STATE PROCUREMENT OFFICE

RELEASE DATE: December 11, 2015

INVITATION FOR BIDS
No. IFB-16-005-O

SEALED BIDS
FOR FURNISHING ARMORED CAR SERVICES FOR VARIOUS STATE AGENCIES ON OAHU

WILL BE RECEIVED UP TO 2:30 P.M. (HST) ON DECEMBER 22, 2015

OR AS RECEIVED THROUGH ADDENDA, IF APPLICABLE, THROUGH THE STATE OF HAWAII ELECTRONIC PROCUREMENT SYSTEM (HLePRO). DIRECT QUESTIONS RELATING TO THIS SOLICITATION TO CAREY ANN Sasaki, TELEPHONE (808) 586-0575 OR E-MAIL AT careyann.r.sasaki@hawaii.gov.

Paula A. Youngling  
Procurement Officer

IFB-16-005-O
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SECTION ONE:
SPECIFICATIONS

1.1 SCOPE OF WORK
Contractor shall provide all equipment, vehicles, personnel and supervision necessary to provide armored car services to various State agencies on Oahu, as ordered by these agencies, and it shall be in accordance with this solicitation, including its attachments and any addenda.

A SPO price list contract will be issued as a result of any awards made for this Invitation for Bid (IFB).

1.2 DESCRIPTION OF WORK
Armored car services shall include shipments of cash and other negotiables for various State agencies and shall be performed in accordance with the Service Schedule specified by each department/agency requiring service.

Pickup and delivery locations and times shall be arranged by mutual written consent between the agency and the Contractor.

At no additional charge, bank deposit slips and receipts may be transmitted in bags, packages or envelopes, provided this requires no extra delivery, and remains within the pick up and delivery schedules specified by the agency.

1.3 SECURITY MEASURES
1.3.1 Equipment. All shipments of cash and negotiables shall be made in first-class armored vehicles. A first-class armored vehicle is defined as a bandit-resistant and bullet-resistant vehicle designed and constructed to safeguard personnel and cargo against accidental or infidelity loss. Design and construction shall specifically include bullet resistant glass and compartments enclosing forward and rear areas which may contain members of the crew and cargo. Access to the vehicle from external forces must be resistant to accidental means and personnel other than those authorized.

1.3.2 Armed Guards. One or more armed guards, in addition to the armed driver, shall accompany all shipments. At no time shall a vehicle be left unattended and without onboard armed personnel. Contractor's guards shall be uniformed and their identification tags or badges shall be displayed at all times so State personnel can easily recognize them as armored car guards. The State reserves the right to refuse transfer of any shipment to guards who are not uniformed, who do not display their identification tags or badges, or whose names and signatures are not on the list of armored car personnel as specified in Section 1.3.5 List of Authorized Personnel.

1.3.3 Identification. All identification tags or badges of the guards shall display the following information:

1.3.3.1 Picture of authorized armored car guard
1.3.3.2 Name of armored car company
1.3.3.3 Name of authorized guard
1.3.3.4 Signature of guard
1.3.3.5 Badge or I.D. number assigned to guard

The State reserves the right to refuse transfer of shipments if Contractor's employees do not meet these requirements.

1.3.4 Shipment Held Overnight. Shipments held overnight at Contractor's facilities shall be accorded an equivalent degree of protection as that provided the shipments while in transit and shall be protected against losses through theft, fire, or other means. Contractor's facilities are subject to inspection by the State prior to award. All shipments picked up too late for delivery to destination within the same day shall be held at the Contractor's facilities until delivery is made the following day.

1.3.5 List of Authorized Personnel. Contractor shall submit to the agency prior to starting services a List of Authorized Personnel containing the name of authorized armored car guards, their signatures and their identification or badge numbers. Contractor shall furnish the agencies with a current listing of authorized armored car guards throughout the contract period.

1.4 AGENCY RESPONSIBILITY

1.4.1 Transport Bags. Bags for transmittal shall be furnished by each agency's respective bank.

1.4.2 Secured and Identifiable Shipments. Each agency shall ensure that all shipments are contained in securely locked or sealed bags, envelopes, or packages prior to pickup. The shipment shall identify the location of shipment origin and the shipment destination location.

1.4.3 Waiting time. The State shall ensure the waiting period per single location shall not exceed five (5) minutes.

1.4.4 Service Schedule. The State shall notify the Contractor should there be any deviations from the agreed upon Service Schedule.

1.5 CONTRACTOR'S RESPONSIBILITY

1.5.1 Receipt and Delivery. Contractor's responsibility shall begin when shipments are picked up by Contractor and shall terminate upon safe delivery to the properly designated consignee, if stated, at the specified location.

1.5.2 Secured and Identifiable Shipments. Contractor shall receive only securely sealed/locked and identifiable shipments. Contractor shall guarantee safe delivery to each consignee a shipment that is unopened and untampered with. Contractor shall not accept any improperly sealed bag(s). Acceptance of any improperly sealed bag shall be conclusive evidence that the bag was sealed and without defects at the time of delivery to the Contractor.
1.5.3 **Service Schedule.** Contractor shall adhere to the agreed upon Service Schedule.

1.5.4 **Receipt books.** Contractor shall provide all shipment receipt books. Receipt books shall be provided to the agency at the time of initial service and thereafter upon request.

1.5.5 **Notification of Delays.** Contractor shall notify the agency of delays due to mechanical breakdown and the length of the delay. Contractor is responsible for obtaining contact information for each location serviced.

