract will be considered complete when all work has been completed, the final inspection made, the work accepted by the Director, and the final estimate paid. The Contractor will then be released from further obligation except as set forth in the contract and bond, when applicable.

SECTION 9 - PAYMENT

9.1 SCOPE OF PAYMENT - The Contractor's bid price shall be inclusive of all costs, direct or indirect, including all taxes, required for the fulfillment of the contract.

Contract payments to the Contractor by the State shall be full payment for the furnishing of all labor, tools, equipment, and other incidentals, including all taxes, necessary for performing all work and services contemplated and embraced under the contract.

9.2 RETAINAGE/DEDUCTION FROM PAYMENT - The Director may at any time retain or deduct out of any sums due the Contractor to cover claims of the State against the Contractor, or such sums sufficient to cover any unpaid claims of others supported by sworn statements filed in the office of the Director, without any liability for damages, interest or otherwise to the Contractor for such retention or deduction.

Provided the work of the Contractor is progressing satisfactorily in the judgment of the Director and in accordance with the provisions of this contract, monthly payments, less five percent (5%), will be made to the Contractor. The amount of such monthly payments shall be determined by the Director based on the Director's estimate of the items of work performed and materials incorporated in the work and the value therefor at the unit prices or lump sum prices set forth in the contract. All monthly payments are shall be subject to correction at any time prior to or in the final payment.

At any time after fifty per cent (50%) of the work has been completed, if the State determines that the work contracted to be performed is progressing satisfactorily, the State may make any of the remaining monthly payments in full.

If the Director finds that unsatisfactory progress is being made, the State may, from the beginning of such unsatisfactory progress, withhold any amount up to five per cent (5%) of any subsequent monthly payment.

9.3 ASSIGNMENT OF PAYMENTS - All monies payable under the contract, or any part thereof, shall be paid to the Contractor in accordance with the provisions of this Section and no assignment or order executed by the Contractor directing payment of any portion or all of such funds to any other person or persons shall be recognized by the State unless such assignment or order specifies the amounts to be so paid and the purposes for which the assignment or order is given. Such assignment or order shall have attached thereto, by endorsement or otherwise, the consent of the surety, when

applicable. No such assignment or order shall be binding on the State.

Any assignment of money shall, however, be subject to all proper set-offs in favor of the State, to all deductions provided for in the contract and to all liens and rights conferred by law on the State. All money withheld, whether assigned or not, shall be subject to being used by the State for the completion of the work in the event of the Contractor's default.

9.4 PROGRESS PAYMENTS - Payments under this contract shall be made only upon submission by the Contractor of an original invoice and 2 copies. The invoice shall specify the amount due less retainage and shall also certify that services requested under the contract have been performed by the Contractor according to the contract.

9.5 FINAL PAYMENT - Final payment will only be made after the Contractor receives final acceptance by the Director as provided in Section 8.8, and until the Contractor has filed with the Department the following:

A. Consent of the surety, when applicable, to payment of the final estimate;

B. Satisfactory evidence by affidavit that all debts resulting from the contract have been fully paid or satisfactorily secured;

C. A current "Certificate of Vendor Compliance" issued by the Hawaii Compliance Express (HCE). The Certificate of Vendor Compliance is used to certify the Contractor's compliance with (a) Section 103D-328, HRS (for all contracts \$25,000 or more) which requires a current tax clearance certificate issued by the Hawaii State Department of Taxation and the Internal Revenue Service; (b) Chapters 383, 386, 392, and 393, HRS; and (c) Subsection 103D-310(c), HRS. The State reserves the right to verify that compliance is current prior to the issuance of final payment. Contractors are advised that non-compliance status will result in final payment being withheld until compliance is attained.

The filing of willfully false affidavits will disqualify the Contractor from bidding on future work of the Department.

SECTION 10 – FURNISHING OF VEHICLE TOWING SERVICE
FOR THE PALI TUNNEL

10.1 SCOPE OF WORK

- (A) The Contractor shall furnish and have on duty a qualified tow truck driver and a qualified tow truck at the tow truck duty station designated on the Location Plan on Page A-1 of the Specifications. The Engineer may change the duty station, as he/she deems necessary.

