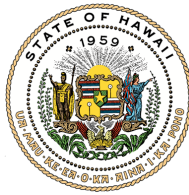


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



JORDAN LOWE  
DIRECTOR

MICHAEL VINCENT  
Deputy Director  
Administration

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII  
**DEPARTMENT OF LAW ENFORCEMENT**  
*Ka 'Oihana Ho'okō Kānāwai*  
715 South King Street  
Honolulu, Hawai'i 96813

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LT GOVERNOR  
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## TOWING CONTRACT SPECIFICATIONS—OAHU

**1. OBJECTIVE:** The STATE OF HAWAII, DEPARTMENT OF LAW ENFORCEMENT (State-DLE), desires to have one (1) Contractor to manage towing services (hereinafter "Contractor") for the State of Hawai'i Sheriff's Division on the island of Oahu.

The Contractor shall provide Operations and Management plans of all personnel, equipment, secured storage lots and any other goods or services necessary to operate tow trucks, business office(s) and storage lot(s); and to provide assistance to owners of motor vehicles "s to retrieve their motor vehicles in a timely manner.

The Contractor may subcontract with other towing services and vendors to provide services under this contract, provided that the subcontractor can provide all the services as identified in this contract and is subject to the terms and conditions of the primary contract.

The Contractor shall also be responsible for receiving and handling all complaints received from the public regarding the towing services provided.

**2. TERM OF CONTRACT:** The term of the contract shall be for one (1) year and shall begin effective the date stated in the Notice to Proceed. The term of the contract may be extended year to year.

**3. SCOPE OF TOWING SERVICES:** The towing services required hereunder include the towing, removal and storage of all motor vehicles as ordered by the on-scene State-DLE deputy sheriff, including tows ordered pursuant to the Hawaii Revised Statutes (HRS), Revised Ordinances of Honolulu (ROH) and the Administrative Rules of the State (HAR).

Towing and removing of motor vehicles shall be limited to, tows on and off State properties, public or private roadways/streets/highways within the State of Hawai'i, City and County of Honolulu.

Tows shall not be accepted by other persons not listed in this scope of towing services.

Motor vehicles shall be towed only after the Contractor affirms that the motor vehicle has been cited or a sheriff or police report number is given by a State-DLE deputy sheriff as a violation of the HRS, HAR or ROH as applicable.

**4. SUBCONTRACTORS:**

Subcontracting of tow services will be permitted by the State-DLE. The successful Contractor shall provide, at the time of award, proof of a subcontracting agreement between itself and any subcontractor to be engaged in this contract. Contractor shall inform the State-DLE of any subsequent changes, additions, or deletions of subcontractors.

**5. EXCLUSIVE CONTRACT:** This contract is exclusive for the State-DLE initiated tow calls only. All other State departments and individual construction projects require specific traffic controls shall procure tow services independent of this contract.

**6. DESCRIPTION OF TOWING SERVICE AREAS:** Subject to the limitations stated in Paragraph 3 above, the contract areas in which towing services are to be rendered are described as all public or private roadways, streets and highways within the island of Oahu, State of Hawai'i and include, but is not limited to, State-owned properties, highways, roads, drives, ramps, piers, wharfs, warehouses, staging areas, container yards, freight yards, parking areas, tow zones, restricted areas, shorelines, docks, storages areas, and terminals and secure areas.

**7. EQUIPMENT AND SIGNAGE:**

A. Equipment: The Contractor shall provide towing services of all vehicles with Gross Vehicle Weight (GVW) less than or equal to 15,000 lb. In addition, Contractor may be required to tow motor vehicles greater than 15,000 GVW.

Upon request, the Contractor shall provide proof of ownership or lease agreement of all equipment used in the implementation of this contract. The State-DLE reserves the right to inspect the motor vehicles prior to awarding and to conduct periodic announced and unannounced inspections during the performance of the contract. The State-DLE shall make the final determination if motor vehicles are able to be used in the performance of the contract.

Multi-motor vehicle carriers may be used provided that the motor vehicles to be towed are at the same location.

At the time of inspection, the Contractor shall provide the State-DLE with a list of the tow motor vehicles and the corresponding license plate numbers, to be used in the performance of this contract.

