



STATE PROCUREMENT OFFICE

RELEASE DATE: JANUARY 4, 2016

INVITATION FOR BIDS NO. IFB-17-009-SW

SEALED BIDS FOR FURNISHING MEDICAL REVIEW OFFICER SERVICES FOR THE STATE EMPLOYEES DRUG AND ALCOHOL TESTING PROGRAM

WILL BE RECEIVED UP TO 4:00 P.M. (HST) ON

JANUARY 16, 2017

OR AS RECEIVED THROUGH ADDENDA IF APPLICABLE, THROUGH THE STATE OF HAWAII ELECTRONIC PROCUREMENT SYSTEM (HIEPRO). DIRECT QUESTIONS RELATING TO THIS SOLICITATION TO LORI CERVANTES AT (808) 587-3355 OR lori.m.cervantes@hawaii.gov.

Mara Smith
Procurement Officer

IFB-17-009-SW
1/2017

Preface

The State Procurement Office (SPO) on behalf of the Department of Human Resources, ECD, Safety Office released IFB-17-003-SW for Furnishing CDL and Non-CDL Drug Testing and Breath Alcohol Testing for State Employees.

Scope #1 for CDL and Non-CDL Drug and Breath Alcohol Testing was awarded to Diagnostic Laboratory Services, Inc. on December 30, 2016. The information regarding this service is included on pages S-1 to S-10 for informational purposes only. Definitions for both scopes of work can be found on pages S-1 to S-2 in the Invitation for Bid (IFB).

IFB-17-009-SW is a re-solicitation for Scope #2, Medical Review Officer (MRO) Services only.

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SECTION ONE: SPECIFICATIONS

SCOPE #1 - CDL AND NON-CDL DRUG AND BREATH ALCOHOL TESTING

NOTE: SCOPE #1 IS FOR INFORMATIONAL PURPOSES ONLY

1.0 PROJECT OVERVIEW

The State Procurement Office (SPO), on behalf of the Department of Human Resources Development, and other participating jurisdictions, is seeking a Contractor who shall provide drug and breath alcohol collection and testing services which meet the requirement found in the Omnibus Transportation Employee Testing Act of 1991, the Federal Department of Transportation 49 CFR Part 40, and the Department of Health and Human Services Rules promulgated thereunder, as amended and memorandum of agreements with employee associations.

2.0 DEFINITIONS

“Air blank” means a reading by an EBT of ambient air containing no alcohol.

“Alcohol” means the intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohols including methyl or isopropyl alcohol.

“BAT technician” means an individual who instructs and assists individuals in the alcohol testing process and operates an EBT.

“Breath Alcohol Concentration (BAC)” means the level of alcohol presence in an individual.

“Chain of custody” means procedures to account for the integrity of each urine specimen by tracking its handling and storage from point of specimen collection to final disposition of the specimen. With respect to drug testing, these procedures shall require that an appropriate drug testing custody form be used from time of collection to receipt by the laboratory and that upon receipt by the laboratory an appropriate laboratory chain of custody form(s) account(s) for the sample(s) within the laboratory in accordance with the U.S. Department of Health and Human Services and the DOT’s Federal Motor Carrier Safety Administration (FMCSA).

“Collection site” means a place designated by the Director where individuals present themselves for the purpose of providing a specimen of their urine to be analyzed for the presence of controlled substances.

“Confirmation (or confirmatory test)” means, in controlled substances testing, a second analytical procedure to identify the presence of a specific drug or metabolite that is independent of the screening test and that uses a different technique and chemical principle from that of the screening test in order to ensure reliability and accuracy. Gas Chromatograph/mass spectrometry (GC/MS) is the only authorized confirmation method for cocaine, marijuana, opiates, amphetamines, and phencyclidine. Where a BAC 0.02 or greater EBT alcohol screening test was recorded, a second EBT confirmatory test shall be

accomplished after an elapse of 15 minutes but no more than 20 minutes of the screening test that provides quantitative data of alcohol concentration.

“Department of Health and Human Services (DHHS)” means the United States Department of Health and Human Services.

“Department of Transportation (DOT)” means the United States Department of Transportation.

“Designated Employer Representative (DER)” means the person designated by the department or agency head to coordinate the Department’s drug and alcohol testing program. The DER receives test results from the Contractor or the MRO and takes appropriate action upon receipt of such information.

“Director” means the Director of Human Resources Development or designee for the State.

“Employee” means an individual occupying or selected for a safety-sensitive or other position identified to participate in a drug and alcohol testing program.

“Employer” means the State of Hawaii.

“EBT (or evidential breath testing device)” means an EBT approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential testing of breath and placed on NHTSA’s “Conforming Products List of Evidential Breath Management Devices” (CPL).

“HSPT” means an employee in a Health, Safety or Public Trust position.

