

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KAKAAKO
Honolulu, Hawaii, 96813

January 9, 2019

Chairperson and Members
Hawaii Community Development Authority
State of Hawaii
Honolulu, Hawaii

HCDA Board Members:

SUBJECT: Shall the Authority Authorize the Executive Director to Execute a Contract for Three Years Plus Two One-Year Options to Extend to Furnish Building Maintenance Services for the Hawaii Community Development Authority American Brewery Building with the Lowest Responsive, Responsible Bidder and Expend Funds From the Hawaii Community Development Authority Revolving Funds, Leasing and Management Subaccount?

SUMMARY:

The Hawaii Community Development Authority (HCDA) solicited an Invitation for Bids (IFB) for building maintenance services for its office headquarters on December 24, 2018. Bids close on January 8, 2019 and state procurement guidelines require HCDA to make an award to the lowest responsive, responsible bidder. An updated report will be provided to the Authority on January 9, 2019.

AUTHORITIES:

At the August 3, 2016, General Meeting, the Board indicated it would like to review and approve all procurement requests over \$25,000.

The subject solicitation was conducted pursuant to Hawaii Revised Statutes (HRS) Chapter 103D-302 Competitive Sealed Bidding. HRS Ch. 103D-302(h) specifies, "the contract shall be awarded to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids."

BACKGROUND:

On March 13, 2015, the HCDA relocated its office to the American Brewery Building (ABB) at 547 Queen Street. The ABB contains approximately 11,738 square feet of office space throughout five floors.

The ABB serves as the HCDA's permanent office location, so maintenance of the building by a professional provider is necessary to provide a fully functioning, safe working environment for

staff and office visitors. The HCDA currently does not employ staff with the necessary tools and expertise to provide maintenance and repair services.

On December 24, 2018, the HCDA issued an IFB to furnish building maintenance services for the ABB for an initial three-year term plus two additional one-year options to extend for a maximum five-year contract. The IFB is attached hereto as Exhibit A.

The purpose of this contract is to maintain the ABB in good condition and repair. The contract price is based on a 120-hour annual allotment for services. Any additional work, parts and materials, or specialized labor may be billed out of the \$30,000 annual allowance.

The HCDA must give prior written approval for all items utilizing the allowance. Allowance billing may include work done by licensed plumbers, electricians, carpenters, emergency work, and repair materials or replacement parts such as: doors, windows, and fixtures. The Contractor shall provide appropriate invoices and labor charges to support any request for payment under this repair allowance.

ANALYSIS:

Bids for the above solicitation are due on January 8, 2019. HCDA staff will update the Authority on the bids received by the deadline.

The HCDA previously solicited for ABB maintenance services in November 2015. No bidders submitted bids by the deadline, so HCDA re-solicited the IFB in December 2015. In December 2015, Hawaii Plumbing Group submitted the sole bid of \$39,849.96 per year and was awarded a two-year contract with one option to extend for an additional year. This contract also included the \$30,000 annual allowance.

Under the old contract, the HCDA essentially paid a \$39,849.96 retainer for monthly inspections over the course of a year, with the additional allowance covering all costs for work and repairs above those inspections. Monthly inspections were completed fairly quickly, and generally few repairs were needed each month.

Understanding this, the HCDA altered the solicitation this year to provide greater efficiencies and cost savings. Vendors were asked to provide bids for an hourly rate instead of a flat rate for monthly maintenance inspections. HCDA staff believes 120 hours a year (10 hours a month) will be sufficient to keep the ABB in good condition and repair. The hours may be used at any time during the year, and the HCDA will only pay for actual hours of work performed by the Contractor. The allowance may be used to pay for additional hours above the 120-hour allotment, if needed.

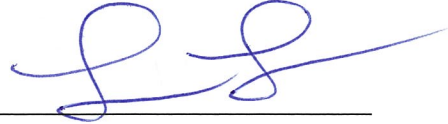
Pursuant to HRS Ch. 103D-302(h), the award must be made to the lowest responsive, responsible bidder.

RECOMMENDATION:

HCDA staff recommends that the Board:

Authorize the Executive Director to Execute a Contract for Three Years Plus Two One-Year Options to Extend to Furnish Building Maintenance Services for the Hawaii Community Development Authority American Brewery Building with the Lowest Responsive, Responsible Bidder and Expend Funds From the Hawaii Community Development Authority Revolving Funds, Leasing and Management Subaccount.