The Operation Plan shall address the motor vehicles to be used, signage or other means to identify the motor vehicles as authorized to perform this contract, and how motor vehicles will be replaced if deemed unfit for this contract.

B. Signage: Contractor shall coordinate with the State-DLE and State agencies as needed to identify areas for the placement of signs and proper sign notices to affect a tow that meets the requirements of the HRS, HAR and ROH.

All tow trucks and support motor vehicles shall be identified by signage on both sides of the motor vehicles in accordance with §291C-135, HRS.

**8. STORAGE OF MOTOR VEHICLES:** Storage lots must be legally zoned for such purpose and must comply with all applicable Federal, State and County zoning, permitting and environmental regulations, including applicable State of Hawai'i Department of Health and State of Hawai'i Department of Labor and Industrial Relations Occupational Safety and Health regulations. The total of the storage lot(s) must be adequately sized to store approximately 20-30 monthly towed motor vehicles. The Contractor should anticipate approximately three (3) of these motor vehicles will not be claimed and must remain in the storage lot until auctioned.

The State-DLE reserves the right to inspect the storage lot(s) prior to awarding the contract. The successful bidder shall provide the ownership/lease/use agreement for the storage lot(s) at the time of the inspection. Storage lot(s) shall not be changed after the award of the contract without written approval from the State-DLE.

During the performance of the contract, the Contractor shall not use any other storage lot(s) for the storage of motor vehicles towed without written permission of the State-DLE.

No towed motor vehicles shall be taken around the corner or nearby streets or to any unauthorized temporary storage area. No towed motor vehicles shall be parked or stored on public streets.

Towing of vehicles into police or law enforcement agency custody will be permitted for the protection of public health, safekeeping of property and or preservation of evidence in criminal proceedings. Towing of such vehicles will be placed at storage area to be identified prior to the tow.

The Operation Plan shall address the storage of motor vehicles, including but not limited to identifying the intended storage lots, the location of the lots, the capacity for motor vehicle "under this contract for each lot, and the ability for the Contractor to determine the whereabouts of any towed motor vehicles" at all times. The Operational Plan shall also address the plan for claiming of motor vehicles that will minimize the expense and inconvenience to the public.

**9. REQUIRMENTS FOR TOW TRUCK DRIVERS:** The Contractor shall be responsible for the conduct of all tow drivers and employees providing services under this contract, including subcontractors and subcontractor's drivers and employees.

The State-DLE reserves the right to require the removal of a tow truck driver or other employees from the performance of this contract based on the apparent lack of reasonable knowledge of the work, mechanical knowledge, or demonstrated rude or abusive behavior.

The Management Plan shall include the minimum qualification standards that will be applied to all tow truck drivers and any employee that has contact with the public under this contract.

**10. TRAINING PROGRAM:** The Contractor shall be responsible for having knowledgeable, courteous personnel. The Management Plan shall address any formal or informal training programs to be implemented, including the consequences for employees that have complaints against them.

**11. INSURANCE:** At the execution of the contract and while the contract is in force, the Contractor shall, at their own expense, procure and maintain any and all insurance to cover Contractor's operations that may be required under any applicable Federal, State or Local laws, including any statute, rule, ordinance or regulation, including but not limited to applicable workers compensation. In addition, the Contractor shall maintain the following:

- a. Worker Compensation and Employers Liability insurance. Workers Compensation coverage shall be in accordance with State statutes. Employers Liability insurance shall be not less than \$100,000 each accident for bodily injury by accident or \$100,000 each employee, \$500,000 aggregate, for bodily injury by disease;
- b. Liability insurance to cover liability arising out of garage operations, including premises liability, products, and completed operations, contractual liability (including liability assumed under a business contract) and medical payments coverage with limits of not less than \$5,000 per person. The State-DLE shall

be named as an additional insured. Such insurance may be written on a Commercial General Liability or Garage Liability policy form, with limits of not less than \$500,000 per occurrence;

- c. Auto Liability Insurance, including no-fault coverage in accordance State statutes covering all owned, non-owned and hired motor vehicles used in the performance of this contract, with limits of not less than \$500,000 per accident. Such insurance may be written on a Commercial Auto Liability policy form, or may be included under the Garage Liability policy under section "b" above. Unless included in the Garage Liability specified in (b) above, Auto Liability insurance including no-fault coverage, covering all owned, non-owned or hired motor vehicles used in the performance of this contract, with limits of not less than \$300,000 per accident;
- d. Garage Keepers Liability insurance to cover loss or damage to customer motor vehicles stored on Contractor's premises or otherwise in the Contractor's care custody or control, with limits of not less than \$100,000 per occurrence and shall be written on a direct PRIMARY basis;
- e. "On-Hook" or Cargo coverage to cover loss or damages to customer motor vehicles while being towed or transported, with limits of not less than \$100,000 per occurrence.