The Contractor shall furnish the Engineer with telephone number(s) where the duty driver and/or Contractor can be contacted prior to the Notice to Proceed date.

- (B) The Contractor's duty driver shall watch the traffic flow within sight from the duty station and upon any report or indication of a stalled or disabled vehicle impeding traffic flow, shall proceed without delay with the tow truck to investigate and remove the vehicle to the appropriate vehicle drop-off area.

The Contractor's duty driver shall be observant in monitoring the traffic conditions at all times. Inattentiveness, sleeping or any other behavior that may detract from the primary duties of the duty truck driver are in violation to the terms of the contract and will not be tolerated. Violations will result in liquidated damages as specified in Section 8.6, Liquidated Damages, of the Special Provisions, and will be withheld from payment to the Contractor. Liquidated damages will be retained by the State. An explanation report with substantiating evidence shall be filed by the State.

If the same individual is cited for dereliction of duties three (3) times during the term of this contract, he/she shall be removed and barred from future work in this project.

- (C) The Contractor's duty driver and tow truck must arrive at the scene of pick-up as early as possible but no later than fifteen (15) minutes after receiving a report or a call except in the event of several stalled vehicles or vehicular accidents occurring at the same time. Under said conditions, the Contractor shall not be assessed a penalty for late or non-arrival. Refer to Section 8.6, Liquidated Damages, of the Special Provisions, for information on penalties.
- (D) The Contractor's duty driver shall drop off the stalled or disabled vehicle impeding traffic flow to the designated drop-off area.

The Contractor may select drop-off areas that are within a reasonable distance from the limits of the project, which are subject to approval by the Engineer. The location shall be as close as possible to the Contractor's travel route back to the duty station.

Vehicles shall not be towed beyond the drop-off area unless directed by the Engineer or a police officer. The Contractor may go beyond the project limits in an emergency if requested by the Honolulu Police Department or the Engineer to relieve traffic congestion.

- (E) The Contractor's duty driver shall not charge the owner or driver of the towed vehicle for the towing service.
- (F) The Contractor's duty driver and tow truck shall return immediately to the duty station.
- (G) The Contractor's duty driver must respond to the Honolulu Police Department (HPD) if he was requested to provide the required towing service within the project area.

In the event the duty driver is unable to respond to a HPD call within the time period due to multiple requests, the duty driver shall immediately call 911.

In the event of a vehicular accident and in the absence of a police officer, the duty driver shall call 911 and shall take instructions from the arriving police officer. The duty driver shall not tow away the vehicle(s) involved without instructions from the on-scene police officer.

- (H) The Contractor's duty driver shall not be required to provide towing service to stalled or disabled vehicle(s) with a Gross Vehicle Weight (GVW) of 15,000 pounds and above, such as 55 passenger buses.

10.2 CONTRACTOR'S QUALIFICATIONS

If requested by the State contractors may be asked to provide documentation of licenses, certificates and other required documents listed in the subsections below. Requested documents shall be received by the Project Manager no later than seven (7) working days from the date of receipt of the written request from the State. Failure to submit requested documents may result in the rejection of bid or termination of contract by the Department of Transportation

Prospective bidders must meet the following qualifications:

- (A) The Contractor and their tow truck driver(s) shall possess a current and valid State of Hawaii driver's license and be competent to operate the tow truck and associated equipment. Prior to award, proof of license(s) shall be submitted to the Project Manager no later than seven (7) working days from the date of receipt of the written request from the State. Certificates of training in operating tow trucks (i.e., WreckMaster Driver Training Certification or the National Driver Certification) may be submitted to provide additional proof of competency. Certificates of training are optional but are recommended to enhance knowledge of safe operation.

- (B) The Contractor shall produce a list of projects to substantiate the Contractor's experience highlighting the requirements as mentioned above. The list shall contain a minimum of three (3) different projects and include the names of company that the Contractor worked with or is currently working with, the company address, point of contact, phone number and description of work performed. The minimum of three (3) different projects' experience shall be positive on performance evaluation by the respective agency.
- (C) The Contractor shall have a minimum of two (2) year experience immediately prior to the bid opening date, in furnishing towing services.
- (D) Have all required equipment (e.g., handheld tools, tow trucks, etc.) necessary to perform all of the specified services in this document.
- (E) Have the required business and tax license to conduct business in the State of Hawaii.
- (F) Satisfy the office and facility requirements as specified in Section 3.1, Award of Contract of the Special Provisions.