Respectfully submitted,



Lindsey Doi
Asset Manager

APPROVED FOR SUBMITTAL:



Aedward Los Banos, Executive Director

Attachments

Exhibit A – HCDA IFB 04-2018



HAWAII COMMUNITY DEVELOPMENT AUTHORITY
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND
TOURISM
STATE OF HAWAII

INVITATION FOR BIDS
(IFB No. HCDA 04-2018)

FURNISH BUILDING MAINTENANCE SERVICES FOR THE
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
AMERICAN BREWERY BUILDING

Located at:

547 Queen Street
Honolulu, Oahu, Hawaii

APPROVED:

Aedward Los Banos
Executive Director

Date: December 24, 2018

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SECTION ONE - INTRODUCTION AND SIGNIFICANT DATES

1.1 TERMS AND ACRONYMS

| | | |
|-------------|---|--|
| AG | = | State of Hawaii, Department of the Attorney General |
| Form AG-008 | = | State of Hawaii Department of the Attorney General General Conditions Form |
| BAFO | = | Best and Final Offer |
| COGS | = | Certificate of Good Standing |
| Contractor | = | The Bidder awarded a contract under this Electronic Invitation for Bid |
| GET | = | General Excise Tax |
| HAR | = | Hawaii Administrative Rules |
| HCDA | = | Hawaii Community Development Authority, a body corporate and public instrumentality of the State of Hawaii |
| HCE | = | Hawaii Compliance Express |
| HiPRO | = | State of Hawaii Electronic Procurement System |
| HRS | = | Hawaii Revised Statutes |
| HST | = | Hawaii Standard Time |
| IFB | = | Invitation for Bids |
| SPO | = | State of Hawaii Procurement Office |
| STATE | = | State of Hawaii, including its departments, agencies, and political subdivisions |

1.2 INTRODUCTION

The Hawaii Community Development Authority (HCDA) a body corporate and public instrumentality of the State of Hawaii attached to the State of Hawaii's Department of Business, Economic Development & Tourism is the property

owner of the American Brewery Building (ABB) located at 547 Queen Street, Honolulu, Hawaii. The HCDA-utilizes the ABB as its main office headquarters.

The HCDA requires the services of a Contractor to provide building maintenance for the ABB. The total floor area of the ABB is 17,738 square feet across five floors. The floor plans are attached as Exhibit A.

1.3 SCHEDULE

| | |
|--|-------------------------------------|
| HlePRO Posting/Procurement Notice System (PNS): | December 24, 2018 |
| Informational Pre-Bid Conference: HCDA 547 Queen Street Honolulu, Hawaii 96813 First Floor Community Meeting Room | December 28, 2018 10:00 a.m. |
| Deadline to Submit Written Inquiries: | January 3, 2019 10:00 a.m. |
| Response to Written Inquiries | January 4, 2019 4:30 p.m. |
| Deadline for Solicitation: | January 8, 2019 Noon, 12:00 p.m. |
| Anticipated Contract Start Date | February 1, 2019 |

1.4 HCDA POINT OF CONTACT

For this Invitation for Bid (IFB), the HCDA Point of Contact is Lindsey Doi, HCDA Asset Manager, or her designated representative either of whom may be contacted at:

Phone: (808) 594-0300
 Fax: (808) 594-0299
 Email: dbedt.hcda.contact@hawaii.gov

SECTION TWO - SPECIFICATIONS

2.1 SCOPE OF WORK

The Contractor shall furnish all supervision, transportation, licensed and/or qualified labor, equipment and materials as necessary to provide general maintenance services for the HCDA office located at ABB. These services shall include plumbing, electrical, light fixture repair, roof repairs, general repairs (including interior wall repairs, floor repairs, stair repairs, door/ gate repairs, fixture/ furniture repairs), and general maintenance. The scope of work is as follows:

- A. General maintenance and repairs including but not limited to:
 - 1) Repair nicks, scratches, holes in walls and paint to match existing wall;
 - 2) Repair desks, shelving, tables and other office furniture;
 - 3) Repair doors;
 - 4) Replace light bulbs;
 - 5) Repair stairs;
 - 6) Repair carpet and floor tiling; and
 - 7) Perform historical building visage maintenance and repair work as needed, including but not limited to:
 - a) Removal of graffiti from building exterior; and
 - b) Repair of exterior brick walls, fire escape doors and iron gates;
- B. Roof maintenance and repair work as needed;
- C. Electrical maintenance and repair work as needed, including but not limited to:
 - 1) Keep all electrical systems operational (e.g., light fixtures, electrical outlets, light switches and ballasts);
 - 2) Repair all electrical shorts and trouble-shooting electrical problems; and
 - 3) Repair or replace all ballasts;
- D. Plumbing maintenance and repair work as needed including but not limited to:
 - 1) Keep all plumbing operational;
 - 2) Inspect and repair leaks in fixtures and pipes;
 - 3) Repair or replace toilets; and
 - 4) Troubleshoot any plumbing problems.
- E. Roof skylight maintenance and repair work as needed, including but not limited to:
 - 1) Conduct sealant inspections and make repairs according to the Skylight Cleaning and Maintenance Manual (Attachment 4)

- F. Interior staircase maintenance and repair work:
 - 1) Repair any damage to the wooden interior staircase, including application of varnish.
- G. Inspect premises:
 - 1) Identify any potential large repairs or maintenance projects; and
 - 2) Prepare a scope of work for repairs.

2.2 DESCRIPTION

- A. The purpose of this contract is to maintain the HCDA Office Building in good condition and repair. The contract price shall be based on a 120-hour annual allotment for services.
- B. Monthly invoices must state the hours used in order to maintain an accurate accounting. There shall be no minimum call out time. Hours billed shall be for actual hours worked.
- C. If the maintenance or repair work requires a licensed Plumber, Electrician, Carpenter or other licensed professional, the Contractor shall submit a written proposal showing the itemized cost of labor, equipment, and materials. HCDA reserves the right to purchase its own materials should the HCDA not agree on the costs of materials. This billing shall be performed under the contract allowance as indicated in Section 2.10 of this document.

2.3 TERM OF CONTRACT

The initial term of contract shall be for a thirty-six (36) month period commencing from the official date set forth on the Notice to Proceed.

2.4 CONTRACT EXTENSION

Unless terminated and subject to availability of funds, the contract may be extended without re-bidding, upon mutual agreement in writing between the HCDA and the Contractor, prior to the expiration date, for a period not to exceed two (2) additional twelve (12) month periods, or portions thereof; provided, however, the contract price for the extended period shall not be increased above the bid price, subject to any price increase allowed by the contract.

2.5 GENERAL REQUIREMENTS

- A. The Contractor shall perform all specified maintenance tasks in a safe manner in accordance with all City, State and Federal laws, rules, and regulations.

- 1) All equipment and materials used in the performance of Contractor's Scope of Work shall cause no hazards or dangers to the property, staff, or visitors and shall not produce excessive noise or noxious fumes.
 - 2) All personnel employed by the Contractor shall be properly trained and wear company uniforms as supplied by the Contractor. The Contractor shall be responsible for all safety training of its employees and its subcontractors.
 - 3) All work performed by Contractor shall be performed in a manner safe to the public and employees. All equipment shall be in good working condition and operated in accordance with manufacturer's instructions and in a safe manner with all appropriate safety devices in place. Occupational Safety and Health Administration (OSHA) and Division of Safety and Health (DOSH) approved safety gear shall be worn by workers at all times when operating power equipment.
 - 4) The Contractor shall provide at all times qualified supervisors to direct all contracted personnel and maintenance operations.
- B. The Contractor shall be responsive and responsible in the performance of the Scope of Work:
- 1) Adequate personnel and equipment shall be provided to permit the timely completion of all work.
 - 2) The Contractor shall submit a detailed monthly inspection/completion report for presentation to the HCDA upon request. The report shall document all work performed, by specific location, including date, number of employee hours expended, and a description of all equipment and materials used. Payments may be withheld if the detailed monthly inspection reports are not submitted to HCDA upon request.
 - 3) The Contractor shall be responsible for the repair of all damage resulting from the Contractor's and Subcontractor's activities while working on site. If the Contractor is not able to make all required repairs, the HCDA reserves the right to contract for the necessary repairs and deduct the repair costs incurred from the Contractor's subsequent invoices.
 - 4) The Contractor shall provide a list of all phone numbers of personnel who can be contacted in case of an emergency. The Contractor shall provide initial response to call-out requests within one hour of notification.
 - 5) The Contractor shall limit its activities to the Scope of Work only and shall not perform work not called for in this Contract without the prior approval of the HCDA. Such work shall be submitted as a written proposal showing the itemized costs of all labor, equipment, and materials.
 - 6) The Contractor shall maintain order among its employees and shall ensure compliance with all rules and regulations. Courtesy and professionalism shall be demonstrated by Contractor and its employees to all HCDA staff and the general public at all times.