1.5.6 **Materials Handling Equipment.** Contractor shall provide all materials handling equipment (carts, hand trucks, containers, etc.) necessary to transport shipments.

1.5.7 **Loss of property.** Contractor shall be insured against dishonesty, disappearance and destruction in accordance with this contract.

1.5.8 **Overnight locked facility.** Contractor shall store all shipments that are held overnight at their locked and secured facility.

1.6 **AREA DESCRIPTIONS**

Pick-up/drop-off areas include but are not limited to the following cities:

1.6.1 **Metro.** Hawaii Kai, Aina Haina, Kaimuki, University, Ala Moana, Downtown, Punchbowl, Kalihi, Airport

1.6.2 **Leeward.** Halawa, Aiea, Pearl City, Waipio, Waipahu, Kapolei, Ewa, Waianae

1.6.3 **Central.** Mililani, Wahiawa

1.6.4 **Windward.** Kahaluu, Kaneohe, Kailua, Waimanalo

1.6.5 **North Shore.** Hauula, Kahuku, Haleiwa

1.7 **REQUESTING SERVICES**

A price list contract will be issued upon contract execution. State agencies will contact the Contractor directly during the contract term to set up their Service Schedule. The attached, “Sample Service Schedule” is a sample of the locations that may request services; it does not guarantee such locations will require services nor does it limit the agencies requesting services to those specified in Sample Service Schedule.

Agencies requesting services will submit to the Contractor the attached “Request for Armored Car Services” or similar. Agencies shall be allowed to request services at any time during the contract term as long as the requested services are within the specifications herein. Agencies shall not request for, and the Contractor shall not perform, services outside of the contract term. Agencies requesting services shall give the Contractor at least ten (10) business days notice from date of request submittal to
the date to begin services. Upon agreement of the Agency and Contractor, services may start sooner than ten (10) business days.

Agencies shall be able to adjust their requested services as necessary during the contract term. Agencies shall give the Contractor a minimum of ten (10) business days notice of any change to their Service Schedule. Contractor shall not take longer than ten (10) business days to implement the requested schedule change. All changes shall be in writing between the agency and the Contractor.

The Contractor shall honor all Service Schedules received and agreed upon during the contract term and perform services according to the contract and agreed upon Service Schedule.

1.8 SAMPLE SERVICE SCHEDULE

The Sample Service Schedule provided herein are only estimates for the 12-month period specified. The State makes no guarantee to request the exact amount of services set forth in the Sample Service Schedule. The State reserves the right to request more or less services at the prices quoted in this solicitation. In the event the estimated requirements do not materialize for the exact services listed herein, such failure shall not constitute grounds for equitable adjustment under this contract.

1.9 SITE INSPECTION

No site inspection is scheduled for this IFB. It is recommended that the Contractor inspect the location(s) requiring pickup to thoroughly familiarize itself with existing conditions, parking rules and regulations, and the extent and nature of work to be performed. Agreement between the Contractor and Agency to conduct armored car services shall be evidence that the Contractor understands the scope of the project and shall comply with specifications herein. No additional compensation shall be allowed by reason of any misunderstanding or error regarding site conditions or work to be performed.

1.10 CONTRACT ADMINISTRATOR

For the purpose of this contract, Carey Ann Sasaki is designated as the Contract Administrator, and can be reached at (808) 586-0575 and careyann.r.sasaki@hawaii.gov.
SECTION TWO:
BID SUBMITTAL AND CONTENT

2.1 ELECTRONIC PROCUREMENT

The State has established the HIePRO [pronounced 'HI-PRO'] to electronically solicit and receive bids for procurements. Bidders interested in responding to this electronic solicitation must be registered on the HIePRO in order to participate in this procurement. Registration information is available at the State Procurement Office (SPO) website: http://sp0.hawaii.gov, click on HIePRO, then click on the link to sign up and create an account.

Award(s) resulting from this solicitation, if any, shall be conducted through HIePRO and subject to a mandatory .75% (.0075) transaction fee of the award, not to exceed $5,000 for the award. This transaction fee shall be based on the initial award amount or estimated amount, and Vendor shall be responsible for payment of the fee to Hawaii Information Consortium, LLC (HIC), the vendor administering the HIePRO. Refer to “Section 3.16, Payment to Hawaii Information Consortium, LLC.”

2.2 BIDDER QUALIFICATIONS

Bidder shall meet these requirements to be considered for award:

2.2.1 Guard Services License. Bidder shall have a valid guard services license registered with the Hawaii State Department of Commerce and Consumer Affairs at the time of bid opening and during the contract period, including extensions, if any. The guard services license number shall be provided on the appropriate Offer Form page (OF-2).

2.2.2 Public Utilities Commission Certificate. Bidder shall be licensed by the State of Hawaii Public Utilities Commission (PUC) to transport money securities, checks, drafts, etc. at the time of bid opening and during the contract period, including extensions, if any. Bidder shall provide its PUC-issued “common carrier” certificate number or “contract carrier” permit number, as applicable, on the appropriate Offer Form page (OF-2). The PUC number shall be used to verify Bidder’s qualified status as a PUC authorized carrier.

2.2.3 Location of Office. Bidder shall maintain an office on Oahu where the Bidder is accessible to telephone calls for requests or concerns that require immediate attention at the time of bid opening and during the contract period, including extensions, if any. An answering service is not acceptable. Office location and contact information shall be provided on the appropriate Offer Form page (OF-2).

