

SPECIAL PROVISIONS

Amend INTERIM GENERAL CONDITIONS, dated October 1994, as follows:

Section 2 – Proposal Requirements and Conditions

1. **AMEND** Section 2.1 Qualification of Bidder with the following:

Written Notice of Intent to Bid or Offer: A written Notice of Intent to Bid is not required for the Solicitation.

Standard Qualification Questionnaire: Bidders may be required to complete a standard qualifications questionnaire. When requested, the information shall be furnished within two working days or longer at the discretion of the Engineer. Failure to furnish the requested information within the time allowed may be grounds for a determination of non-responsibility, in accordance with HRS Section 103D-310 and HAR Section 3-122-108.

Hawaii Business or Compliant Non-Hawaii Business Requirement: Bidders shall be incorporated or organized under the laws of the State or be registered to do business in the State as a separate branch or division that is capable of fully performing under the contract, as stipulated in §3-122-112 HAR. A certified letter is not required prior to bid opening.

Compliance with §3-122-112 HAR: As a condition for award of the contract and as proof of compliance with the requirements of 103D-310(c) HRS, the apparent low bidder shall furnish the required documents to the Department. If the valid required certificates are not submitted on a timely basis for award of a contract, a bidder otherwise responsive and responsible may not receive the award. Bidder is responsible to apply for and submit the following documents to the Department.

- A. Tax Clearance (HRS Chapter 237): Bidder shall obtain a tax clearance certificate from the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). The certificate is valid for six months from the most recently approved stamp date on the certificate; the certificate must be valid on the date received by the Department.
- B. Department of Labor (DLIR) “Certificate of Compliance”. (HRS Chapter 383 - Unemployment Insurance, Chapter 386 - Workers’ Compensation, Chapter 392 - Temporary Disability Insurance, and 393 – Prepaid Health Care): Bidder shall obtain a certificate of compliance from the Hawaii State Department of Labor and Industrial relations (DLIR). The certificate is valid for six months from the date of issue; certificates must be valid on the date received by the Department.
- C. Department of Commerce and Consumer Affairs (DCCA), Business Registration Division (BREG) “Certificate of Good Standing”. Bidder shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs (DCCA), Business Registration Division (BREG). The certificate of good standing is valid for six months from the date of issue; certificates must be valid on the date received by the Department.

Hawaii Compliance Express. Alternately, instead of separately applying for these certificates at the various state agencies, bidder may choose to use the Hawaii Compliance Express (HCE), which allows businesses to register online through a simple wizard interface at <http://vendors.hawaii.gov> to acquire a “Certificate of Vendor compliance” indicating that bidder’s status is compliant with requirements of §103D-310(c), HRS, shall be accepted for contracting and final payment purposes.

Bidders that elect to use the new HCE services will be required to pay an annual fee of \$15.00 to the Hawaii

Information Consortium, LLC (HIC). Bidders choosing not to participate in the HCE program will be required to provide the paper certificates as instructed in the previous paragraphs.

2. **ADD** Section 2.4a, Pre-Bid Conferences

Required Pre-bid Conferences: For construction and design-build projects with an estimated value of \$500,000 or more and solicited under the competitive sealed bid method (103D-302 HRS); and for construction and design-build projects with an estimated value of \$100,000 or more and solicited under the competitive sealed proposal method (103D-303 HRS); a pre-bid conference is required.

Other Pre-Bid Conferences: The Department may require a pre-bid conference for construction or design-build projects that are below the dollar threshold listed in above or when projects have special or unusual requirements.

Other Conditions: The Department may require the prospective Bidders to make a physical inspection of the project site and make attendance at the pre-bid conference a condition for submitting an offer.

Nothing stated at the pre-bid conference shall change the solicitation unless a change is made by written addendum.

3. **DELETE** Section 2.5, Addenda and Interpretations, in its entirety and replace with the following:

“Discrepancies, omissions, or doubts as to the meaning of drawings and specifications should be communicated using the question and answer section on the HIEPRO solicitation for interpretation and must be received in the time frame set in the HIEPRO solicitation. Any interpretation, if made and any supplemental instructions will be in the form of written addenda to the plans and specifications and made available prior to the offer due date. It shall be the prospective bidder’s sole responsibility to verify and obtain any said addenda. Failure of any bidder to receive any such addendum or interpretation shall not relieve such bidder from any obligation under his bid as submitted. All addenda so issued shall become part of the contract documents.”