2.6 OTHER VENDORS/ CONTRACTORS

HCDA may retain others to perform work during the term of this Contract. The Contractor shall neither obstruct nor interfere with the work performed by other vendors or contractors retained by the HCDA. The Contractor shall coordinate with the other vendors (directly or through the HCDA Point of Contact) regarding scheduling of the Contractor's work.

2.7 WORK SCHEDULE

All maintenance work shall be performed during normal State of Hawaii business hours (7:45 a.m. to 4:30 p.m., Monday through Friday), unless otherwise approved by the HCDA Point of Contact.

No work shall be performed on weekends or on State holidays unless otherwise approved by the HCDA Point of Contact.

Contractor shall submit a work plan for approval by the HCDA identifying Contractor's intended tasks and activities for each month of the contract.

2.8 PARTS AND MATERIAL

The Contractor shall restore to serviceability and make operational all broken parts, materials, and equipment that Contractor finds to cost less to repair than to replace. However, all repaired parts, materials, and equipment shall be safe for use.

The Contractor shall maintain a supply of parts, materials, and equipment that are required for maintenance of the facility as referenced in Section 2.1 Scope of Work at no additional cost to the HCDA. The Contractor shall notify the HCDA whenever parts are not locally available to accomplish the repairs. The HCDA reserves the right to request that the parts be shipped by the Contractor via air freight at the expense of the HCDA and such cost shall not include Contractor mark-up as referenced in Section 2.9. Should the Contractor elect to purchase parts from the mainland at reduced prices, even though the part is available locally, the HCDA reserves the right to require the Contractor to air express ship via next day delivery the parts at the Contractor's sole expense.

2.9 ALLOWABLE COSTS FOR PARTS

If replacement parts or materials are required for emergency repair services or authorized extra work not covered by the contract, the HCDA shall compensate the Contractor for the part(s) or material(s) at the Contractor's or Subcontractor's cost, plus mark-up. The Contractor's or Subcontractor's cost mark-up shall not exceed 10%, which shall include shipping, overhead, profit, taxes, and any other incidental expenses. The Contractor shall substantiate all costs by submitting a

copy of part(s) or material(s) invoices with their invoice to the HCDA. It is expected that only new, standard parts or materials are used.

2.10 ALLOWANCE LINE ITEMS

This Contract includes an allowance of thirty thousand dollars (\$30,000) a year for work approved in writing by the HCDA ("allowance",) subject to HCDA's determination that such payment is reasonable and warranted under the Contract.

The allowance may be used for any and all work above the maintenance and repair work stated in Section 2.1 Scope of Work.

The allowance may be used for any general maintenance repair work beyond the 120-hour annual allotment.

Billing for allowance may include: hourly work done by licensed Plumbers, Electricians, Carpenters; emergency work; and repair materials and parts that require special ordering such as doors, electrical fixtures, plumbing fixtures and other parts and materials specifically requested and approved by the HCDA.

All allowance work shall be accompanied by a written quote previously approved by the HCDA. The Contractor shall provide proper invoices and labor charges as required by the HCDA to support any request for payment under the allowance.

2.11 INSPECTIONS

- A. The HCDA reserves the right to conduct periodic, unscheduled inspections at any time to observe and evaluate the progress of the Contractor's work.
- B. If, after each inspection, the HCDA determines that all work has been performed in accordance with the Contract specifications, the HCDA shall indicate its acceptance of the work and shall process payment at the end of the month. If all or portions of the work are not acceptable to HCDA, payment may be withheld for all or a portion of the work until such work is completed and corrected to the satisfaction of HCDA.