2.3 BIDDER’S AUTHORITY TO SUBMIT A BID

The State will not participate in determinations regarding a Bidder's authority to sell a product or service. If there is a question or doubt regarding a Bidder's right or ability to obtain and sell a product or service, the Bidder shall resolve that question prior to submitting a bid.
2.4 CERTIFICATION OF INDEPENDENT COST DETERMINATION

By submission of a bid in response to this Solicitation, Bidder certifies as follows:

1. The costs quoted have been arrived at independently, without consultation, communication, or agreement with any other bidder, as to any matter relating to such costs for the purpose of restricting competition.

2. Unless otherwise required by law, the cost quoted in response to this Solicitation has not been knowingly disclosed by the Bidder, directly or indirectly, to any other Bidder or competitor prior to the award of the contract.

3. No other attempt has been made or will be made by the Bidder to indicate any other person or firm to submit or not to submit for the purpose of restricting competition.

2.5 REQUIRED REVIEW

2.5.1 Before submitting a bid, each Bidder must thoroughly and carefully examine this solicitation, any attachment, addendum, and other relevant document, to ensure Bidder understands the requirements of the solicitation. Bidder must also become familiar with State, local, and federal laws, statutes, ordinances, rules, and regulations that may in any manner affect cost, progress, or performance of the work required.

2.5.2 Should the Bidder find defects and questionable or objectionable items in the solicitation, Bidder shall notify the State Procurement Office as soon as possible.

2.6 BID PREPARATION COSTS

Any and all costs incurred by the Bidder in preparing or submitting a bid shall be the Bidder's sole responsibility whether or not any award results from this solicitation. The State shall not reimburse such costs.

2.7 BID GUARANTY

A bid security deposit is NOT required for this IFB.

2.8 TAX LIABILITY

2.8.1 Work to be performed under this solicitation is a business activity taxable under HRS Chapter 237, and if applicable, taxable under HRS Chapter 238. Contractor is advised that they are liable for the Hawaii General Excise Tax (GET) at the current 4.5% for sales made on Oahu, and at the 4% rate for the islands of Hawaii, Maui, Molokai, and Kauai. If, however, a Bidder is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Bidder shall state its tax exempt status and cite the HRS chapter or section allowing the exemption. For additional information and assistance, Bidders may call the State of Hawaii Department of Taxation, telephone (800) 222-3229 or (808) 587-4242.
2.8.2 Federal I.D. Number and Hawaii General Excise Tax License I.D. Bidder shall submit its current Federal I.D. No. and Hawaii General Excise Tax License I.D. number in the space provided on Offer Form, page OF-1, thereby attesting that the Bidder is doing business in the State and that Bidder will pay such taxes on all sales made to the State.

2.9 BID PREPARATION

2.9.1 Offer Form, Page OF-1. Bidder is requested to submit its Bid using Bidder's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on Offer Form page OF-1. Failure to do so may delay proper execution of the contract.

The authorized signature on the first page of the Offer Form shall be an original signature in ink, which shall be required before an award, if any, can be made. Ink signatures are not required for electronic submission of bid on HHePRO but shall be required upon Notice of Award. The submission of the bid on HHePRO shall indicate Bidder's intent to be bound.

2.9.2 Bid Price (OF-3). With the exception of the GET, the Bid Price per Day shall include all services, labor, materials, equipment, overhead, insurance, mileage, other applicable taxes, and any other incidental and operational expenses necessary to provide the services specified herein. The bid price shall be the all-inclusive cost to the State and no other charges, except the GET, will be honored.

2.9.3 Insurance. Bidder shall provide certificate(s) of insurance as required herein.

2.9.4 References. Bidder is requested to list on the appropriate Offer Form page (OF-2) at least three (3) companies or government agencies that Bidder was or is providing armored car services, and who can attest to the reliability of Bidder's services and personnel. The State reserves the right to contact the references listed to inquire about Bidder's past and/or current performance.

2.9.5 Vehicles. Bidder shall indicate the number of first-class armored vehicles to be used in performing this contract, including first-class back-up unit(s) on the appropriate Offer Form page (OF-2).

2.9.6 Wage Certificate (W-1). The Bidder shall complete and submit a Wage Certificate by which the Bidder certifies that services required will be performed pursuant to §103-55, HRS. Bidder is advised that although item 2 of the Wage Certificate is not applicable to this solicitation since there are no public sector employees performing work similar to the requirements herein, item 1 of the certificate applies and therefore submission of the Wage Certificate is required.

2.9.7 PUC Certificate. Bidder shall provide its PUC-issued common carrier certificate number or contract carrier permit number, as applicable, on the appropriate Offer Form page (OF-2). The PUC number shall be used to verify Bidder's qualified status as a PUC authorized carrier.
2.10 ELECTRONIC SUBMISSION OF BID

The bid shall be submitted and received electronically through the HlePRO. This electronically submitted bid shall be considered the original. Any original bids received outside of the HlePRO, including faxed or e-mailed bids, shall not be accepted or considered for award. Any bid received after the due date and time shall be rejected.

HlePRO Special Instructions. Bidder shall review all special instructions located on the HlePRO solicitation. Bidders are responsible for ensuring that all necessary files are included in their response upon submission on HlePRO by the due date and time.

Bidders are advised to not wait until the last minute to submit their bid on HlePRO. Bidders should allow ample time to review their submittals on HlePRO, including all attachments, prior to the due date and time. Submission must be completed and submitted by due date and time. If submission is not completed and submitted by the due date and time, HlePRO will not accept the bid.