The above policies may have deductible provisions not exceeding \$1,000 for property damage caused by any occurrence or accident; however, such provisions shall be subject to the approval and acceptance of the Director of Finance or an authorized representative of the Director of Finance.

All policies required herein shall provide for not less than 30 day's notice of cancellation (except for non-payment of premium). Contractor shall promptly notify the State-DLE within 7 calendar days of receipt of any notice of cancellation and shall provide proof of reinstatement or replacement of such policy before such cancellation becomes effective.

The Contractor shall either include all contracted subcontractors as insured's under the policies required above, or shall require and confirm that all contracted subcontractors procure and maintain the same insurance and the same terms of coverage as required herein. Contractor shall maintain current proof of subcontractors insurance, which shall be available to the State-DLE upon request.

If at any time the contractor's insurance is expired, or otherwise not in force, the State-DLE may cancel the contract and proceed against the performance security as provided herein.

The successful bidder shall, at the execution of the contract, submit to the State-DLE, evidence of insurance coverage as specified herein. Failure to comply with the requirements as set forth herein shall be sufficient cause for the State-DLE to forfeit the proposal guarantee and deposit the amount into the State treasury and cancel the award of contract.

**12. PERFORMANCE BOND:**

- a. The successful contractor shall submit with execution of the contract agreement, bonds for performance and payment in the amount of TWO HUNDRED THOUSAND and No/100 Dollars (\$200,000.00)
- b. Acceptable proposal security and contract performance and payment bonds shall be limited to:
  - (1) Surety bond underwritten by a company licensed to issue bonds in this state;
  - (2) Legal tender; or
  - (3) A certificate of deposit; share certificate; or cashier's, treasurer's, teller's, or official check drawn by, or a certified check accepted by a bank, a savings institution, or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, and payable at sight or unconditionally assigned to the State-DLE, up to a maximum of \$100,000. If the required security exceeds \$100,000 more than one instrument not exceeding \$100,000 each and issued by different financial institutions shall be accepted.
- c. The bond forms shall be substantially in the forms attached hereto.

**13. TOWING SERVICES AND RATES:** The Contractor shall be allowed to charge for the towing services and collect from the driver or owner of the towed motor vehicles, as provided in section 290-11, Hawaii Revised Statutes. The Management Plan shall address what services shall be charged and what will be the corresponding charges.

**14. STORAGE FEES:** Contractor shall be allowed to charge a storage fee and collect from the driver or owner of the towed motor vehicles, as provided in

section 290-11, Hawaii Revised Statutes. The Management Plan shall address the storage fee charge and how it will be applied.

**15. DISPATCHING:** All requests for towing services shall be made by Sheriff Dispatch and will contain the type of tow (i.e. traffic hazard, motor vehicle collisions, stolen vehicles, tow zone prohibited parking), number of vehicles to be towed, location and any other information that may require additional attention. Contractor shall obtain a police report number prior to towing a vehicle.

Contractor shall provide to the State-DLE, a telephone number that will be answered by a "live person" 24 hours per day, 7 days per week, including holidays.

Tow motor vehicles shall arrive at the scene of pickup within twenty (20) minutes. Sheriff Dispatch will be immediately be informed if the Contractor is unable to respond in the specific time. In no event shall the Contractor pick-up a motor vehicle without first receiving a call from Sheriff Dispatch.

**16. INVENTORY LISTING:** If the Deputy Sheriff on scene completes an inventory or damage list, the Contractor shall confirm the inventory and/or damages by signing the listing and attaching it to the parking citation.