SECTION THREE - SPECIAL PROVISIONS

3.1 BIDDER QUALIFICATIONS

To assure the HCDA that the Bidder is capable of performing the work specified herein, Bidder must meet the following requirements at the time of bidding:

A. EXPERIENCE

At the time of bid submittal, Bidder shall have a minimum of five (5) consecutive years of experience in the performance of building maintenance work similar to this project in size and scope. Bidder shall indicate its number of years of experience on the appropriate Bid Form page.

B. LICENSES

At time of bid submittal, Bidder shall possess a valid State of Hawaii contractor B General Building Contractor license and the required business and tax licenses in order to conduct business in the State of Hawaii. Both the contractor's license and tax license must be kept in force during the duration of this contract and for any extensions that may be agreed upon. Any unlicensed Bidders proposal shall be deemed non-responsible and shall be disqualified.

C. EVIDENCE OF APPLICABLE LICENSES

Certification(s) for the Contractor and/or their personnel shall be submitted with bids. Failure to submit proof of licenses with the bid shall result in the rejection of bid.

D. OFFICE/SERVICE FACILITY LOCATION

Bidder shall maintain a permanent office and service facility on the island of Oahu at the time of bidding and during the contract period from where Bidder conducts business during normal working hours and from where Bidder will be accessible to requests or complaints. Bidder must be able to verbally respond to the HCDA within one (1) hour of the initial call/request.

Award will not be made to any Bidder failing to meet ALL of the above qualifications. Further, satisfaction of these requirements must be maintained by the Contractor during the entire contract period.

The HCDA reserves the right to disqualify any Bidder if, in its discretion, the HCDA determines that the Bidder does not have the requisite experience or expertise to provide the goods and/or services.

3.2 PRE-BID CONFERENCE, ADDENDA AND CLARIFICATIONS

Prospective Bidders are encouraged to attend a pre-bid conference at the HCDA office, located at 547 Queen Street. The purpose of the meeting will be to discuss and explain the scope of work and basis for contract award. Failure of the Bidder to attend this meeting and to receive information discussed, which may be pertinent to the bid, shall not entitle the Bidder to seek additional payment later for any misunderstandings of the work specified herein.

Addenda may periodically be issued that may increase or decrease the scope of work or contract time, provisions or conditions. Bidders are responsible for the information contained in the addenda or bid clarification.

Bidders discovering an ambiguity, inconsistency or error when examining the bidding documents or the site and local conditions or Bidders with questions or clarification requests shall submit their written requests under the Question/Answers Section through HlePRO. All written questions will receive a written response from HCDA and published through HlePRO. Questions submitted via e-mail and facsimiles transmission shall not be accepted.

3.3 PRE-BID SITE INSPECTION

Prior to submittal of a bid, Bidders can request copies of the American Brewery Building Floor plan documents.

Bidders may also visit the site on their own to become thoroughly familiar with existing conditions, and the extent and nature of work to be performed. The pre-bid site inspection is not mandatory; however, submission of a bid shall be evidence that the Bidder understands the scope of the project, the contract requirements, and agrees to comply with all Contract requirements, including these specifications herein. No additional compensation will be made by reason or any misunderstanding or error regarding conditions at the services areas or the amount and type of work to be performed.

3.4 BID PREPARATION

A. BID FORM-1

Bidders are requested to submit its bid using their exact legal name, as registered with the State of Hawaii, Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on Bid Form-1. Failure to do so may delay proper execution of the contract.

The signed Bid Form page -1 shall indicate Bidder's intent to be bound.

B. TAX LIABILITY

Work to be performed under this solicitation is a business activity taxable under Chapter 237, HRS, and Chapter 238, HRS, where applicable. Bidders are advised that the gross receipts derived from this solicitation are subject to the 4.5% general excise tax (GET) imposed by Chapter 237, HRS, and, where applicable, to tangible property imported into the State of Hawaii for resale, subject to the use tax (currently ½%) imposed by Chapter 238, HRS.