The submission of a bid shall constitute an incontrovertible representation by the Bidder of compliance with every requirement of the solicitation, and that the solicitation documents are sufficient in scope and detail to indicate and convey reasonable understanding of all terms and conditions of performance of the work and products to be provided.

2.11 FORMAT INSTRUCTIONS FOR SUBMITTING BID ON HlePRO

2.11.1 Format. Bids shall be submitted as attachments on HlePRO.

2.11.2 Proprietary/Confidential Information. Proprietary information shall be contained in a separate file that is clearly identified as proprietary/confidential information.

2.12 MODIFICATION PRIOR TO SUBMITTAL DEADLINE OR WITHDRAWAL OF BIDS

2.12.1 The Bidder may modify or withdraw a bid before the due date and time.

2.12.2 Any change, addition, deletion of attachment(s) of a bid may be made prior to the deadline for submittal of bids in the electronic system.
SECTION THREE: CONTRACT AWARD AND TERMS

3.1 METHOD OF AWARD

Award, if made, shall be to the responsive, responsible Bidder submitting the lowest estimated Total Sum Bid Price. Bidder must bid on all items specified on the Offer Form, page OF-3, to be considered for award.

3.2 RESPONSIBILITY OF BIDDERS

Bidders are advised that in order to be awarded a contract under this solicitation, Bidders will be required to be compliant with all laws governing entities doing business in the State including the following chapters and pursuant to HRS §103D-310(c):

1. Chapter 237, General Excise Tax Law;
2. Chapter 383, Hawaii Employment Security Law;
3. Chapter 386, Worker’s Compensation Law;
4. Chapter 392, Temporary Disability Insurance;
5. Chapter 393, Prepaid Health Care Act; and
6. §103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

3.2.1 Vendor Compliance - Hawaii Compliance Express (HCE)

3.2.1.1 Vendors may choose to use the HCE, which is an electronic system that allows vendors/contractors/service providers doing business with the State to quickly and easily demonstrate compliance with applicable laws. It is an online system that replaces the necessity of obtaining paper compliance certificates from the Department of Taxation, Federal Internal Revenue Service, Department of Labor and Industrial Relations, and Department of Commerce and Consumer Affairs.

3.2.1.2 Timely Registration on HCE. Vendors/contractors/service providers intending to use HCE to demonstrate compliance are advised to register with HCE as soon as possible at https://vendors.ehawaii.gov. The annual registration fee is $12.00 and the ‘Certificate of Vendor Compliance’ is accepted for the execution of the contract and final payment. If a vendor/contractor/service provider is not compliant on HCE at the time of the award, a Bidder will not receive the award.

3.2.1.3 Verification of Compliance on HCE. Prior to awarding this contract, the SPO shall verify compliance of the Contractor(s). The State will not verify compliance on HCE throughout the term of the contract. Purchasing agencies are required to verify compliance prior to issuing a contract, purchase order or pCard payment when utilizing the SPO Price List Contract.

3.2.2 Vendor Compliance - Paper Documents. Vendors not utilizing HCE to demonstrate compliance shall provide the paper certificates to the SPO as instructed below. All
certificates must be valid on the date it is received by the SPO. All applications for applicable clearances are the responsibility of the Bidder.

3.2.2.1 HRS Chapter 237 tax clearance requirement for award. Pursuant to Section 103D-328, HRS, the lowest responsive Bidder shall be required to submit a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). The certificate shall have an original green certified copy stamp and shall be valid for six (6) months from the most recent approval stamp date on the certificate.

The Tax Clearance Application, Form A-6, and its completion and filing instructions, are available on the DOTAX website: http://tax.hawaii.gov/forms/.

3.2.2.2 HRS Chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) requirements for award. Pursuant to Section 103D-310(c), HRS, the lowest responsive Bidder shall be required to submit a certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for six (6) months from the date of issue. A photocopy of the certificate is acceptable to the SPO.

The DLIR Form LIR#27 Application for Certificate of Compliance with Section 3-122-112, HAR, and its filing instructions are available on the DLIR website: http://labor.hawaii.gov/forms/.

3.2.2.3 Compliance with Section 103D-310(c), HRS, for an entity doing business in the State. The lowest responsive Bidder shall be required to submit a Certificate of Good Standing (COGS) issued by the State of Hawaii Department of Commerce and Consumer Affairs (DCCA) - Business Registration Division (BREG). The Certificate is valid for six (6) months from date of issue. A photocopy of the certificate is acceptable to the SPO.

To obtain the Certificate, the Bidder must be registered with the BREG. A sole proprietorship is not required to register with the BREG and is therefore not required to submit the Certificate.

More information regarding online business registration and the COGS is available at http://cca.hawaii.gov/breg/.

3.2.2.4 Timely Registration. The above certificates should be applied for and submitted to the SPO as soon as possible. If a valid certificate is not submitted at the time of the contract award, a Bidder otherwise responsive and responsible may not receive the award.

3.2.2.5 Verification of Compliance. Upon receipt of compliance documents (A-6, LIR#27, COGS), the SPO reserves the right to verify compliance with the
respectivedepartments. The Contractor shall maintain compliance throughout the term of the contract.