10.3 MINIMUM TRUCK DRIVER QUALIFICATIONS AND OTHER REQUIREMENTS

- (A) Qualifications: The Contractor's tow truck drivers who will be furnishing towing services shall:
 1. Fulfill the requirements of Sections 10.2 Contractor's Qualification, as applicable.
 2. Have a minimum of two (2) year experience immediately prior to the bid opening date, in furnishing towing services.
 3. Truck drivers shall possess knowledge of the work, mechanical knowledge and ability to satisfactorily comply with these Specifications herein.

10.4 MINIMUM TOW TRUCK REQUIREMENTS

Two (2) qualified tow trucks are required, one (1) to be stationed at the duty station and the other at the Contractor's baseyard as a backup in the event of a breakdown of the duty truck. Refer to Section 3.1, Award of Contract and Section 8.2, Subcontracting of the Special Provisions.

The qualified tow trucks shall be listed in the Statement of Capabilities. Failure to fulfill this requirement may result in the rejection of bids.

- (A) **Company name:** Pursuant to Hawaii Revised Statutes, Section 291C-135, tow trucks must have the operator's name and telephone number permanently affixed on both doors of the tow truck. The letters and numbers used in the sign shall be no less than two inches (2") in height. The cost for the Contractor's company name and phone number signage shall be considered as incidental cost.
- (B) **Condition of tow trucks:** All tow trucks shall be operational, and in good condition and appearance.
- (C) **Licensing, registration and safety requirements:** The Contractor's tow trucks shall meet all State licensing, registration and safety requirements and shall be equipped properly in accordance with City, State, Federal and Occupational Safety and Health Administration (OSHA) requirements.
- (D) **Licensing, registration and safety requirements:** The Contractor's tow trucks shall meet all State licensing, registration and safety requirements and shall be equipped properly in accordance with City, State, Federal and Occupational Safety and Health Administration (OSHA) requirements.
- (E) **Truck Chassis with Underlift:** The Contractor's tow trucks shall be a minimum of 10,000 pounds gross vehicle weight (GVW) with dual rear wheels, a minimum pulling capacity of 7,000 pounds, and a stinger/wheel-lift with a minimum lift capacity of 3,000 pounds to provide damage-free towing.
- (F) **Lights:** The Contractor's vehicles must be equipped with headlights, taillights, red reflectors, stop lights, warning lights, etc., as required by Hawaii State laws, plus one utility light (white, portable or adjustable), and may be equipped with any other lighting as the Contractor may desire and which are not prohibited by law.
- (G) **Additional Equipment:** The Contractor's trucks must be equipped with a dolly, red flares, reflective triangles, reflectors, hand tools, crowbar, rope, broom, shovel, dustpan, dry chemical type fire extinguisher, remote wireless communication, and personal protective equipment (PPE). Refer to Section 10.9, Safety and Precaution of the Specifications for the required PPE.

10.5 BIDDER REQUIREMENTS

If requested by the State the bidder shall complete and sign the Statement of Capabilities form. The Statement of Capabilities is a questionnaire regarding the bidder's qualifications. The form will be mailed to the bidder prior to award. The completed Statement of Capabilities form, including any attachments shall be received by the Project Manager no later than seven (7) working days from the date of receipt of the written request from the State.

Failure to submit or failure to submit a thoroughly completed Statement of Capabilities form within seven (7) working days shall result in the rejection of bid. The Statement of Capabilities is considered complete if all required information (except items marked “optional”) that is requested in the form is provided.

10.6 AREA OF COVERAGE

The area of coverage under this project covers the Honolulu bound lanes of the Pali Highway only as itemized below:

- Pali Tunnel - From Kamehameha Highway / Pali Highway Interchange (Castle Junction) to the Honolulu Portal of the Pali Tunnels.