C. HAWAII GENERAL EXCISE TAX LICENSE

Bidders shall submit their current Hawaii GET I.D. number in the space provided on Bid Form-1, thereby attesting that the Bidder is doing business in the State and will pay such taxes on all sales made to the State.

D. BID PRICE

The bid price shall include labor, equipment, supplies, transportation, all applicable taxes and any other costs incurred to provide services as specified herein.

E. BID GUARANTY

A bid guaranty is not required for this solicitation.

F. INSURANCE

Bidder shall provide the requested insurance information on the Bid Form, where indicated.

G. REFERENCES

Bidder shall list on the appropriate Bid Form page a minimum of two (2) companies or government agencies for which Bidder has provided or is currently providing services similar in nature to the services specified herein. The HCDA reserves the right to contact the references provided. The HCDA reserves the right to reject any Bidder who has performed unsatisfactorily on other jobs of a nature similar to those required by this IFB.

H. WAGE CERTIFICATE

Bidder shall complete and submit a Wage Certificate with its bid, as an attachment on HlePRO, by which the Bidder certifies that services required will be performed pursuant to §103-55, HRS.

3.5 SUBMISSION OF BID

Bids shall be received electronically through the HlePRO. Bids received outside of the HlePRO shall be rejected and not be considered for award.

Bidders must complete and submit (return) Bid Forms BF-1 to BF-5 and copy of Contractor's License. All these documents must be submitted electronically, as an attachment, through the HlePRO. Bidders are responsible to ensure all forms

required are attached when submitting a bid. Otherwise a responsive bid from a responsible Bidder may not receive the award.

3.6 CERTIFICATION OF INDEPENDENT COST DETERMINATION

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

- A. The costs in its bid 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.
- B. Unless otherwise required by law, the costs in its bid 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.
- C. 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.

3.7 DISQUALIFICATION OF BIDS

The HCDA reserves the right to consider as acceptable only those bids submitted in accordance with all requirements set forth in this IFB and which demonstrates an understanding of the scope of services. Any bid offering any other set of terms and conditions contradictory to those included in this IFB may be disqualified without further notice.

- A. Bidder shall be disqualified if, for any prior solicitations by HCDA it has ever:
 - 1) withdrawn its bid after HCDA has opened the bids; or,
 - 2) if Bidder was awarded a contract but did not perform for the primary contract term.

3.8 AWARD OF CONTRACT

Award, if made, will be to the responsive, responsible Bidder submitting the lowest total sum bid price for the Basic Bid. Bidder is required to bid on every line item specified on the Bid Form page(s) to be considered for award.

In the event the total sum bid of all bidders exceeds the project control budget, the HCDA reserves the right to make an award to the apparent low bidder if additional funds are available or by reducing the scope of work through negotiation.

The final award of the contract hereunder will be conditioned upon (1) HCDA having the right to hold all bids for a period of ninety (90) calendar days from the date of bid opening, during which no bids shall be withdrawn and (2) funding availability and release.

3.9 EXECUTION OF CONTRACT

The HCDA shall forward to the successful Bidder a formal contract to be signed by the Bidder and returned within ten (10) calendar days or as may otherwise be allowed by the HCDA. No work is to be undertaken by the Contractor prior to the commencement date specified on the Notice to Proceed issued by the HCDA upon execution of the contract by both parties.

3.10 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 HCDA to terminate the contract.

3.11 NOTICE TO PROCEED

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

3.12 RESPONSIBILITY OF BIDDERS:

Bidder, if determined to be qualified and submitting the lowest responsive bid, is required to submit a "Certificate of Vendor Compliance" as proof of compliance with the requirements of §103D-310(c), HRS. This involves evidence of the following:

1. Chapter 237, tax clearance;
2. Chapter 383, unemployment insurance;
3. Chapter 386, workers' compensation;
4. Chapter 392, temporary disability insurance;
5. Chapter 393, prepaid health care; and
6. Chapter 103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

As proof of compliance, Bidders must furnish to the HCDA a current and valid Certificate of Vendor Compliance from the Hawaii Compliance Express (HCE) system. The HCDA shall verify compliance on HCE. If a Bidder is not compliant on HCE at the time of award, the Bidder will not receive the award.