“Medical Review Officer (MRO)” means a licensed physician responsible for receiving laboratory results generated by the employer’s drug testing program who has knowledge of substance abuse disorders and has appropriate medical training to interpret and evaluate an individual’s confirmed positive test result together with his/her medical history and any other relevant biomedical information.

“Memorandum of Agreement (MOA)” means the agreements between the State and the respective employee associations in the implementation of employee alcohol and drug testing.

“Screening test (or initial test)” means in drug testing, an immunoassay screen to eliminate “negative” urine specimens from further analysis. In alcohol testing, an analytic procedure to determine whether an employee may have a prohibited concentration of alcohol in a breath specimen.

3.0 SCOPE OF WORK

Services to be provided shall include:

3.1 Collection of urine specimens at Contractor’s designated collection sites (Contractor must comply with the requirements of the Specifications on page S-5 for locations of the collection sites throughout the State.)

- 3.2 Collection of urine specimens at employer work sites and times designated by the Director or Designated Employer Representative (DER).
- 3.3 Ensure compliance with the chain-of-custody requirements of the specimen(s).
- 3.4 Referral of all test results to the Medical Review Officer as designated by the Director and/or DER.
- 3.5 Establish data security program. Test data and employee records are CONFIDENTIAL. Test data are proprietary information of each jurisdiction and shall only be released to the applicable DER. All requests for information shall be referred to the respective DER. Employee confidentiality rights shall be in accordance with federal DOT and DHHS rules
- 3.6 Document test data on prescribed forms. Test reports and management information system (MIS) shall be prescribed in referenced documents. The Director may require additional data and data formats.
- 3.7 Where the testing service is paid by an employee (split testing) or applicant (pre-employment) the Contractor shall collect laboratory and MRO fees and forward the MRO fees to the MRO.

4.0 DETAILED SPECIFICATIONS

4.1 Circumstances for Drug and Breath Alcohol Testing

Employees are subject to the following bargaining unit agreement and executive order drug and alcohol tests, as applicable.

- 4.1.1 **Pre-employment.** Not part of the agreement, however, applicants may be subject to controlled substance test as part of the employment qualification process.
- 4.1.2. **Pre-Recruitment Training.** Controlled substance testing prior to reporting for recruit training.
- 4.1.3 **Post-Recruitment Training.** Controlled substance testing upon completion of recruit training and prior to reporting to an assigned workplace.
- 4.1.4 **Prior to Reporting to Work at the Assigned Workplace.** A controlled substance test is required prior to placement to assigned workplace.

- 4.1.5 **Probationary.** Controlled substance testing of employees in their probationary period.
- 4.1.6. **Reasonable Suspicion Testing.** Whenever the Employer has reasonable suspicion that an employee has breached the prohibition, the employee may be subjected to alcohol and/or controlled substance test(s).
- 4.1.7 **Post-Accident/Altercation Testing.** The testing of drivers involved in a motor vehicle accident or employee involved in an altercation as defined in the applicable Memorandum of Agreement with an employee organization.
- 4.1.8 **Random Testing.** The Contractor shall use a scientifically valid random number selection method to select employees for the random test. Under the selection process, each employee shall have an equal chance of being tested each time selections are made and shall remain in the pool, even after being tested. The Contractor shall inform the Contract Administrator or applicable DER of a testing requirement at least one day prior to scheduled testing.
- 4.1.9 **Return to Duty Testing.** An employee must obtain a negative test result from a controlled substance and/or alcohol test before the employee is allowed to return to duty.
- 4.1.10 **Follow-up Testing.** An employee is subject to unannounced follow-up testing at a minimum of 6 tests in the first 12 months, but not more than 60 months following return to duty.
- 4.1.11 Other tests as may be required by subsequent MOA.

5.0 Testing Procedures

The Contractor shall adhere to all standards of confidentiality and assure all employees that testing records are released only to those authorized by U.S. Department of Transportation and DHHS rules to receive such information. Testing shall be conducted pursuant to 49 CFR Part 40, incorporated herein by reference. Testing shall be conducted for the following drugs:

<u>DOT Testing</u>	<u>Non DOT Testing</u>
1. Marijuana	1. Marijuana
2. Cocaine	2. Cocaine
3. Opiate	3. Opiate
4. Phencyclidine (PCP)	4. Phencyclidine (PCP)
5. Amphetamines	5. Amphetamines
6. MDMA	
7. 6-Acetylmorphine (6-AM)	

Alcohol and controlled substance testing shall be at Contractor's sites. A department may schedule testing at the employer's worksite provided that testing requirements meet DOT/DHHS testing requirement.

Contractor's personnel at the collection site shall be responsible for the integrity of the specimen collection and transfer process, and for ensuring the dignity and privacy of the donor. Contractor personnel must be thoroughly trained to prepare the collection site, collect specimens, examine specimens for tampering or sample adulteration, observe collections, split the specimens, and properly label and preserve chain of custody of specimens pursuant to 49 CFR Part 40 regulations.