Section 3 – Award and Execution of Contract

1. **AMEND** Section 3.3, Award of Contract, by deleting “sixty (60)” and replacing with “one hundred eighty (180)” in the first paragraph.

2. **AMEND** Section 3.3, Award of Contract, by adding the following after the first paragraph:

“If the contract is not awarded within the one hundred eighty (180) days, the Department may request the successful Bidder to extend the time for the acceptance of its bid. The Bidder may reject such a request without penalty; and in such case, the Department may at its sole discretion make a similar offer to the next lowest responsive and responsible bidder and so on until a bid is duly accepted or until the Department elects to stop making such requests.”

3. **AMEND** Section 3.9, Notice to Proceed, by replacing the last paragraph with the following:

In the event the Notice to Proceed is not issued within three hundred and sixty-five (365) calendar days after the date of bid opening, the Contractor may submit a claim for increased labor and materials costs (but not overhead costs). The claim shall be for labor and material

costs incurred after 365 days and the full duration of the contract time allowed for the performance of the work (as specified on Page P-1 of the [Bid] PROPOSAL) have elapsed. Such claims shall be accompanied with the necessary documentation to justify the claim. No payments will be made for escalation costs that are not fully justified as determined by the State.

4. **ADD** Section 3.10, Protests:

“3.10 PROTESTS—Pursuant to Section 103D-701, Hawaii Revised Statutes, an actual or prospective offeror who is aggrieved in connection with the solicitation or award may submit a protest. Any protest shall be submitting in writing to the Chairperson, Department of Land and Natural Resources, 1151 Punchbowl Street, Honolulu, Hawaii 96813, or designee as specified in the solicitation.

A protest shall be submitted in writing within five (5) working days after the aggrieved person knows or should have known 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 offers. Further provided that a protest of an award or proposed award shall be submitted within five (5) working days after the posting of the award of the contract.

The notice of award, if any, resulting from this solicitation shall be posted on the HIePRO website.

Section 5 – Control of Work

AMEND Section 5.8 Value Engineering Incentive by deleting “\$100,000” and replacing with “\$250,000” in the first paragraph.

Section 6 – Substitution of Materials and Equipment

ADD the following to Section 6.3 Sub-paragraph b:

4. If the substitution meets all the requirements of the specifications and plans.

Section 7 – Prosecution and Progress

1. **DELETE** Section 7.2d in its entirety and replace with the following:

“d. Proof of Insurance Coverage

A Certificate of Insurance or other documentary evidence, to the satisfaction of the Engineer, that the Contractor has in place all insurance coverage required by the contract. The Certificate of Insurance shall contain wording which identifies the Project number and Project title for which the certificate of insurance is issued. Refer to the following for insurance requirements:

1. Insurance Requirements

- (a) Obligation of Contractor** - Contractor shall not commence any work until it obtains, at its own expense, all required herein insurance. Such insurance must have the approval of the Department as to limit, form and amount and must be maintained with a company authorized by laws of the State to issue such insurance in the State of Hawaii. Coverage by a “Non-Admitted” carrier is permissible provided the carrier has a AM Best’s Rating of “A-VII” or better.