Hawaii Compliance Express

The HCE 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 a bid at <https://vendors.ehawaii.gov>. The 'Certificate of Vendor Compliance' is required for the execution of contract and the final payment.

3.13 CAMPAIGN CONTRIBUTIONS BY STATE AND COUNTY CONTRACTORS

Bidders should be aware that if awarded the contract, Section 11-355, HRS, prohibits campaign contributions from State or County government contractors during the term of the contract if the contractors are paid with funds appropriated by a legislative body.

3.14 STATUTORY REQUIREMENTS OF SECTION 103-55, HRS

Bidder is advised that Section 103-55, HRS, provides that the services to be performed shall be performed by employees paid at wages not less than wages paid to public officers and employees for similar work. Bidder is further advised that in the event of an increase in wage rates to public employees performing similar work during the contract period, Contractor will be obliged to provide wages no less than those increased wages.

Contractor shall be further obliged to notify its employees performing work under this contract of the provisions of Section 103-55, HRS, and of the current wage rates for public employees performing similar work. Contractor may meet this obligation by posting a notice to this effect in the Contractor's place of business in an area accessible to all employees, or the Bidder may include such notice with each paycheck or pay envelope furnished to the employee.

To assist the Bidder in determining whether the work of his/her employees are to perform under this contract is similar to work performed by public employees, attached are class specifications for the public employee positions that perform landscape maintenance services. Effective June 1, 2018 the basic hourly wages paid to these State positions are:

| Class Code | Class Title | Salary Range | Bargaining Unit (BU) | Hourly Rate |
|------------|--------------------|--------------|----------------------|-------------|
| 10.125 | Plumber Helper | BC 05 | 01 | \$21.48 |
| 10.130 | Plumber I | BC 10 | 01 | \$26.88 |
| 10.133 | Plumber II | WS 10 | 01 | \$28.47 |
| 10.054 | Electrician Helper | BC 05 | 01 | \$21.48 |
| 10.055 | Electrician I | BC 10 | 01 | \$26.88 |
| 10.060 | Electrician II | WS 10 | 01 | \$28.47 |
| 9.005 | General Laborer I | BC 02 | 01 | \$19.32 |

| | | | | |
|--------|--------------------------------|-------|----|---------|
| 9.010 | General Laborer II | BC 03 | 01 | \$19.86 |
| 9.015 | General Laborer III | WS 03 | 01 | \$21.26 |
| 10.235 | Building Maintenance Helper | BC 05 | 01 | \$21.48 |
| 10.240 | Building Maintenance Worker 1 | BC 09 | 01 | \$25.89 |
| 10.245 | Building Maintenance Worker II | WS 09 | 01 | \$27.48 |

(See Attachment 2 for Position Class Specifications)

Accordingly, Bidder shall consider the aforementioned wage rates when preparing its quote. Bidder shall also submit a signed wage certificate as an attachment on HlePRO.

3.15 PAYROLL AFFIDAVITS

Upon the HCDA's request, Contractor will be required to submit quarterly payroll documentation to the HCDA for all employees working under this contract. Documentation shall include employee time cards, payroll records, and copies of canceled checks to verify that Contractor's employees are being paid State of Hawaii prevailing wages for hours worked under this contract.

3.16 LIABILITY INSURANCE

The Contractor shall maintain in full force and effect during the life of this contract, liability and property damage insurance on an occurrence basis to protect the Contractor and his subcontractors, if any, from claims for damages for personal injury, accidental death and property damage which may arise from operations under this contract, whether such operations be by himself or by a subcontractor or anyone directly or indirectly employed by either of them. If any subcontractor is involved in the performance of the contract, the insurance policy or policies shall name the subcontractor as additional insured.

As an alternative to the Contractor providing insurance to cover operations performed by a subcontractor and naming the subcontractor as additional insured, Contractor may require subcontractor to provide its own insurance which meets the requirements herein. It is understood that a subcontractor's insurance policy or policies are in addition to the Contractor's own policy or policies.