Urine specimen collected shall be split and poured into two specimen bottles. This will provide an employee with the option of having an analysis of the split sample performed at the same or at a different laboratory certified by the U.S. Department of Health and Human Services should the primary specimen test result be verified positive. (Where the State of Hawaii, Department of Health certified laboratory is indicated, another DOH certified laboratory may be utilized.) Employees shall have 72 hours after being informed by the MRO of a verified positive test to request testing of the split sample. The employee pays for the testing of the split sample unless specified otherwise by union agreement. The Contractor collects from the employee the cost for testing of the split including the MRO fees and forwards such fees to the MRO.

The Contractor shall collect controlled substance and MRO fees from an applicant in pre-employment testing and forward MRO fees to the MRO.

6.0 Collection Sites

Contractor shall have at a minimum, a designated collection site at the following locations:

<u>Island</u>	<u>Location</u>
Oahu	Windward District Leeward District Central Honolulu District East Honolulu District
Kauai	Lihue
Maui	Wailuku
Hawaii	Hilo South Kona District Waimea

One collection per island, that is centrally located, shall have 24-hour operational capability for urine collection and breath alcohol testing.

7.0 Lanai, Kaunakakai, and Kalaupapa Collection Sites

The Director and/or DER may request a technician fly to Lanai, Kaunakakai, or Kalaupapa to conduct an on-site collection. Billing for airfare, applicable employer site collection, technician and site supplemental fees should be sent to the employer or shared among employers of employees being tested.

8.0 Laboratory Analysis Procedures

A combination of immunoassay screening with confirmation by gas chromatography/mass spectrometry (GC/MS) shall be utilized by drug testing. Testing shall be done by a laboratory certified by the Federal Department of Health and Human Services or State Department of Health, as applicable. GC/MS cutoff values have been established for each of the analyses listed. Any result at or above the GC/MS cutoff level confirms the positive EMIT (Enzyme Multiplied Immunoassay Technique) screening test and indicates the presence of a drug within the drug class.

9.0 Specimen Transportation

Collection site personnel shall arrange to transport the specimens to Federal or State certified testing site/laboratories pursuant to 49 CFR Part 40 rules. The specimens must be placed in containers designed to minimize the possibility of damage during transport, and be securely sealed. Contractor shall comply with applicable federal regulations pertaining to transportation of specimens from collection site to the laboratory.

10.0 Drug Test Results

The Contractor shall submit written notification of drug test results within seventy-two (72) hours or in a timely manner from the time the specimen is received in the laboratory. A chain of custody will be initiated and maintained for the reporting and delivery of test results. All reports shall be enclosed in envelopes, sealed and addressed to the Medical Review Office designated by the Director.

11.0 Summary of Urinalysis Testing (Semi-Annual Reports)

Contractor's laboratory shall provide the Director an aggregate semi-annual statistical summary of urinalysis testing of the employer's employees. The laboratory shall provide the report to the Director not more than 14 calendar days after the end of the six (6) month period covered by the summary. Laboratory confirmation data only shall be included from test results reported within that period. The summary shall contain only the following information:

- 11.1 Number of specimens received for testing
- 11.2 Number of specimens confirmed positive for:
 - a. Marijuana
 - b. Cocaine
 - c. Opiates
 - d. Phencyclidine
 - e. Amphetamines
 - f. **MDMA**
 - g. 6-Acetylmorphine
- 11.3 Number of amphetamines determined to be methamphetamines
- 11.4 Number of specimens for which a test was not performed

Semi-annual reports shall not contain personal identifying information or other data from which it is reasonably likely that information about individuals' tests can be readily inferred.

12.0 Prescribed Forms

Contractor shall use the forms prescribed by 49 CFR Part 40, as applicable.

13.0 Security

Absolute security is essential during the collecting, transporting, laboratory testing and storing of the sample. The Contractor shall maintain a "chain of custody" throughout the collecting, transporting, laboratory testing and storing the specimen pursuant to 49 CFR Part 40.

14.0 Specimen Storage

Specimens will be stored and discarded by the Contractor in accordance with 49 CFR Part 40.

15.0 General Requirements

- 15.1 Contractor must be knowledgeable of the mechanics and the use of test equipment and test methodology, as referenced. Where difference in testing requirements occur, the Joint Jurisdictional Drug and Alcohol Policy shall prevail. The Director may change or alter a process or procedure.
- 15.2 The Director may waive certain policy test site collection conditions as referenced to facilitate specimen collection or breath alcohol testing, provided that the integrity of the specimen is assured.
- 15.3 Contractor shall make all necessary preparations to accommodate the number of employees that are expected to report for drug and/or breath alcohol testing to a designated collection site. For this reason, the following estimated number of public employees is provided:

Island	District	Number of Collection Sites	Employees
Oahu	Windward	1	2,290
	Leeward	1	
	Honolulu	3	
Kauai		1	212
Maui		1	209
Hawaii	Hilo	1	465
	Waimea	1	
	Kona	1	
Molokai*	Kaunakakai	0	41
	Kalaupapa	0	5
Lanai*		0	12

*For the islands of Molokai and Lanai, employees requiring drug and alcohol testing may report to Maui or Oahu collection sites or request on-site testing. The Director and/or DER having jurisdiction over employees on the islands of Molokai and Lanai shall designate collection sites for his/her personnel.