- (b) All insurance described herein will be maintained by the Contractor for the full period of the contract and in no event will be terminated or otherwise allowed to lapse prior to written certification of final acceptance of the work by the Department.
- (c) Certificate(s) of Insurance acceptable to the Department shall be filed with the Engineer prior to commencement of the work. Certificates shall identify if the insurance company is a “captive” insurance company or a “Non-Admitted” carrier to the State of Hawaii. The Best’s Rating must be stated for the “Non-Admitted” carrier. Certificates shall contain a provision that coverages afforded under the policies will not be canceled or changed until at least thirty (30) days written notice has been given to the Engineer by registered mail. The insurance policies shall name the State of Hawaii, its officers and employees as an additional insured and such coverage shall be noted on the certificate. Should any policy be canceled before final acceptance of the work by the Department, and the Contractor fails to immediately procure replacement insurance as specified, the Department, in addition to all other remedies it may have for such breach, reserves the right to procure such insurance and deduct the cost thereof from any money due to the Contractor.
- (d) Nothing contained in these insurance requirements is to be construed as limiting the extent of Contractor’s responsibility for payment of damages resulting from its operations under this contract, including the Contractor’s obligation to pay liquidated damages, nor shall it affect the Contractor’s separate and independent duty to defend, indemnify and hold the Department harmless pursuant to other provisions of this contract. In no instance will the Department’s exercise of an option to occupy and use completed portions of the work relieve the Contractor of its obligation to maintain the required insurance until the date of final acceptance of the work.
- (e) All insurance described herein shall be primary and cover the insured for all work to be performed under the contract, all work performed incidental thereto or directly or indirectly connected therewith, including traffic detour work or other work performed outside the work area, and all change order work.
- (f) The Contractor shall, from time to time, furnish the Engineer, when requested, satisfactory proof of coverage of each type of insurance required or a copy of the actual policies covering the work. Failure to comply with the Engineer’s request may result in suspension of the work, and shall be sufficient grounds to withhold future payments due the Contractor and to terminate the contract for Contractor’s default.
- (g) If the Contractor is self-insured, it shall furnish, upon the request and the satisfaction of the Engineer, any documentation to demonstrate the ability to self-insure itself. The Engineer, from time to time, can conduct an audit to determine the ability of the Contractor to be self-insured. Failure to comply with the Engineer’s request will be considered a material breach of the contract, and at the discretion of the Engineer, may be sufficient grounds to terminate the contract, suspend any work or withhold future payments.
- (h) It is the responsibility of the Contractor to notify the Department of any changes to its insurance policies or if the Contractor receives a notice of cancellation of any of its insurance policies. The Contractor will immediately provide written notice to the Department should the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed upon expiration.

2. Types of Insurance - The Contractor shall purchase and maintain insurance described below which shall provide coverage against claims arising out of the Contractor's operations under the contract, whether such operations be by the Contractor itself or by the subcontractor or by anyone directly or indirectly employed by any of them or by anyone for whose acts any of them may be liable.

- (a) **Worker's Compensation.** The Contractor and all subcontractors shall obtain worker's compensation insurance for all persons whom they employ or may 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.
- (b) **Commercial General Liability.** The Contractor shall obtain General Liability insurance with a limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. The insurance policy 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."; and 2) "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contributed with, insurance provided by this policy." The required limit of insurance may be provided by a single policy or with a combination of primary and excess policies."
- (c) **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. The insurance policy 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."; and 2) "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contributed with, insurance provided by this policy." The required limit of insurance may be provided by a single policy or with a combination of primary and excess policies.

Furthermore, the Contractor's commercial general liability insurance and automobile liability insurance shall include coverage for bodily injury, sickness, disease or death of any person, arising directly or indirectly out of, or in connection with, the performance of work under this contract.

The Contractor's property damage liability insurance shall provide for all damages arising out of injury to or destruction of property of others including the Department's, arising directly or indirectly out of or in connection with the performance of the work under this contract including explosion or collapse.

The Contractor shall either:

- i. Require each of its subcontractors to procure and to maintain during the life of its subcontract, subcontractors' comprehensive general liability, automobile liability and property damage liability insurance of the type and in the same amounts specified herein; or
- ii. Insure the activities of its subcontractors in its own policy.

The Contractor will be permitted, in cooperation with insurers, to maintain a self-insured

retention for up to 25% of the per occurrence combined single limits of the commercial general liability and the automobile liability policies. The existence of the self-insured retention must be noted on the certificate of insurance coverage submitted to the Department or else it will be understood that the insurer is providing first dollar coverage for all claims. For all claims within the self-insured retention amount, the rights, duties and obligations between the Contractor and the Department shall be identical to that between a liability insurer and the Department, as an additional insured, as if there was no self-insured retention.

- (d) **Builder's Risk Insurance.** Unless included in the Specifications of this project, the Contractor shall not be required to provide builder's risk insurance. If required as noted in the Specifications, builder's risk insurance shall be provided during the progress of work and until final acceptance by the Department upon completion of the contract. It shall be "All Risk" (including but not limited to earthquake, windstorm and flood damage) completed value insurance coverage on all completed work and work in progress to the full replacement value thereof. Such insurance shall include the Department as additional name insured. The insurance policy 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."; and 2) "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contributed with, insurance provided by this policy." The required limit of insurance may be provided by a single policy or with a combination of primary and excess policies.

The Contractor shall submit to the Engineer for its approval all items deemed to be uninsurable. The policy may provide for a deductible in an amount of up to 25% of the amount insured by the policy. With respect to all losses up to any deductible amount, the relationship between the Contractor and the Department shall be that of insurer and additional insured as if no deductible existed".