3.3 PROTEST PROCEDURES

Pursuant to HRS §103D-701 and HAR §3-126-3, an actual or prospective bidder who is aggrieved in connection with the solicitation or award of a contract may submit a protest. Any protest shall be submitted in writing to the Procurement Officer at:

Procurement Officer
State Procurement Office
1151 Punchbowl Street, Room 416
Honolulu, HI 96813

A protest shall be submitted in writing within five (5) working days after the aggrieved person knows or should have known of the facts giving rise thereto; provided that a protest based upon the content of the solicitation shall be submitted in writing prior to the date set for receipt of bids. Further provided that a protest of an award or proposed award shall be submitted within five (5) working days after the posting of award or if requested, within five (5) working days after the Procurement Officer’s debriefing was completed.

The official notice of award, if any, resulting from this solicitation shall be posted on the Procurement Awards, Notices and Solicitations (PANS), which is available on the SPO website: http://hawaii.gov/spo2/ or on HLePRO. Click Public Search on HLePRO, then the Awards tab.

3.4 APPROVALS

Any agreement arising out of this bid may be subject to the approval of the Department of the Attorney General, and to all further approvals, including the approval of the Governor, as required by statute, regulation, rule, order, or other directive.

3.5 PUC CERTIFICATE OR PERMIT

Contractor shall furnish a current or effective “Certificate of Public Convenience and Necessity” or Permit, issued by the PUC that authorizes a person or business entity to engage in the business of transporting property using motor vehicle(s) in the State of Hawaii. This certificate or permit shall be submitted upon contract execution.

3.6 CONTRACT EXECUTION

The successful Bidder receiving the award shall enter into a formal written contract to be signed by the Contractor and returned within ten (10) days.

No performance or payment bond is required for this contract.

No work is to be undertaken by the Contractor prior to the commencement date specified on the SPO Price List Contract. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the official commencement date.
3.7 SPO PRICE LIST CONTRACT

Work will commence on the official date specified on the SPO Price List Contract but no earlier than February 1, 2016.

3.8 STATE’S COMMITMENT

The following jurisdictions may purchase their requirements for items listed herein from the successful low Bidder(s):

Executive Department/Agencies
Department of Education
(Excludes Charter Schools)
University of Hawaii
Office of Hawaiian Affairs
Hawaii Health Systems Corporation
Judiciary

Senate
House of Representatives
City & County of Honolulu
Honolulu City Council
Honolulu Board of Water Supply
Honolulu Authority for Rapid Transportation

3.9 USE OF PRICE LIST BY NONPROFIT ORGANIZATIONS

Pursuant to HRS §103D-804, nonprofit organizations with current purchase of service contracts (HRS Chapter 103F) have been invited to participate in SPO price list contracts.

A listing of nonprofit organizations (hereinafter called “nonprofit”) is available at the SPO website http://hawaii.gov/spo. Click on “Health and Human Services, Chapter 103F, HRS Procurements” from the main menu, then from the side menu, select “For Private Providers”. Click on “SPO Programs Available to Qualifying Non-Profit Organizations”, then “Cooperative Purchasing Program – SPO Price and Vendor Lists.”

If a nonprofit wishes to purchase from a SPO price list contract, the nonprofit must contact each price list contract vendor to obtain concurrence on their participation. A price list contract vendor may choose to deny participation by a nonprofit. Provided, however, if a nonprofit and price list contract vendor mutually agree to this arrangement, it is understood that the nonprofit will retain its right to purchase from other than a price list contract vendor.

3.10 TERM OF CONTRACT

Contract shall be for the twelve (12) month period commencing from the official date on the SPO Price List Contract but no earlier than February 1, 2016.

Agencies may contact Contractor prior to the commencement date to arrange for services starting on or after the commencement date.

Unless terminated, the contract may be extended without re-bidding, upon mutual agreement in writing between the State and the Contractor, prior to the expiration date, for not more than three (3) additional twelve (12) month periods, or parts thereof. Provided, however, the contract price for the extended period shall remain the same or lower than the initial contract price, subject to any price increase allowed by the contract.

The State may terminate any extended contract period at any time upon ninety (90) days prior written notice.
3.11 SUBCONTRACTORS

The Contractor shall not delegate any duties listed in this IFB to any subcontractor unless the Procurement Officer has given written approval. The State reserves the right to approve all subcontractors and shall require the primary contractor to replace any subcontractors found to be unacceptable. The primary contractor will be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract, and shall be responsible for all services whether or not the primary contractor performs them.

3.12 ARMORED CAR CARGO LIABILITY INSURANCE

Upon execution of the contract, the Contractor shall be insured against dishonesty, disappearance, and destruction of State property during the performance of this contract. The transit and premises policy shall name the State as loss payee and cover against all risks of loss or damage to State property, including cash and securities, negotiable or non-negotiable, and other property while in/on Contractor's premises, or otherwise in the care, custody or control of the Contractor.

The following minimum insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Limits</th>
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<tbody>
<tr>
<td>Transit and Premise Insurance</td>
<td>$15,000,000 per shipment*</td>
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<tr>
<td></td>
<td>20,000,000 per occurrence</td>
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*"Shipment" shall mean the total sum of all State packages or bags picked up at any one time, in any one place or location, regardless of the number of destinations.

The Contractor shall not be liable for loss or damage caused by or resulting from:

1. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces;

2. Any weapon or war employing atomic fission or radioactive force whether in time of peace or war;

3. Insurrection, rebellion, revolution, civil wars, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, or confiscation by order of any government or public authority;

4. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in the policy; however, subject to the foregoing and all provisions of the policy, direct loss by fire resulting from nuclear
reaction or nuclear radiation or radioactive contamination is insured against by the policy.