**17. MOTOR VEHICLE TOW PROCEDURES:**

- a. When motor vehicles owner/driver is not present: Prior to, or at the time the motor vehicle is claimed, the Contractor shall:
  - (1) Provide a fully completed and signed copy of the tow invoice to the owner/driver of the motor vehicles. The mileage assessed to the owner/driver of the motor vehicles shall be no more than the actual mileage of the tow;
  - (2) Release the motor vehicles to the owner/driver upon payment in full of the tow invoice.
- b. When motor vehicles owner/driver is present: It is understood and agreed that for all attended motor vehicles, the owner/driver of a motor vehicle may request the Contractor to tow the motor vehicles to any location other than the tow Contractor's storage lot, as directed by the owner/driver, and the Contractor shall comply with this request. In this event, the owner/driver shall be charged as specified herein and the Contractor shall:
  - (1) Before towing the motor vehicles, inform the owner/driver of the items (2) and (3) below;

- (2) Upon delivery of the motor vehicles, provide a fully completed and signed copy of the tow invoice to the owner/driver of the motor vehicles. The mileage assessed to the owner/driver of the motor vehicles shall be no more than the actual mileage of the tow;
  - (3) Upon delivery of the motor vehicles and payment in full of the tow invoice, release the motor vehicles to the owner/driver. If payment is not made in full, the motor vehicles shall be removed to the Contractor's closest storage lot with the owner/driver responsible for all charges, including mileage.
  - (4) If the vehicle is in the process of being hooked up, or is hooked up to the tow truck but has not moved into traffic, and the owner/driver appears on the scene, the Contractor shall unhook the vehicle and not charge any fee to the owner/driver of the vehicles.
- c. Contractor shall utilize the most direct and efficient route to the Contractor's nearest storage facility

The Operational Plan shall address the procedures for receiving request for towing services from Sheriff Dispatch and the process for towing the motor vehicles.

**18. SAFEGUARD AND RETURN OF PERSONAL PROPERTY:** The Contractor, when assuming custody of motor vehicles, will confirm the inventory listing if made by the Deputy Sheriff on scene. By the Contractor's signature on the inventory, the Contractor shall accept full responsibility for the safe and proper tow and storage of the motor vehicles and its contents, and the proper return of the personal property on inventory.

The Contractor shall promptly return personal property to the owner or any person entitled thereto upon the request of such person. The registered owner or agent of the owner shall be granted access to the motor vehicles to retrieve documentation for the purpose of identification and entitlement to the motor vehicles or personal property. Personal property shall not include automotive equipment normally kept in or on the motor vehicles.

The Operation Plan shall address the process by which the motor vehicles and personal property within the motor vehicles will be safeguarded and the process by which people can claim the personal property (including any credentials that will be required by the Contractor to claim personal property).



**19. REMOVAL OF DEBRIS FROM ACCIDENT SCENE:** Pursuant to Section 15-24.2(c) of the Traffic Code, the Contractor shall remove any glass or other injurious substances dropped upon the ground from such motor vehicles.

**20. TRAFFIC ASSISTANCE:** If a vehicle is impeding the normal flow of traffic, a Deputy Sheriff shall provide traffic control and any other related assistance until the Contractor has completely removed the motor vehicles and debris and has left the scene.

**21. INFORMATION ON MOTOR VEHICLES TOWED AND STORED:** it shall be the Contractor's responsibility to be fully informed at all times of the identity of all motor vehicles in the Contractor's storage lot(s) by the motor vehicles description or license plate number. At the time the motor vehicles are towed, the Contractor shall inform the Sheriff Dispatch where the towed motor vehicles are to be stored.

When State-DLE receives an inquiry on the whereabouts of towed motor vehicles, they shall provide the caller with the name and telephone number of the Contractor to retrieve the motor vehicles.

The Contractor shall be responsible for informing callers of the location where the motor vehicles are stored and provide other requested information necessary for the retrieval of the motor vehicles.

The Operational Plan shall address the process that Contractor will use to keep track of motor vehicles and to State-DLE informed.

**22. HOURS OF OPERATION:** Contractor shall allow the public to claim motor vehicles 24 hours per day, 7 days per week including holidays. There shall be at least one person available 24 hours per day, 7 days per week, including all State holidays, to receive calls and provide information on the location of towed motor vehicles and allow retrieval of motor vehicles. When a call is received from Sheriff Dispatch, the attendant will arrange for a tow truck to be dispatched immediately to the scene of the pickup. When a call is received from the public inquiring about towed motor vehicles, the attendant will provide information on the location of the motor vehicles and the retrieval process.