2. **DELETE** Section 7.16 in its entirety and replace with the following:

"RESPONSIBILITY FOR DAMAGE CLAIMS; INDEMNITY – The Contractor shall indemnify the State and the Department against all loss of or damage to the State's or the Department's existing property and facilities arising out of any act or omission committed in the performance of the work by the Contractor, any subcontractor or their employees and agents. Contractor shall defend, hold harmless and indemnify the Department and the State, their employees, officers and agents against all losses, claims, suits, liability and expense, including but not limited to attorneys' fees, arising out of injury to or death of persons (including employees of the State and the Department, the Contractor or any subcontractor) or damage to property resulting from or in connection with performance of the work and not caused solely by the negligence of the State or the Department, their agents, officers and employees. The State or the Department may participate in the defense of any claim or suit without relieving the Contractor of any obligation hereunder. The purchase of liability insurance shall not relieve the Contractor of the obligations described herein.

The Contractor agrees that it will not attempt to hold the State and its Departments and Agencies and their officers, representatives, employees or agents, liable or responsible for any losses or damages to third parties from the action of the elements, the nature of the work to be done under these specifications or from any unforeseen obstructions, acts of God, vandalism, fires or encumbrances which may be encountered in the prosecution of the work.

The Contractor shall pay all just claims for materials, supplies, tools, labor and other just claims against the Contractor or any subcontractor in connection with this contract and the surety bond will not be released by final acceptance and payment by the Department unless all such claims are paid or released. The Department may, but is not obligated to, withhold or retain as much of the monies due or to become due the Contractor under this contract considered necessary by the Engineer to cover such just claims until satisfactory proof of payment or the establishment of a payment plan is presented.

The Contractor shall defend, indemnify and hold harmless the State and its Departments and Agencies and their officers, representatives, employees or agents from all suits, actions or claims of any character brought on account of any claims or amounts arising or recovered under the Worker's Compensation Laws or any other law, by-law, ordinance, order or decree.

Section 8 – Measurement and Payment

1. **DELETE** Section 8.7a in its entirety and replace with the following:

- a. Tax Clearances from the State of Hawaii Department of Taxation and Internal Revenue Service, subject to section 103D-328, HRS, current within two months of issuance date indicating that all delinquent taxes levied or accrued under State Statutes against the contractor have been paid.

2. **ADD** Section 8.7d, Certificate of Compliance:

- d. A Certification from the Contractor affirming that the Contractor has, as applicable, remained in compliance with all laws as required by Section 103D-310, HRS, and Section 3-122-112, HAR. A contractor making a false affirmation shall be suspended and may be debarred pursuant to section 103D-702, HRS.
 1. Certification of Compliance for Final Payment, State Procurement Office Form-22. Must be Signed Original.

3. **ADD** Section 8.7e, Hawaii Compliance Express:

- e. In lieu of submitting the tax clearances from Taxation and IRS, and SPO Form -22, the Contractor may choose to use the Hawaii Compliance Express as described on page SP-1 of this Special Provisions.

******* DO NOT PRINT THIS PAGE, JUST A NOTE! *******

2/28/22: Amended Section 3.9 to clarify the escalation claim provision when NTP is delayed. The revision was reviewed by ENG and DOBOR with input from Dep AG Cindy Young.

4/26/19: Revisions to the Proof of Insurance Coverage have been reviewed by Tracy Kitaoka/Risk Management Office. Per his comments, added paragraph (g) regarding self-insurance. For this specific clarification of minimum insurance requirements, we decided that the change provided clarification and did not add or delete any provisions and therefore, AG review was not required.

NOTE: 2/27/2007; SUBMITTAL TO ATTORNEY GENERAL'S OFFICE TO REVIEW REVISED SPECIAL PROVISIONS HAVE NOT YET BEEN RETURNED TO ENGINEERING. THE REVISIONS REFLECTED HERE, SPECIFICALLY, HAWAII COMPLIANCE EXPRESS AND FINAL PAYMENT PROVISIONS, AND CHANGING THE NTP TIME SPAN FROM 180 DAYS TO ONE YEAR, ARE THE ONLY CHANGES INCORPORATED INTO THIS SPECIAL PROVISIONS. Oops . . . also, added provision for Builder's Risk Insurance.