Refer to the Location Plan on Page A-2 of the Specifications.

10.7 HOURS OF OPERATION

Towing service shall be provided from 5:30 A.M. to 8:30 A.M. on the working days specified in Section 1.38, Working Day of the Special Provisions. The hours of operation may be changed by the State.

10.8 DAILY LOG AND INCIDENT REPORT

The Contractor shall maintain a log of the towing services and submit a monthly report with the monthly invoice to the State containing the following information:

(A) A daily log shall include the following information:

1. Date
2. Time - arrive / leave
3. Driver’s name / Tow business name
4. Backup Driver’s name / Tow business name

(B) An incident report shall include the following information:

1. Date and time of tow
2. Description of vehicle towed
3. Location of vehicle towed
4. If available, cause of vehicle being inoperable

10.9 SAFETY AND PRECAUTION

The Contractor shall observe safety concerns that are mentioned in Section 7.10, Public Convenience and Safety of the Special Provisions, to the fullest during operations.

- (A) The Contractor and his employees shall exercise due care in performing any work. The Contractor and his employees may be subject to slip, trip, fall, vehicular hazards and other workplace hazards.
- (B) All methods and practices shall be in accordance with OSHA standards, the Manual on Uniform Traffic Control Devices (MUTCD) for Streets and Highways, the American National Standard Institute (ANSI) and safety regulations promulgated by any other applicable government agency.
- (C) The Contractor shall at all times conduct his work to assure the least possible obstruction to public traffic. The safety and convenience of the general public and the protection of persons and property is of utmost importance, and the Contractor shall provide appropriate traffic control and safety measures. The Contractor and its employees shall treat members of the public in a fair and polite manner. Workers shall present a professional appearance and conduct themselves in a professional manner at all times.
- (D) While working in the right-of-way areas, all employees shall wear safety equipment that is in compliance with OSHA standards, which include, but is not limited to: vests, goggles, safety shoes, gloves and other equipment as required. Vests or ensemble shall be Class III and corresponds to the work environment that meets the current ANSI/ISEA 107 standard, and the MUTCD Section 6E.02 standards, as amended, revised or updated. The Contractor shall be in compliance with Standard Specifications Section 107.11, Safety - Accident Prevention, as amended, revised or updated.

The Contractor's employees on the job site shall wear a shirt or T-shirt with the company name, along with any safety equipment as required. The Contractor's employees shall present themselves in a neat and clean appearance at all times. The cost of the employee's shirt or T-shirt, and any personal protective equipment (PPE) shall be incidental to the cost of furnishing and maintaining traffic control.

10.10 TERM OF CONTRACT

The term of this contract shall be for twelve (12) months from the date indicated in the Notice to Proceed from the State.

10.11 OPTION TO EXTEND TERM

This contract may be extended to four (4) additional twelve (12) month periods or parts thereof without the necessity for re-bidding upon mutual agreement between the State and the Contractor in writing provided the contract price for the extended period shall remain equal to or less than

the initial bid price. The entire term of contract, including extensions, shall not exceed sixty (60) months.

10.12 ESCALATION CLAUSE

At the beginning of each twelve (12) month extension period, the cost of applicable Bid Items in the Proposal Schedule will be automatically increased by the percent change of the annual U.S. City Average, Consumer Price Index for all Urban Consumers (CPI-U) from the previous calendar year (percent change from the previous December). Increase will be capped at 5% per twelve (12) month period. Price adjustments shall be made only at the time of extension of the contract.

10.13 BASIS FOR PAYMENT

The Contractor's bid price shall be full compensation for furnishing all labor (including backup driver), materials, tools, equipment, trucks (including backup truck), PPE and company T-shirt as specified in Section 10.9, Safety and Precaution, applicable taxes and incidentals to complete the work specified herein as shown on the plan or as directed by the Engineer.

Payments to the Contractor will be determined as follows:

(A) Monthly Earnings:

1. Monthly Earnings shall be made at the unit bid price in **Bid Item No. 1**:

(B) Miscellaneous work:

1. If the Contractor is required by the Engineer to work additional hours, it will be computed as established below. The cost for additional hours will be paid by **Bid Item No. 2 Miscellaneous** of the Proposal Schedule.