- 15.4** Contractor shall be an independent Contractor with authority to control and direct the performance and details of the work and services; however, Contract Administrator (CA) shall have the right to inspect the work in progress to determine if the work is being performed in accordance with the contract. Furthermore, the Contractor shall be responsible for the actions of its employees and assumes the sole and entire liability for all loss, cost, damage or injury caused by the Contractor's employee. The Contractor shall be responsible for payment of income, social security and other Federal, State or local taxes it may be required to pay.
- 15.5** All services required shall be performed by the Contractor or his/her employees under his/her supervision, and all personnel assigned under this contract shall be fully qualified and shall be authorized under Federal, State and local laws to perform such services.
- 15.6** The Contractor shall maintain accounting procedures and practices acceptable to the State and shall maintain books, records, documents and other evidence that sufficiently and properly reflect all expenditures of any nature related to the Contractor's performance. The books, records and documents shall be subject, at all reasonable times, to inspections, reviews or audits by the State.
- 15.7** The Contractor shall allow the State to inspect and have access to records, reports, files and other related documents of the Contractor, to enable said agency or persons to monitor and evaluate the program, management and fiscal practices of the Contractor to assure proper expenditure of State and/or Federal funds.

- 15.8** The Department of Human Resources Development (DHRD) represents the consortium of state agencies with respect to random alcohol and drug testing requirements. Changes in requirements or procedures in the execution of the contract will be coordinated with DHRD.
- 15.9** DHRD will provide the Contractor with the number and scope of random alcohol and drug tests to be scheduled per island and the percent of employees to be selected for random testing per calendar year.
- 15.10** DHRD will provide the Contractor with the names of Department Designated Employer Representatives.
- 15.11** DHRD, DER or representatives will provide the Contractor with a list of employee numbers subject to random test at the initiation of testing, when changes to the list are made, and annually, as applicable.
- 15.12** Contractor shall provide DHRD with primary lists for alcohol and drug testing of employees subject to the conditions listed in item 17.11 above. The random lists shall be accomplished by a computerized random selection process.
- 15.13** Contractor shall provide the random test lists to DHRD at least 24 hours prior to the selected test date. The test date and 24-hour period shall be on working days for state employees.
- 15.14** Contractor shall collect alcohol and drug testing fees from user departments. Contractor shall prorate the cost for the development of the random list and quantity requirement from user departments per employees tested.
- 15.15** Quality assurance and quality control measures as specified in 49 CFR Part 40.31 shall be instituted by the laboratory testing service. Blind samples, as required by the rules, shall be provided by DHRD, on demand. The cost of quality assurance and quality control measurements shall be incorporated in the unit cost for drug testing.
- 15.16** Any changes in DOT alcohol and drug testing rules or procedures shall be implemented by the laboratory testing service Contractor after consultation with DHRD. Any proposed increase in the price list due to DOT changes shall be with written prior approval.

15.17 Contractor shall collect pre-employment drug testing fees and MRO fees from applicants. Contractor shall remit MRO fees to the MRO Contractor on a quarterly basis or a period agreed upon by both Contractors.

SECTION ONE: SPECIFICATIONS

SCOPE #2 - MRO SERVICES

1.0 PROJECT OVERVIEW

The State of Hawaii is seeking a qualified Contractor(s) who shall provide MRO services in accordance with the requirements found in the Omnibus Transportation Employee Testing Act of 1991 and Federal Department of Transportation rules promulgated thereunder, specifically, 49 CFR Part 40, as amended and adhere to special provisions found in the Memorandum of Agreements between the Employer and Unions.

2.0 SCOPE OF WORK

The Medical Review Officer shall perform the following services:

- 2.1** Receive results of drug tests from laboratory;
- 2.2** Conduct administrative review of the control and custody form to ensure its accuracy;
- 2.3.** Review and interpret an individual's confirmed positive test by:
 - 2.3.1** Reviewing the individual's medical history, including any medical records, and biomedical information provided;
 - 2.3.2** Affording the individual an opportunity to discuss the test result; and
 - 2.3.3** Deciding whether there is a legitimate medical explanation for the result, including legally prescribed medication;
- 2.4** Notify each employee who has a verified, positive test that the employee has 72 hours in which to request the split specimen. If the employee requests an analysis of the split specimen within 72 hours of having been informed of a verified positive test, the MRO shall direct, in writing, the laboratory to ship the split specimen to another DHHS or DOH certified laboratory, as applicable, for analysis. The employee or employer, pursuant to a Bargaining Union Agreement, shall pay for the confirmation test prior to shipment;
- 2.5** If the analysis of the split specimen fails to confirm the presence of drug(s) or drug metabolite(s) found in the primary specimen, or if the split specimen is unavailable or inadequate for testing, the MRO shall cancel the test and report the cancellation, and the reason for it to the Designated Employer Representative (DER) and the employee;
- 2.6** If the employee has not contacted the MRO within 72 hours of being notified of a verified positive drug test, the employee may present to the MRO information documenting that serious illness, injury, inability to