The estimated value specified in the Sample Service Schedule is furnished as a guide only, and it is understood that the Contractor's liability is not restricted to those limits.

The Contractor shall, at his own expense, keep the insurance in force during the term of the contract, including extensions, if any. In the event of cancellation of the policy or policies by the Contractor and/or his insured during the period of coverage of the contract, thirty (30) days written notice of intent to cancel shall be furnished the State of Hawaii, State Procurement Office, P.O. Box 119, Honolulu, Hawaii 96810.

The Contractor agrees to deposit with the State of Hawaii certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this contract. Upon request by the State, Contractor shall be responsible for furnishing a copy of the policy or policies.

3.13 INSURANCE

3.13.1 Prior to the contract start date, the Contractor shall procure at its sole expense and maintain insurance coverage acceptable to the State in full force and effect throughout the term of the Contract. The Bidder shall provide proof of insurance for the following minimum insurance coverage(s) and limit(s). The type of insurance coverage is listed as follows:

1. Commercial General Liability Insurance

Commercial general liability insurance coverage against claims for bodily injury and property damage arising out of all operations, activities or contractual liability by the Contractor, its employees and subcontractors during the term of the Contract. This insurance shall include the following coverage and limits specified or required by any applicable law: bodily injury and property damage coverage with a minimum of $1,000,000 per occurrence, personal and advertising injury of $1,000,000 per occurrence, with an aggregated limit of $2,000,000. The commercial general liability policy shall be written on an occurrence-basis and the policy shall provide legal defense costs and expenses in addition to the limits of liability as stated above. The Contractor shall be responsible for payment of any deductible applicable to this policy.

2. Automobile Liability Insurance

Automobile liability insurance covering owned, non-owned, leased, and hired vehicles with a minimum of $1,000,000 for bodily injury per person, $1,000,000 for bodily injury per accident, and $1,000,000 for property damage per accident.

3. Appropriate levels per occurrence for workers' compensation and any other insurance coverage required by federal or State law.
13.3.2 The Contractor shall deposit with the SPO, on or before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the SPO that the provisions of the Contract have been complied with, and to keep such insurance in effect and provide the certificate(s) of insurance to the SPO during the entire term of the Contract. Upon request by the SPO, the Contractor shall furnish a copy of the policy or policies.

13.3.3 The Contractor will immediately provide written notice to the SPO and contracting department or agency should any of the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed up expiration.

13.3.4 The certificates of insurance shall contain the following clauses:

1. “The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii.”
2. “It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy.”

13.3.5 Failure of the Contractor to provide and keep in force such insurance shall constitute a material default under the Contract, entitling the State to exercise any or all of the remedies provided in the Contract (including without limitation, terminating the Contract). The procuring of any required policy or policies of insurance shall not be construed to limit the Contractor’s liability hereunder, or to fulfill the indemnification provisions of the Contract. Notwithstanding said policy or policies of insurance, the Contractor shall be responsible for the full and total amount of any damage, injury, or loss caused by the Contractor’s negligence or neglect in the provision of services under the Contract.

3.14 PERMITS, LICENSES, AND TAXES

Contractor shall procure all permits and licenses and pay all charges, fees and taxes during the contract period, including extensions, if any. Failure to procure and maintain valid permits and licenses as required by law and these specifications shall be cause for termination of the contract.

3.15 INVOICING AND PAYMENT

3.15.1 All Agencies will be invoiced for services received on a monthly basis.

3.15.2 The State’s purchasing card (pCard) shall be used for all orders totaling less than $2,500. This requirement is for all agencies of the Executive branch departments with the exception of the Department of Education (DOE), Hawaii Health Systems Corporation (HHSC), Office of Hawaiian Affairs (OHA), and the University of Hawaii (UH). Agencies may continue to issue purchase orders for their transactions with contract vendors who assess fees to customers for credit card usage. Agencies have also been instructed to indicate on the purchase order(s) that vendor assesses a fee for credit card usage.
Contractor(s) shall forward invoices, original and three (3) copies, directly to the ordering agency for those agencies issuing purchase orders.

3.15.3 **Hawaii GET.** For all orders placed against this contract, Contractor(s) may assess the ordering agency the Hawaii GET as a separate line item.

HRS §103-10, provides that the State shall have thirty (30) calendar days after receipt of a proper invoice or performance of services to make payment. For this reason, the State will reject any bid submitted with a condition requiring payment within a shorter period. Further, the State will reject any bid submitted with a condition requiring interest payments greater than that allowed by HRS §103-10, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period or interest payment not in conformance with statute.

Only services performed pursuant to contract shall be paid for in accordance with statute.

3.16 **PAYMENT TO HAWAII INFORMATION CONSORTIUM, LLC (HIC)**

HlEPRO is administered by Hawaii Information Consortium, LLC (HIC). Upon award in HlEPRO, HIC shall invoice the awarded vendor directly for payment of transaction fees. Payment must be made to HIC within thirty (30) days from receipt of invoice. HIC is an intended third-party beneficiary of transaction fees, which are used to fund the operation, maintenance and future enhancements of the HlEPRO system.

The amount of the transaction fees shall be .75% (.0075) of the award or estimated award as stated in the notice of award, not to exceed $5,000 for any single award to a vendor.