For the purpose of determining the hourly rate, computations will be as follows:

$$\text{Hourly Rate} = \frac{\text{Total Amount for Bid Item No. 1}}{(12 \text{ months}) \times (20 \text{ days}) \times (3 \text{ hours})}$$

2. If the Contractor is required by the Honolulu Police Department or the Engineer to provide services beyond the project limits due to emergencies, payment for the additional work shall be negotiated as prescribed in Section 4.5, Price Adjustment of the Specifications.
3. If the Contractor is required to do other miscellaneous work within the project limits that the Engineer deems necessary, payment for the additional

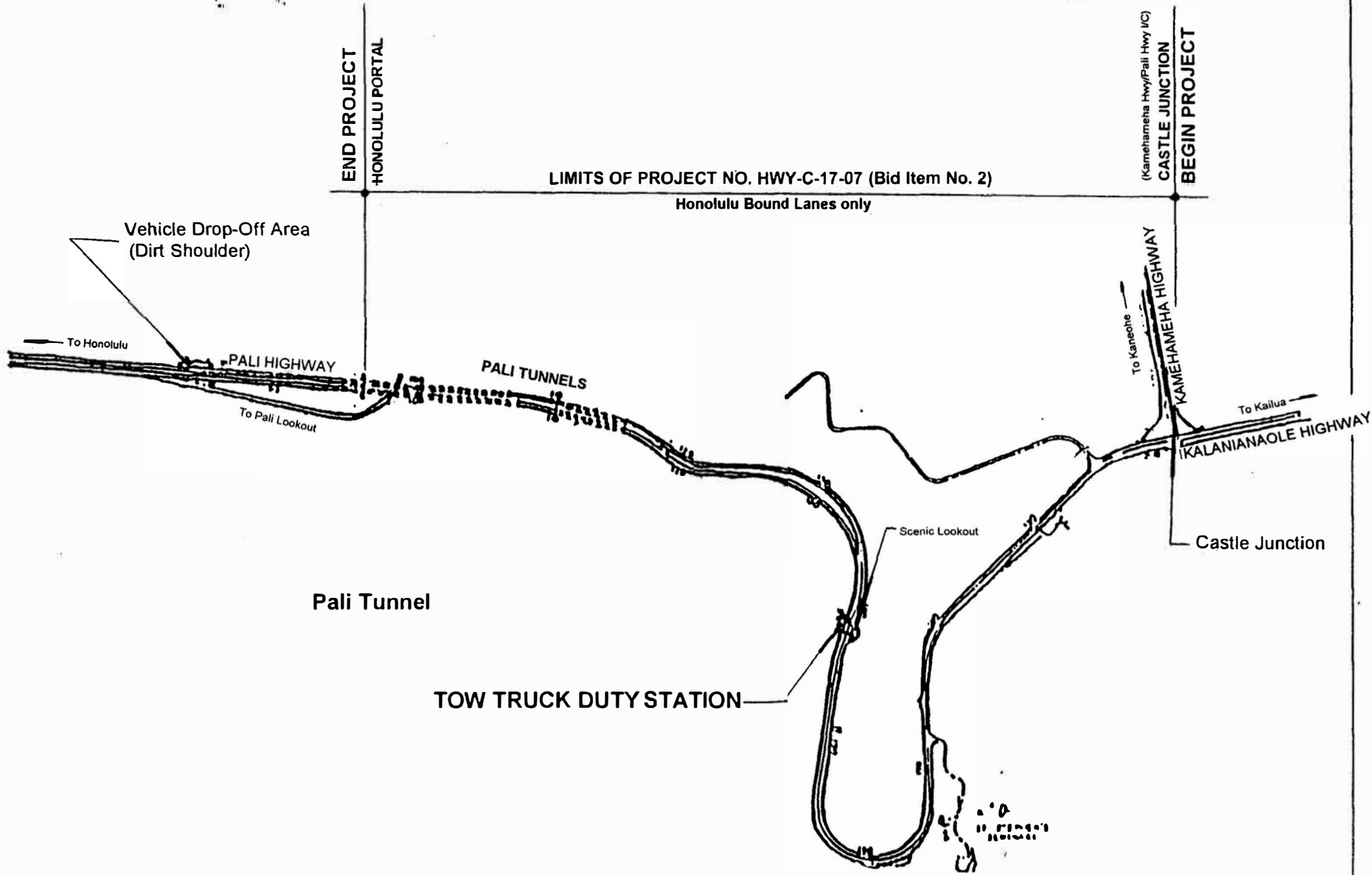
miscellaneous work shall be negotiated as prescribed in Section 4.5, Price Adjustment of the Specifications.