contact the MRO, lack of actual notice of the verified positive test, or other unavoidable circumstances prevented the employee from contacting the MRO in time;

- 2.7 If the MRO concludes that there is no legitimate explanation for the employee's failure to contact the MRO within 72 hours, then the MRO shall report a positive finding;
- 2.8 If, after the MRO makes all reasonable efforts (and documents them), and is unable to reach the individual directly, the MRO shall contact the DER who shall then arrange to have the individual contact the MRO as soon as possible. If, after making all reasonable efforts, the DER is unable to contact the employee, the Department shall proceed with the action required by the DOT rules and the State policy for a positive test result;
- 2.9 The MRO shall immediately inform the DER of confirmed positive test results and send via confidential envelope or email as permitted by 49 CFR Part 40 a signed, written notification or email of the tests conducted.

The notification shall contain the following:

- 1. A statement that the test was conducted in accordance with DOT requirements;
 - 2. The name of the individual for whom the test results are being reported;
 - 3. The type of test conducted (e.g., random, post-accident);
 - 4. The identities of the persons or entities performing the collection analysis of the specimens and serving as the Medical Review Officer for the specific tests; and
 - 5. The verified results of a controlled substances test, either positive or negative, and if positive, the identity of the controlled substance(s) for which the test was verified positive;
- 2.10 Maintain all necessary records and send test results reports to the Director;
 - 2.11 Protect the employee's privacy and test program confidentiality; and
 - 2.12 Provide expert testimony before judicial proceedings as may be called upon.

3.0 GENERAL REQUIREMENTS

- 3.1 The Contractor shall be an independent Contractor with authority to control and direct the performance and details of the work and services; however, the Contract Administrator (CA) shall have the right to inspect the work in progress to determine if the work is being performed in accordance with the contract. Furthermore, the Contractor shall be responsible for the actions of

its employees and assumes the sole and entire liability for all loss, cost, damage or injury caused by the Contractor's employees. The Contractor shall be responsible for payment of income, social security and other Federal, State or local taxes it may be required to pay.

- 3.2** All services required shall be performed by the Contractor or his/her employees under his/her supervision, and all personnel assigned under this contract shall be fully qualified and shall be authorized under Federal, State and local laws to perform such services.
- 3.3** The Contractor shall maintain accounting procedures and practices acceptable to the State and shall maintain books, records, documents and other evidence that sufficiently and properly reflect all expenditures of any nature related to the Contractor's performance. The books, records, and documents shall be subject at all reasonable times for inspections, reviews or audits by the State.
- 3.4** The Contractor shall allow the State to inspect and have access to records, reports, files and other related documents of the Contractor, to enable said agency or persons to monitor and evaluate the program, management and fiscal practices of the Contractor to assure proper expenditure of State and/or Federal funds.
- 3.5** The MRO is prohibited from maintaining relationships with laboratories that could have or create the appearance of conflict of interest.
- 3.6** The laboratory testing service shall establish provisions to collect any additional analytical, shipping or other charges from employees who request that a test of split specimen be sent to a different certified laboratory for analysis. These arrangements can only be made after the employee has consulted the MRO.
- 3.7** The laboratory testing service and the MRO shall submit employer reports as stated in 49 CFR Part 40 to DHRD.

4.0 SPECIAL REQUIREMENT

- 4.1** **The MRO shall adhere to the special provisions found in the Memorandum of Agreement between the Employer and the Union. The BU1 Non CDL Supplemental Agreement requires that if an employee with a positive test result furnishes the MRO with a valid, verifiable medical marijuana certificate, a negative result will be reported to the employer.**

SECTION TWO: BID SUBMITTAL AND CONTENT

1.1 ELECTRONIC PROCUREMENT

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

Award(s) resulting from this solicitation, if any, shall be conducted through HlePRO and subject to a mandatory .75% (.0075) transaction fee of the award, not to exceed \$5000 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 HlePRO. Refer to "Section 2.8, Payment to Hawaii Information Consortium, LLC."

1.2 BIDDER'S AUTHORITY TO SUBMIT AN OFFER

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. If an Bidder offers a product that meets the specifications, is acceptable and the price submitted is the lowest priced offered, the contract will be awarded to that Offeror.