**Termination/Rescission of an Award.** If an agreement is terminated or rescinded through no fault of the vendor at the beginning of the contract or within 60 days of notice of award, and no amount paid on the contract, the vendor will become eligible to receive a credit for administrative fees paid for that award to the vendor’s account with HIC. To receive the credit, the vendor must make a request to HIC for a credit.

3.17 **SALES REPORT**

Summary sales report shall be submitted to the SPO indicating the total quantity and sales purchased by the State for each item awarded. Item numbers and item descriptions shall be listed in order as it appears on the IFB. Upon request, sales reports shall be broken down by Department and ordering agency. Sales reports are due no later than 30 days after the end of each fiscal quarter (November 1, February 1, May 1, August 1), or as required and shall be emailed to the Contract Administrator listed in section 1.10 or sent to the following address:

State Procurement Office
1151 Punchbowl Street, Room 416
Honolulu, HI 96813
Attn: Contract Administrator
Failure of the Contractor to submit the reports as required may result in termination of the contract.

3.18 **PRICE ADJUSTMENT**

An increase or decrease to the contract price shall be permitted under the following conditions:

3.18.1 Initial Contract Period. Bid Prices per Day offered shall remain fixed for the initial twelve (12) month contract period.

3.18.2 Contractor's Price Adjustment Request. Contractor shall submit a written request to adjust the Bid Price per Day prior to contract extension. If a written request is not submitted within ten (10) days from the last day of the twelve (12) month period, prices shall remain the same for the extended twelve (12) month period. No retroactive price adjustment shall be made.

3.18.3 Basis for Price Adjustment. Price adjustment for Bid Prices per Day, if the contract is extended, shall be based upon the Producer Price Index (PPI) Detailed Reports for Selected Security Services (partial), Industry code 48, published by the United States Department of Labor, Bureau of Labor Statistics. The PPI Detailed Reports are currently located at this URL: [http://www.bls.gov/ppi/ppi_dr.htm](http://www.bls.gov/ppi/ppi_dr.htm).

Only not seasonally adjusted numbers will be used. For reference, as of January 2015, the unadjusted PPI number is 104.6. The number that shall be used as the baseline for determining a price adjustment for the first extension, if any, will be the unadjusted PPI number for February 2016. Thereafter, the calculations of price adjustments shall use the latest version of the PPI data published as of February of that year.

If the applicable PPI shows an increase, the simple percentage method shall be used to calculate the price increase. For example, if the PPI for February 2016 is 103.4 and the PPI for February 2017 is 105.2, the maximum price increase allowed would be 1.74% ([(February 2017 (105.2) – February 2016 (103.4)) / February 2016 (103.4)]. The price increase will be applied to the Bid Price per Day. Regardless of the PPI, no price increase shall exceed 5% for any given 12 month period.

If the applicable PPI shows a decrease, an equivalent percentage decrease price adjustment shall be made following the same index and formula above. Regardless of the PPI, no price decrease shall exceed 5% for any given 12 month period.

In the event that PPI data is discontinued, the data from the industry code that is most like the specified industry code will be used. In the event that PPI data is missing, the most recent month's data will be used.

3.18.4 Changes in the Service Schedule. Agencies shall notify the Contractor of all required changes in the agreed upon Service Schedule. Agencies shall give the
Contractor at least ten (10) business days notice prior to the change taking place. If a change in Service Schedule falls under a different price point, as stated on the appropriate Offer Form page, the Contractor shall adjust the price as necessary.

3.18.5 Supplemental Agreements. A Supplemental Agreement shall be issued by the SPO for all contract extensions allowable by contract. Price adjustments should be included in the Supplemental Agreement addressing the contract extension. Price adjustment shall not be effective until after the execution of the supplemental agreement that addresses such price adjustment. A price list contract change will notify using agencies of such change.

3.19 RE-EXECUTION OF WORK

The Contractor shall re-execute any work that fails to conform to the requirements of the contract and shall immediately remedy any defects due to faulty workmanship by the Contractor. Should the Contractor fail to comply, the State reserves the right to engage the services of another company to perform the services and to deduct such costs from monies due to the Contractor.

3.20 REMOVAL OF CONTRACTOR’S EMPLOYEES

Contractor agrees to remove any of its employees from services rendered and to be rendered to the State, upon request in writing by the Procurement Officer.

3.21 LIQUIDATED DAMAGES

Refer to Section 9 of the AG General Conditions, Form AG-008, as revised. Liquidated damage is fixed at the sum of one hundred dollars ($100.00) per each and every calendar day per location per violation the Contractor fails to perform in whole or in part any of the services specified herein. Liquidated damage, if assessed, may be deducted from any payments due or become due to the Contractor.

3.22 VENDOR AND PRODUCT EVALUATION

The Vendor and Product Evaluation form, SPO-012, is made available to the user agencies for the purpose of addressing their concerns on the price list resulting from this solicitation.

Product Evaluation. Upon receipt by the SPO, Contractor shall be sent a copy of the complaint(s) regarding product quality. Contractor shall follow up the complaint(s) with the manufacturer and respond to the SPO as to what remedies have or will be taken to correct the problem. If product quality is not corrected and the complaint(s) persist, steps will be taken to delete product from the price list.

Vendor Evaluation. In the event of a complaint regarding a Contractor’s service (i.e. constant pick-up/delivery delays, unresponsiveness to agency inquiries, etc.), Contractor shall be sent a copy of the complaint(s). Contractor shall meet with or contact the agency that issued the complaint at the agency’s place of business to resolve the problem. This shall take place within one (1) week of notification. Contractor shall
contact and inform the SPO specialist as to the corrective measures taken to resolve the complaint.