The Operation Plan shall address the communication process between the Contractor, State-DLE, and the public. Contractor shall also explain the motor vehicles retrieval process to be used.

**23. POSTING THE RATE SCHEDULE AND METHOD OF PAYMENT:** The Contractor shall post the rate schedule and the method of payment for tow services in a conspicuous place at each storage lot(s). If cash is an acceptable

method of payment, the Contractor shall have an operable automated teller machine located on the premises.

The Management Plan shall address the acceptable methods of payment and a sample of how the information shall be posted.

**24. RESOLUTION OF COMPLAINTS FROM THE PUBLIC:** The Contractor shall adhere to all specifications of this contract, including the operation and management plans submitted. The Contractor shall make good faith effort to resolve complaints from the public.

Complaints that the Contractor cannot resolve may be escalated up to the State-DLE for investigation. Complaints which State-DLE sustains shall be considered breaches of the contract and the State-DLE may pursue all legal and contractual remedies, including termination of the contract under the provisions of Section 27 "Termination for Default", of the General Terms and Conditions herein.

**25. BILLING MOTOR VEHICLE OWNERS:** The Contractor shall furnish the owner or driver of the motor vehicles with a complete statement of charges in the form of an invoice and receipt, and shall retain a copy of such. The statement shall include the registered name of the motor vehicles owner, date and time of towing, motor vehicles license number, a detailed listing of tow charges, storage charges and dates of the motor vehicles release.

All charges for towing, except for unclaimed motor vehicles, shall be collected from the owner/driver of the motor vehicles and no part of the charges shall be charged against the DLE.

The Contractor shall also provide owner or driver of motor vehicles with State-DLE contact information if there are any further questions or disputes on the towing of a motor vehicle.

The Operation Plan shall provide a sample of the invoice and receipt.

**26. INSPECTION OF TOWED MOTOR VEHICLES:** The Contractor shall allow any State-DLE officer and/ or representative to inspect towed motor vehicles.

**27. UNCLAIMED MOTOR VEHICLES:** Motor vehicles in the custody of the Contractor shall be released only to the legal or registered owner of the motor vehicles or a person who had proof that the person is in fact a bona fide agent of the legal or registered owner.

Proof of being a "Bona Fide Agent" of the legal or registered owner shall be a notarized statement, power of attorney, or other acceptable authorization, from the

recorded registered owner or an insurance agent showing the motor vehicles insurance policy, or a certificate of title indicating that the recorded owner has sold the motor vehicle to the person.

Contractor shall submit a daily report to the State-DLE stating: (1) the motor vehicles that have gone unclaimed for 24 hours and (2) the motor vehicles that have been claimed in the last 24 hours.

The State-DLE shall dispose of unclaimed motor vehicles in accordance with Chapter 290, HRS or other provisions as allowed by law. If the unclaimed motor vehicles are auctioned, the Contractor shall allow prospective auction bidders to inspect the motor vehicles during the Contractor's normal business hours, but not less than State-DLE normal business hours, commencing from the publication date of the legal notice of the auction and up to the commencement of the auction.

The State-DLE will conduct the auctions at the Contractor's main office, and shall collect the bid monies from the successful auction bidder.

The Contractor shall then collect from the successful auction bidder the towing mileage and storage charges attached to the motor vehicles before releasing the motor vehicles to the successful bidder. If the Contractor purchases the motor vehicles at the auction, the State-DLE shall not pay the Contractor for any towing, mileage or storage fees that are owed for the motor vehicles.

In the event the unclaimed motor vehicles clear the auction process without any buyer, the State-DLE will pay the Contractor for the towing and mileage fees owed for the unclaimed motor vehicles in accordance with this contract. The Contractor shall submit an invoice requesting for payment to the State-DLE within 30 calendar days of the auction; and the request shall include all documents attesting to the tow.

The Contractor shall then immediately legally dispose the motor vehicles at no additional cost to the State-DLE. Upon request by the State-DLE, the Contractor shall provide documents substantiating the disposition of the motor vehicles.