1.3 CERTIFICATION OF INDEPENDENT COST DETERMINATION

By submission of an offer 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 which have been quoted in response to this solicitation have not been knowingly disclosed by the bidder prior to award, 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.

1.4 REQUIRED REVIEW

- 1.4.1** 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.
- 1.4.2** Should Bidder find defects and questionable or objectionable items in the solicitation, Bidder shall notify the State Procurement Office as soon as possible. This will allow the issuance of any necessary corrections and/or amendments to the solicitation by addendum, and mitigate reliance of a defective solicitation upon which award could not be made.

1.5 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.

1.6 OFFER GUARANTY

A bid security deposit is NOT required for this IFB.

1.7 TAX LIABILITY

- 1.7.1** 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.
- 1.7.2** 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.

1.8 OFFER PREPARATION

- 1.8.1** Offer Form, Page OF-1. Bidder is requested to submit its offer 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 HlePRO but shall be required upon Notice of Award. The submission of the bid on HlePRO shall indicate Bidder's intent to be bound.

- 1.8.2** Bid Quotation (OF-3). Unit bid price shall include labor, equipment, installation, transportation, storage, training, all applicable taxes and any other costs incurred to provide services specified including the transaction fee for processing this procurement electronically. Unit bid prices shall also be based on "delivery to destination" to offices throughout the State and include the following pricing inclusions and conditions:

- A. Unit prices shall be firm for the term of the contract.
- B. Include all applicable taxes, except the GET, currently 4.5% for all sales made on Oahu, and/or 4% for all sales made on the islands of Hawaii, Maui, Kauai, Molokai and Lanai. The GET may be added to the invoice as a separate line item and shall not exceed the current rate for that island;
- C. Include all other costs, including but not limited to freight, transportation, warehousing, packaging, printing, binding, and delivery of the products to destination specified; and
- D. Submit prices in terms of the unit shown.
- E. Offerors shall use Offer Forms, OF-3.

Bidder is advised that unit bid prices are all-inclusive, with the exception of the GET; and that no other charges will be honored, except as specified herein.

- 1.8.3** Hawaii vendors. A vendor doing business in the State of Hawaii, as evidenced by its Hawaii General Excise Tax (GET) license number, is liable for the Hawaii GET, currently either 4% or 4.5%*, and the applicable Use tax, currently 1/2%, resulting from this solicitation. (**Note: The 4.5% GET rate applies to sales made on Oahu only; the 4% GET rate affects the other Islands of Hawaii.*)

1.8.4 Tax-Exempt Vendors. If a Bidder is a person exempt by the HRS from paying the GET and Use tax and therefore not liable for the taxes under this solicitation, Bidder shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

1.8.5 References. Bidder shall furnish on the Offer Form, page OF-2, the names and addresses of at least three (3) companies or government agencies that Bidder has provided or is currently providing identical or similar items as specified herein. The State reserves the right to contact the listed references to inquire about the Bidder's past and/or current performance.

1.9 ELECTRONIC SUBMISSION OF OFFER

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.

1.10 FORMAT INSTRUCTIONS FOR SUBMITTING OFFER ON HlePRO

1.10.1 Format. Offers shall be submitted as attachments on HlePRO.

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

1.11 MODIFICATION PRIOR TO SUBMITTAL DEADLINE OR WITHDRAWAL OF OFFERS

1.11.1 The Bidder may modify or withdraw an offer before the due date and time.

1.11.2 Any change, addition, deletion of attachment(s) of an offer may be made prior to the deadline for submittal of offers in the electronic system.

SECTION THREE: CONTRACT AWARD AND TERMS

2.1 METHOD OF AWARD

2.1.1 Award will result in a Firm Fixed Price (FFP) contract for an initial term of 12 months, with the option to extend for two (2) additional 12-month periods or portions thereof, pursuant to Section 3.5 Term of Contract, in this IFB.

2.1.2 Group H - Item 14 (OF-3) MRO Services. Award, if made, shall be to the responsive, responsible Bidder submitting the lowest Estimated Total Bid Price.

This award will result in a price list contract, for item 14 (OF-3), which may be used by the following participating jurisdictions:

- Executive Branch Department/Agencies
- Department of Education
- University of Hawaii
- Judiciary

2.2 RESPONSIBILITY OF OFFERORS

Bidder is advised that in order to be awarded a contract under this solicitation, Bidder 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.

2.2.1 Hawaii Compliance Express. 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.

Vendors/contractors/service providers should register with (HCE) prior to submitting an offer at <https://vendors.ehawaii.gov>. The annual registration fee is \$12.00 and the 'Certificate of Vendor Compliance' is accepted for the execution of contract and final payment.

2.2.2 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.

2.2.3 Verification of Compliance on HCE. Prior to awarding this contract, the SPO will 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.

2.2.4 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.

2.2.4.1 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/>.

2.2.4.1 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/>

- 2.2.4.2** 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/>.