Miscellaneous Work will be paid by **Bid Item No. 2 Miscellaneous** of the Proposal Schedule, as applicable.

- (C) Deductions may be applied to the monthly earnings as listed below:
1. Reduction of work hours: If the Contractor is required to work less hours, computation for the hourly rate will be based on the formula mentioned above.
 2. Working force employed: If the State employs a working force and equipment, the Contractor may be charged for the reasonable cost thereof as specified in Section 4.2, Performance of Work of the Special Provisions.
 3. Liquidated damages: If the Contractor is subject to liquidated damages, deductions shall be computed as specified in Section 8.6, Liquidated Damages of the Special Provisions.
 4. Retainage: Retainage shall be computed as specified in Section 9.2, Retainage/Deduction from Payment of the Specifications.
- (D) Total monthly payments payable to the Contractor will be the monthly earnings in Section 10.13(A), plus any applicable miscellaneous work earnings in Section 10.13(B), minus applicable deductions in Section 10.13(C) as specified in the above paragraphs.

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION

APPENDIX A
LOCATION PLAN



LOCATION PLAN
 PROJECT NO. HWY-C-17-23R
 NOT TO SCALE

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
HIGHWAYS
HONOLULU, HAWAII

PROPOSAL

PROPOSAL TO THE STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
HIGHWAYS

PROJECT: FURNISHING OF VEHICLE TOWING SERVICE FOR
THE PALI TUNNEL, ISLAND OF OAHU

PROJECT NO.: HWY-C-17-23R

CONTRACT TIME: Twelve (12) months from date indicated in the Notice to
Proceed from the Department with options to extend as
provided for in Section 10.11 of the Specifications.

LIQUIDATED DAMAGES: Refer to Section 8.6 Liquidated Damage, of the Special
Provisions and Section 10.13 Basis of Payment, of the
Specification for applicable deductions.

ELECTRONIC SUBMITTAL: The bidder shall submit the proposal in HiePRO. The
proposal shall be UPLOADED to HiePRO prior to the bid
opening date and time. See SPECIAL PROVISIONS -
Section 2.4 DELIVERY OF PROPOSALS - for additional
information.

NOTE: **BID, PERFORMANCE BOND AND PAYMENT
BONDS ARE NOT REQUIRED FOR THIS
PROJECT.**

Director of Transportation
AliiAIMOKU Hale
869 Punchbowl Street
Honolulu, Hawaii 96813

Dear Sir:

The undersigned bidder declares the following:

1. It has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with this proposal.
2. It has not been assisted or represented on this matter by any individual who has, in a State capacity, been involved in the subject matter of this contract within the past two years.
3. It has not and will not, either directly or indirectly offered or given a gratuity (i.e. an entertainment or gift) to any State or County employee to obtain a contract or favorable treatment under a contract.

The undersigned bidder further agrees to the following:

1. If this proposal is accepted, it shall execute a contract with the Department to provide all necessary labor, machinery, tools, equipment, apparatus and any other means of construction, to do all the work and to furnish all the materials specified in the contract in the manner and within the time therein prescribed in the contract, and that it shall accept in full payment therefore the sum of the unit and/or lump sum prices as set forth in the attached proposal schedule for the actual quantities of work performed and materials furnished and furnish satisfactory security in accordance with Section 103D-324, Hawaii Revised Statutes, within 10 days after the award of the contract or within such time as the Director of Transportation may allow after the undersigned has received the contract documents for execution, and is fully aware that non-compliance with the aforementioned terms will result in the forfeiture of the full amount of the bid guarantee required under Section 103D-323, Hawaii Revised Statutes.