The Operation Plan shall address the procedures for handling unclaimed motor vehicles, including the communication process between the Contractor and State-DLE.

**28. REPORTS:** The Contractor shall prepare and email to the State-DLE the following reports, the form of which, together with the email address for delivery, will be provided:

- a. Daily Claimed Motor Vehicles Report. This report shall be submitted via email daily no later than 8:00 a.m. each day.

- b. Daily Unclaimed Motor Vehicles Report. This report shall be submitted via email daily no later than 8:00 a.m. each day.
- c. Monthly Towed Motor Vehicles Report. This report shall be submitted via email no later than 8:00 a.m. on the 10<sup>th</sup> day of the following month.

**29. RECORD KEEPING:** All records of equipment, storage areas, facilities, and financial statements regarding the execution of this contract shall be subject to inspection by the State-DLE during normal working hours. The Contractor shall have available all such records separate from any other business conducted by the Contractor. The Contractor shall keep such records of all towing services rendered as required by law or by the State-DLE.

**30. LIQUIDATED DAMAGES:** It shall be mutually understood and agreed by and between the parties hereto to the contract that strict adherence to the provisions of these specifications shall be the essence of the contract and failure on the part of the Contractor to comply with these specifications herein shall cause the State-DLE to be damaged thereby; and the amount of damages, being difficult if not impossible of definite ascertainment and proof, it is hereby agreed that the Contractor shall be assessed \$100, or such otherwise specified amount, for each sustained complaint to include but not be limited to the following:

- a. Dispatching of equipment not approved by the State-DLE or failure to comply with equipment standards, as per Section 7, EQUIPMENT, of these Specifications herein.
- b. Display of abusive or unsatisfactory conduct of the Contractor and/or its employees, as per Section 9, REQUIREMENTS FOR TOW TRUCK DRIVERS, of these Specifications herein.
- c. Overcharging of the towing and storage rates in violation of the specified maximum, as per Section 13 TOWING SERVICES AND RATES, and Section, STORAGE FEES, of these specifications herein. When the State-DLE substantiates such overcharge, the Contractor must refund the overcharge to the motor vehicles owner, in addition to being assessed liquidated damages.
- d. Charging a "drop fee" in violation of Section 290-11(b)(1), HRS, as per Section 13/17, TOWING SERVICES AND RATES/MOTOR VEHICLE TOW PROCEDURES.

- e. Failure or refusal to respond at the request of State-DLE or refusal to tow a motor vehicle after responding, as per Section 15, DISPATCHING, of these specifications herein.
- f. Dispatching tow motor vehicles without authority, as per Section 15, DISPATCHING, of these specifications.
- g. Failure to comply with all procedures, as per Section 17, MOTOR VEHICLES TOW PROCEDURES, of these specifications herein.
- h. Failure to remove debris to the satisfaction of the State-DLE, pursuant to Section 15-24 2(3) of the Revised Ordinances 1969, as amended, and per Section 19, REMOVAL OF DEBRIS FROM ACCIDENT SCENE, of these specifications herein.
- i. Misinforming State-DLE or the motor vehicles owner/driver as to where the motor vehicles are stored, as per Section 21, INFORMATION ON MOTOR VEHICLES TOWED AND STORED, of these specifications herein.
- j. Failure to provide pertinent information (e.g. whether the motor vehicles is in storage or not, when and from where the motor vehicles was towed, etc.) to the motor vehicles owner or any person authorized to have custody of a motor vehicle upon request, as per Section 21, INFORMATION ON MOTOR VEHICLES TOWED AND STORED, of these specifications herein.
- k. Noncompliance with the provisions of Section 22, HOURS OF OPERATION, of these specifications herein.
- l. Failure to post and display the acceptable method of payment for tow services and all towing and storage rates in a conspicuous place at the storage lot(s), as per Section 23, POSTING THE RATE SCHEDULE AND METHOD OF PAYMENT, of these specifications herein.
- m. Failure to furnish a copy of the invoice, receipt or bill for the towing and storage charges as required by these specifications herein, as per Section 25, BILLING MOTOR VEHICLE OWNERS.
- n. Disposal of an unclaimed motor vehicle without proper authorization from the State-DLE, as per Section 27, UNCLAIMED MOTOR VEHICLES of these specifications herein.
- o. Failure to submit reports in accordance with Section 28, REPORTS, of these specifications herein.