- 2.2.4.3** 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.

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

2.3 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.

2.4 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.

2.5 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.

2.6 NOTICE TO PROCEED

Work will commence on the official commencement date specified on the Notice to Proceed.

2.7 INSURANCE

2.7.1 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; broadcasters' liability insurance of \$1,000,000 per occurrence; and 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 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 for each person, \$1,000,000 for bodily injury for each accident, and \$1,000,000 for property damage for each accident.

3. Medical Professional Liability (also known as Medical Malpractice Insurance)

Medical malpractice insurance with a minimum of \$1,000,000 for each occurrence.

4. Appropriate levels of per occurrence insurance coverage for workers' compensation and any other insurance coverage required by federal or State law.

2.7.2 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.

2.7.3 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. This insurance shall not be cancelled, limited scope of coverage, or non-renewed until after 30 days' written notice has been given to the SPO.

2.7.4 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."

2.7.5 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.

2.8 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.

2.9 INVOICING AND PAYMENT

2.9.1 All Agencies will be invoiced for all items ordered, and delivered.

2.9.2 The State's purchasing card (pCard) shall be used for all orders totaling less than \$2500. This requirement is for all agencies of the Executive branch departments with the exception of the University of Hawaii (UH), the Department of Education (DOE), the Hawaii Health Systems Corporation (HHSC), and the Office of Hawaiian Affairs (OHA). 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.

2.9.3 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 invoice or satisfactory delivery of goods 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.

2.10 CONTRACT INVALIDATION

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

2.11 LIQUIDATED DAMAGES

Refer to Section 9 of the AG General Conditions, Form AG-008 103D, effective 10/17/2013, or as amended. Liquidated damage is fixed at the sum of TWENTY-FIVE DOLLARS (\$25.00) per each and every calendar day per location per violation the Contractor fails to perform in whole or in part any of his obligations specified herein. Liquidated damage, if assessed, may be deducted from any payments due or to become due to the Contractor.

2.12 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. delivery delays, numerous backorders, failure to correct defective product deliveries, 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 refuses 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

3.1 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 3.2.

3.2 MISTAKES IN BID

3.2.1 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.

- 3.2.2** 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.
- 3.2.3** 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 “3.2.4” and “3.2.5” 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.
- 3.2.4** 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.
- 3.2.5** 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.

3.2.6 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.

3.2.7 When a bid is corrected or withdrawn, or a correction or withdrawal is denied, under “3.2.3” or “3.2.4,” 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).

3.3 BID INSPECTION

Bids to competitive sealed bids may be inspected only as provided for in Section 3.1 and after award of contract.

3.4 CONTRACT ADMINISTRATOR

The Department of Human Resources and Development is responsible for administering and overseeing the contract, including monitoring and assessing Contractor performance. The point of contact for the contract is:

Primary Contact

Lily Chu
Human Resource Program Manager
235 S. Beretania Street, Room 1303
Honolulu, Hawaii 96813
Telephone: 587-1060
Facsimile: 587-1322

Alternate Contact*

Florencio C. Baguio Jr.
Human Resource Program Administrator
235 S. Beretania Street, Room 1300
Honolulu, Hawaii 96813
Telephone: 587-0875
Facsimile: 587-0888

*If the Primary Contact is unavailable or absent, contact the Alternate Contact.

3.5 TERM OF CONTRACT

The Contractor shall enter into the State's Contract for MRO Services for a contract period commencing approximately on February 17, 2017 and ending on February 16, 2018 or the official date on the State's Notice to Proceed, if applicable.

Unless terminated as provided for in the State's General Conditions of the contract, and at the State's sole option, the contract may be extended without the necessity of rebidding for not more than two (2) consecutive twelve (12) month periods, or portions thereof, upon mutual agreement in writing prior to contract expiration provided the contract price remains the same, is lower than the initial offer amount, or increased if allowed in the contract and as provided herein.

Upon extension of the contract, the Contractor shall be required to execute the State's Supplemental Agreement to the contract.

3.6 BIDDER QUALIFICATIONS

In addition to meeting legal and other requirements of this solicitation, the Bidder must meet the following requirements to be considered for award.

- 3.6.1** Experience. All MRO's must have a minimum of three (3) years of experience within the preceding five (5) years in providing MRO services. The MRO must have attended a course on alcohol and controlled substance abuse as required in the Federal DOT rules and provide a copy of the certificate of completion

For the purpose of this BIDDER QUALIFICATION requirement, "Bidder" is defined as:

1. Bidder, whose exact legal name is furnished on Offer Form page OF-1; or
2. Bidder's officer(s) and/or director(s).

If Bidder is offering the experiences of its officer(s) and/or director(s) to qualify under this requirement, at least two of its officer(s) and/or director(s) must each have a minimum of (3) years of experience within the preceding five (5) years of the bid opening date in providing MRO Services.