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r12/2020

2. That the quantities given in the attached proposal schedule are approximate only and are intended principally to serve as a guide in determining and comparing the bids.
3. That the Department does not either expressly or by implication, agree that the actual amount of work will correspond therewith, but reserves the right to increase or decrease the amount of any class or portion of the work, or to omit portions of the work, as may be deemed necessary or advisable by the Director of Transportation, and that all increased or decreased quantities of work shall be performed at the unit prices set forth in the attached proposal schedule except as provided for in the specifications.
4. In case of a discrepancy between unit prices and the totals in said Proposal Schedule, the unit prices shall prevail.
5. Agrees to begin work within 10 working days after the date of notification to commence with the work, which date is in the notice to proceed, and shall finish the entire project within the time prescribed.
6. The Director of Transportation reserves the right to reject any or all bids and to waive any defects when in the Director's opinion such rejections or waiver will be for the best interest of the public.

Receipt is hereby acknowledged and complete examination is hereby expressly guaranteed of the following listed items: the specifications, the notice to bidders, the special provisions, if any, the proposal, the plans, if any, and the contract form.

The undersigned acknowledges receipt of any addendum, issued by recording in the space below the date of receipt.

Addendum No. 1 _____ Addendum No. 3 _____
Addendum No. 2 _____ Addendum No. 4 _____

The undersigned hereby certifies that the bid prices contained in the attached proposal schedule have been carefully checked and are submitted as correct, final and are net prices.

Bidder (Company Name)

By _____
Authorized Signature

Print Name and Title

Business Address

Business Telephone Email

Date

Contact Person (If different from above)

Phone: _____ Email: _____

*Hawaii General Excise Tax License No. _____

NOTE:

If bidder is a CORPORATION, the legal name of the corporation shall be set forth above, the corporate seal affixed, together with the signature(s) of the officer(s) authorized to sign contracts on behalf of the corporation. Please attach to this page current (not more than six months old) evidence of the authority of the officer(s) to sign on behalf of the corporation.

If bidder is a PARTNERSHIP, the true name of the partnership shall be set forth above with the signature(s) of the general partner(s) authorized to sign contracts on behalf of the partnership. Please attach to this page current (not more than six months old) evidence of the authority of the partner(s) to sign on behalf of the partnership.

If bidder is an INDIVIDUAL, the bidder's signature shall be placed in the space provided therefore on page PF-4.

If signature is by an agent, other than an officer of a corporation or a partner of a partnership, a POWER OF ATTORNEY must be on file with the Department prior to the opening of bids or submitted with the bid; otherwise, the bid may be rejected as irregular and unauthorized.

*Bidder will be considered an out-of-state vendor if Hawaii General Excise Tax License No. is not indicated. See Section 2.8 Out-of-State Bidders of the Specifications.

FURNISHING OF VEHICLE TOWING SERVICE FOR THE PALI TUNNEL
 PROJECT NO. HWY-C-17-23R,
 ISLAND OF OAHU
PROPOSAL SCHEDULE

Bid Item No.	Description	Quantity (A)	Unit	Unit Price (B)	Amount (A x B)
1	Monthly Towing Service	12	Month	\$ _____	\$ _____
2	Miscellaneous	Allowance	Allowance	Allowance	\$2,000.00
TOTAL AMOUNT FOR COMPARISON OF BIDS					\$ _____

NOTES:

1. Bids shall include all Federal, State, County and other applicable taxes and fees.
2. The TOTAL AMOUNT FOR COMPARISON OF BIDS shall be used to determine the lowest responsible bidder for each area.
3. Bidders shall complete all unit prices and amounts for each area. Failure to do so may be grounds for rejection of bid.
4. Do not add or remove anything on the Proposal Schedule. Altered Proposal Schedules will be rejected. Only provide bid prices and totals where space is provided.
5. The bidder shall submit the proposal in HIePRO. The proposal shall be UPLOADED to HIePRO prior to the bid opening date and time. Proposals received after said due date and time shall not be considered. Original (wet ink) proposal documents are not required to be submitted. The award will be made based on proposals uploaded in HIePRO. Any and all other additional documents explicitly designated and labeled as CONFIDENTIAL OR PROPRIETARY shall be UPLOADED SEPARATELY to HIePRO.