Should the Contractor consistently receive complaints for poor service or refuse to resolve the complaints, the Procurement Officer reserves the right to terminate the contract and/or initiate the debarment process pursuant to Chapter 3-126, HAR, Legal and Contractual Remedies.

Resolution of complaints pursuant to product and vendor evaluation notifications shall be done at no additional charge to the State.
SECTION FOUR: SPECIAL PROVISIONS

4.1 RECEIPT, OPENING, AND RECORDING OF BIDS

All bids received in HLePRO will be considered for award. Any bids received outside of HLePRO (i.e. email, facsimile, etc) shall be rejected and not considered for award.

Bids shall be automatically opened at the time and date specified in the Solicitation. The name of each Bidder, the bid price(s), and the title of attachments, if any, shall be made available in HLePRO. Documents posted as attachments will not be accessible, only the name of the uploaded file will be viewable.

All information pertaining to the bids shall be available for public inspection, upon request, after bid opening except to the extent that the Bidder designates trade secrets or other proprietary data to be confidential. Bidders shall ensure that material so designated as confidential is readily separable from the bid (i.e. uploaded as a separate document) in order to facilitate public inspection of the non-confidential portion of the bid. Prices and makes and model or catalogue numbers of items offered, deliveries, and terms of payment shall be publicly available regardless of any designation to the contrary.

The Procurement Officer, or designated representative, shall examine the bids to determine the validity of any requests for nondisclosure of trade secrets and other proprietary data identified in writing. If the parties do not agree as to the disclosure of data, such data shall be subject to written determination by the attorney general for confidentiality. If the attorney general determines in writing that the material so designated as confidential is subject to disclosure, the Bidder submitting the material under review shall be so notified in writing and the material shall be open to public inspection unless the Bidder protests under HAR chapter 3-126.

Bids shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

When a purchasing agency denies a person access to a State procurement record, the person may appeal the denial to the Office of Information Practices in accordance with HRS §92F-42(12).

Bids shall be unconditionally accepted without alteration or correction, except as allowed in Section 4.2.

4.2 MISTAKES IN BID

4.2.1 When the Procurement Officer knows or has reason to conclude before the award that a mistake has been made, the Procurement Officer should request the Bidder to confirm the bid. If the Bidder alleges mistake, the bid may be corrected or withdrawn pursuant to this section.

Technical irregularities are minor informalities that have no effect on price, quantity, quality, delivery, or contractual conditions. These irregularities/informalities can be waived or corrected without prejudice to other Bidders.
4.2.2 Correction or withdrawal of a bid after the time and date set for the bid opening because of an inadvertent, nonjudgmental mistake in the bid requires careful consideration to protect the integrity of the competitive bidding system, and to ensure fairness. If the mistake is attributable to an error in judgment, the bid may not be corrected. Bid correction or withdrawal by reason of a nonjudgmental mistake is permissible but only to the extent that it is not contrary to the interest of the governmental agency or fair treatment of other Bidders.

4.2.3 When, after the bid opening but before the award, the Procurement Officer knows or has reason to conclude that a mistake has been made, including obvious, apparent errors on the face of the bid or a bid unreasonably lower than the other bids is submitted, such Officer should request the Bidder to confirm the bid. If the Bidder alleges a mistake, the bid may be corrected or withdrawn by the Bidder if the conditions under subsections “4.2.4” and “4.2.5” of this section are met and if the mistake is a minor informality which is a matter of form rather than substance evident from the bid document, or an insignificant mistake that can be waived by the Procurement Officer or corrected by the Bidder without prejudice to other Bidders depending on which is in the best interest of the governmental jurisdiction soliciting the bid; that is, the effect on price, quantity, quality, delivery, or contractual conditions is negligible. Examples include the failure of a Bidder to acknowledge receipt of an amendment to the IFB (if such acknowledgement is required by the IFB) but only if it is clear from the bid that the Bidder received the amendment and intended to be bound by its terms, or the amendment involved had a negligible effect on price, quantity, quality, or delivery.

4.2.4 If the mistake and the intended correct bid are clearly evident on the face of the bid document, the bid shall be corrected to the intended correct bid and may not be withdrawn. Examples of such mistakes include: typographical errors, errors in extending unit prices, transposition errors, and arithmetical errors. In the event of a discrepancy between unit bid prices and extensions, the unit price shall govern. In the case of an error in addition, the sum of the total amount bid for each item added shall govern.

4.2.5 A Bidder may be permitted to withdraw a low bid if a mistake is clearly evident on the face of the bid document but the intended correct bid is not similarly evident; or the Bidder submits proof of evidentiary value which clearly and convincingly demonstrates that a mistake was made.

4.2.6 A Bidder may not correct a mistake in a bid discovered after the award of the contract except where the Chief Procurement Officer or the Head of the Purchasing Agency makes a written determination that it would be unreasonable not to allow the mistake to be corrected.

4.2.7 When a bid is corrected or withdrawn, or a correction or withdrawal is denied, under “4.2.3” or “4.2.4,” the Chief Procurement Officer or the Head of a Purchasing Agency shall prepare a written determination showing that the relief was granted or denied in accordance with HAR §3-122-31, subchapter 5 except that the Procurement Officer shall prepare the determination required
under subsection (C).

4.3 BID INSPECTION

Bids to competitive sealed bids may be inspected only as provided for in Section 4.1 and after award of contract.