Bidder shall submit with his/her bid, documentation that will substantiate compliance to this requirement.

- 3.6.2** References: Bidder shall also provide at least three (3) references for which Bidder has provided or is currently providing MRO services or similar to those requested on this solicitation. All work for these references must have been performed within the past two (2) years of the bid opening date. Bidder shall list three references on Offer Form page, OF-2.

The State reserves the right to contact any of the listed companies to inquire about Bidder's past or current performance.

3.6.3 The following requirement is specifically for Item 14, OF-4:

3.6.6.1 Bidder shall have a minimum of two (2) State licensed MRO's who will be assigned to this contract and who are currently residing in the State of Hawaii.

3.6.4 Locations: At the time of bid opening, Bidder shall have local office/representative on the island of Oahu. Bidder shall list on Offer Form page OF-4 the information on local office and responsible individual who can be contacted by the State on matters concerning this contract.

3.6.7 Licensing: The MRO shall be a physician licensed in the State of Hawaii and licensed by the State Department of Health as a MRO. The physician must be immediately available for testimony as may be required in the administration of the federal rules. Accountability for all actions of the MRO subject to Hawaii license and certification rules.

3.6.8 Collection Sites: Refer to Specifications Page S-5 for the collection site requirement. Bidder shall list the collection sites on the appropriate Offer Form page. If Bidder does not have the minimum required sites available at the time of bidding, the State will allow the lowest responsive, responsible Bidder to submit the locations meeting the minimum requirement within ten (10) working days from the State's request.

3.6.9 Names of Ph.D.'s and Technologists or Licensed MRO's: Bidder shall list on the appropriate Offer Form page: 1) at least two (2) Ph.D.'s and/or M.D.'s and two (2) technologists when bidding on Items 1 through 11; 2) and for Item 12, Bidder shall list two (2) State licensed MRO's to be used under this contract. Any proposed changes, reassignments or substitutions on this list during the contract performance period shall be submitted to the Contract Administrator.

3.7 TESTING FOR OTHER DRUGS

The State reserves the right to include other drug(s) for testing under this contract when required by federal regulations or as required by bargaining unit agreements. Such additional services shall be incorporated into this contract by State's issuance of supplemental contract(s) which shall contain provisions for "just compensation" to the Contractor. "Just compensation" as defined under this provision shall be a fair and equitable price and shall not exceed the prevailing market price for such additional services in the local market. The State will research the prevailing market price(s) to determine "just compensation".

3.8 TESTING NUMBERS

The number of tests indicated herein are estimates for the period specified. No guarantee to provide the exact number of tests is intended or implied. The State reserves the right to order greater or lesser number of tests at the prices quoted in this solicitation. For this reason, vendors are cautioned that inventory hardships could arise from stocking testing materials for the State use only. In the event the estimated requirements do not materialize in the exact testing numbers listed, herein, such failure shall not constitute grounds for equitable adjustment under this contract.

3.9 PERMITS, LICENSES, AND TAXES

The Contractor shall procure all permits and licenses, during the original or extended contract term, pay all charges, fees, and taxes, and give all notices necessary and incidental to the due and lawful prosecution of the work.

Failure to procure and maintain valid permits and licenses required by law and these specifications may be cause for the State to terminate this contract.

3.10 INSPECTION AND/OR AUDITS

All work done shall be subject to inspection and approval by the Contract Administrator, so as to ascertain that the services rendered are in accordance with requirements and intentions of the Specifications and Special Provisions.

3.11 ORDERING

The State will place orders with the Contractor(s) as services are needed during the contract period, and will use either the pCard or purchase order as form of payment. The Contractor shall honor all orders received during the contract period and deliver according to the contract terms.

3.12 USAGE REPORTS

Contractor shall submit a quarterly gross sales report (including zero dollar sales) in EXCEL to the contact person listed in the Special Provisions, Section 3.4

(or as amended), in accordance with the following schedule (or as requested):

<u>Quarter Ending</u>	<u>Report Due</u>
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

The report shall identify each transaction and include the following information:

Department/Agency Name	Unit of Measure
Date of Purchase	Item No./Part Number (if applicable)
Product/Service Description	MSRP List Price
Quantity	

3.13 REMOVAL OF CONTRACTOR'S EMPLOYEES

Contractor agrees to remove any of its employees from services rendered or to be rendered to the State upon request in writing by the Contract Administrator.

3.14 RE-EXECUTION OF WORK

The Contractor shall re-perform 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.

3.15 NO MULTIPLE OR ALTERNATE OFFERS

Multiple or alternate offers from the same Bidder will not be accepted. A Bidder may submit only one offer in response to a solicitation. If a Bidder submits more than one offer in response to a solicitation, then all such offers shall be rejected. Similarly, a Bidder may submit only one offer for each line item (if any) of a solicitation. If a Bidder submits more than one offer per line item, then all offers for that line item shall be rejected.