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
HONOLULU, HAWAII

F O R M S

Contents:

Sample Contract

Certificate for Performance of Services

C O N T R A C T

THIS AGREEMENT, made this day _____, by and between the STATE OF HAWAII, by its Director of Transportation, hereinafter referred to as "STATE", and «CONTRACTOR», «STATE_OF_INCORPORATON», whose business and/or mailing address is «ADDRESS», hereinafter referred to as CONTRACTOR";

WITNESSETH: That for and in consideration of the payments hereinafter mentioned, the CONTRACTOR hereby covenants and agrees with the STATE to complete in place, furnish and pay for all labor and materials necessary for "«PROJECT_NAME_AND_NO»", or such a part thereof as shall be required by the STATE, the total amount of which labor, material and construction shall be computed at the unit and/or lump sum prices set forth in the attached proposal schedule and shall be the sum of «BASIC»-----DOLLARS (\$«BASIC_NUMERIC») as follows:

TOTAL AMOUNT FOR COMPARISON OF BIDS\$«BASIC_NUMERIC»

which sum shall be provided from STATE funds, all in accordance with the specifications, the special provisions, if any, the notice to bidders, the instructions to bidders, the proposal and plans for «PROJECT NO ONLY» and any supplements thereto, on file in the office of the Director of Transportation. These documents, together with all alterations, amendments, and additions thereto and deductions therefrom, are attached hereto or incorporated herein by reference and made a part of this contract.

The CONTRACTOR hereby covenants and agrees to complete such work from the date indicated in the Notice to Proceed issued by the STATE within «WORKING DAYS», subject, however, to such extensions as may be provided for in writing under the specifications.

For and in consideration of the covenants, undertakings and agreements of the CONTRACTOR herein set forth and upon the full and faithful performance thereof by the CONTRACTOR, the STATE hereby agrees to pay the CONTRACTOR the sum of «BASIC»-----DOLLARS (\$«BASIC NUMERIC») in lawful money, but not more than such part of the same as is actually earned according to the STATE's determination of the actual quantities of work performed and materials furnished by the CONTRACTOR at the unit or lump sum prices set forth in the attached proposal schedule. Such payment, including any extras, shall be made, subject to such additions or deductions hereto or hereafter made in the manner and at the time prescribed in the specifications and this contract. An additional sum of -----«EXTRAS»----- «STATE EXTRAS»DOLLARS (\$«EXTRA NUMERIC») is hereby provided for extra work and shall be provided from State funds.

All words used herein in the singular shall extend to and include the plural. All words used in the plural shall extend to and include the singular. The use of any gender shall extend to and include all genders.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed the day and year first above written.

STATE OF HAWAII

Director of Transportation

«CONTRACTOR»

Signature

Print name

Print Title

Date

CERTIFICATE FOR PERFORMANCE OF SERVICES

The undersigned bidder does hereby certify that in performing the services required for FURNISHING OF VEHICLE TOWING SERVICE FOR THE PALI TUNNEL, ISLAND OF OAHU, PROJECT NO. HWY-C-17-23R, it will fulfill the following conditions:

1. All applicable laws of the Federal and State governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with; and
2. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work, with the exception of professional, managerial, supervisory, and clerical personnel who are not covered by Section 103-55, HRS.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the Director of Transportation. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the Director of Transportation has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by Section 103-55, HRS.

DATED at Honolulu, Hawaii, this ____ day of _____, 20__.

Name of Corporation, Partnership, or Individual

Signature and Title of Signer

NOTARY ACKNOWLEDGEMENT

Subscribed and sworn before me this _____ day of _____

Notary signature
Notary public, State of _____
My Commission Expires: _____

Doc. Date: _____ #Pages: _____
Notary Name: _____ Circuit _____
Doc. Description: _____

Notary signature
Date _____

NOTARY CERTIFICATION