- p. Refusal or failure to comply with or adhere to any other provisions of these specifications and the contract.

Upon investigation and confirmation of the Liquidated Damages violations, State-DLE shall issue a written assessment of Liquidated Damages. The Contractor may dispute the assessment of Liquidated Damages as referenced in Section 29, "Disputes", of the General Terms and Conditions. The Contractor shall not be liable for the specific Liquidated Damages while they are being disputed.

Within seven (7) business days after State-DLE informs the Contractor in writing of the assessment of Liquidated Damages, the Contractor shall hand-deliver to the State of Hawai'i, Department of Law Enforcement, Fiscal Office, 715 S. King St, Suite 409, Honolulu, Hawai'i 96813, the amount in a cashier's or certified check made payable or executed to the "State of Hawai'i, Department of Law Enforcement". Cash or coins shall not be acceptable.

In the event the Contractor fails to make timely payment of the Liquidated Damages as requested by State-DLE, the State-DLE may proceed against the performance security or terminate the contract under the provisions of Section 27, "Termination for Default", of the General Terms and Conditions herein. In the event the State-DLE proceeds against the performance security, the Contractor shall promptly deposit with the Director, legal tender or a cashier or certified check made payable or executed to the "State of Hawai'i, Department of Law Enforcement" in an amount sufficient to maintain the performance security for the contract.

**31. ASSUMPTION OF RISK:** The Contractor assumes the risk of any damage, loss, or theft of any motor vehicles and its contents being owed or stored by the Contractor. The State-DLE, its officers, agents and employees shall not be deemed responsible or liable for any damages, loss or theft of any of the aforesaid property, regardless of how or the manner in which any such damages, loss or theft is sustained.

**32. IDEMNITY:** In the performance of the contract, the Contractor shall conduct its activities so as not to endanger any person and shall indemnify, save and hold harmless and defend the State-DLE and all its officers, agents and employees from any and all claims for losses, injuries, damages and liabilities to the persons or property occasioned, in whole or in part, by the acts or omissions of the Contractor, its officers, agents, employees or any person(s) under the control of the Contractor.

**33. COMPLIANCE WITH LAWS, STATUTES, ORDINANCES, REGULATIONS:** The Contractor will observe, perform, and comply with all laws, statutes, ordinances, rules and regulations of the Federal Government, State of

Hawai'i, City and County of Honolulu or any department or agency of the above. The parties may amend this contract when there are changes in laws, statutes, ordinances, or rules that affect this contract.

The Contractor shall handle and dispose of all motor vehicles in accordance with all applicable statutes, ordinances, rules and regulations and any amendments thereto which may be enacted hereafter; provided, that the parties hereto may increase tow and storage rates to cover any additional costs incurred because of such amendments.

**34. INDEPENDENT CONTRACTOR:** The Contractor is deemed to be an independent Contractor and not an officer, agent or employee of the State of Hawai'i, Department of Law Enforcement. Under no circumstances will the agreement be considered a contract of partnership or joint venture between the State-DLE and the Contractor.

**35. AMENDMENTS TO THE AGREEMENT:** The agreement may only be modified by an instrument in writing of subsequent date hereto by both parties, by their respective officers or other persons duly authorized.

**36. CONSTRUCTION OF THE AGREEMENT:** In case of any doubt as to the interpretation of any provision of this agreement, the interpretation made and given by the State-DLE shall govern and control. In addition, the parties hereto agree that the Director of Law Enforcement shall have the sole power to decide and resolve matters which come up in the future or which are not covered by this agreement.

**37. IMPLEMENTATION OF THE MANAGEMENT PLAN AND PROPOSAL:** The Contractor shall implement all solicitation requirements, Contractor's operation plan, and Contractor's management plan within the time period set forth in the Contractor's accepted proposal. The State-DLE shall conduct a verification process prior to issuing a Notice to Proceed to the Contractor. If the Contractor fails to complete its implementation within the accepted time period, the State-DLE may terminate the contract under the provisions of Section 3.15, "Termination for Default in Goods and Services Contracts".