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

Commercial General Liability:

- \$1,000,000 per occurrence and \$2,000,000 in the aggregate
- \$1,000,000 Completed Operations Aggregate Limit
- \$1,000,000 Each Occurrence Limit
- \$1,000,000 Personal & Advertising Limit

Umbrella Liability: \$2,000,000 Aggregate

Worker's Compensation:

Coverage A: As required by Hawaii Laws

Coverage B: Employer's Liability

\$1,000,000 Bodily Injury by Accident Each Accident

\$1,000,000 Bodily Injury by Disease

\$1,000,000 Policy Limit and \$1,000,000 Each Employee

Automobile \$1,000,000 per occurrence and \$2,000,000 in aggregate

Each insurance policy required by this contract, including a subcontractor's policy, shall contain the following clauses:

- 1. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after thirty (30) days written notice has been given to the HCDA, 547 Queen Street, Honolulu, Hawaii 96813."**
- 2. "The State of Hawaii and HCDA their respective elected officials, officers, employees and volunteers are added as an additional insured as respects to operations performed for the HCDA/State of Hawaii."**
- 3. "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."**

The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire term of the contract, including supplemental agreements.

Upon Contractor's execution of the contract, the Contractor agrees to deposit with the State of Hawaii certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the certificate(s) therefore on deposit with the State during the entire term of this contract, including those of its subcontractor(s), where appropriate. Upon request by the State, Contractor shall be responsible for furnishing a copy of the policy or policies.

Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default under this contract, entitling the State to exercise any or all of the remedies provided in this contract for a default of the Contractor.

The procuring of such required insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Contractor shall be obliged for the full and total amount of any

damage, injury, or loss caused by negligence or neglect connected with this contract.

3.17 CONTRACT PRICE ADJUSTMENT PURSUANT TO SECTION 103-55, HRS

At the release of this IFB, only the current wages of State employees performing similar work are known. Should their wages increase during any period of the contract, including supplements, the Contractor may request for increase in contract price if the current wages paid for similar positions are lower than wages paid to State employees. The increase requested must result in increase in wages to Contractor's employees performing the work herein, including any increase in costs for benefits required by law that are automatically increased as a result of increased wages, such as federal old age benefit, workers compensation, temporary disability insurance, unemployment insurance, and prepaid public health insurance.

- A. The Contractor's request for increase must meet the following criteria:
- 1) At the time of a request, Contractor must provide documentation to show that it is in compliance with Section 103-55, HRS, i.e., its employees are being paid no less than the current wage of the State position listed herein. Documentation shall include the employees' payroll records and a statement that the employees are being utilized for this contract.
 - 2) At the time of bidding, the Contractor must have specified on the appropriate Bid Form page, the percentage of the unit price that represents labor costs. If the Contractor fails to specify the percentage, the Contractor's request for increase will not be considered.
 - 3) Request for increase must be made in writing to the HCDA on a timely basis.
 - a) Request for increase for the initial contract period must be made as soon as practicable after the State wage agreements are made public. Approved request will be retroactive to the date of increase for the State employee.
 - b) Request for an increase for a supplemental period of the contract must be made prior to the start of the supplement. Contractor shall call the CA to obtain the current wage information.

If the Contractor meets the above criteria in its request for contract price increase, the following formula shall be used to calculate the increase:

First Increase: $WI = (XY) \times (Z) + FB$

Subsequent Increase(s): $WI = AZ + FB$

Whereby, WI = Dollar amount increase in unit bid price due to increase in State wages;

X = Original contract unit bid price;

Y = Percentage of unit price designated by Contractor as representing labor costs;

- Z = Percentage increase in wages paid to State employees performing similar work;
- FB = Additional costs for those benefits required by statute, directly related to the allowed increase in wages paid to Contractor's employees;
- A = That portion of the contract amount representing wages (this amount is X Times Y plus any increase(s) in contract unit bid price resulting from increase in State wages).

The increase shall be reflected in either a contract modification or in the supplemental agreement issued for the extended period of the initial contract.

3.18 INVOICING

Contractor shall submit an original and three (3) copies of the monthly invoice, which includes the contract number and project name to:

Hawaii Community Development Authority
547 Queen Street
Honolulu, Hawaii 96813

Contractor shall identify separate charges for Allowance Items and Regular Maintenance Work.

A "Certificate of Vendor Compliance," issued through the Hawaii Compliance Express system, shall be required for final payment.

3.19 PAYMENT

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

3.20 SUBCONTRACTORS

The Contractor shall not delegate any duties listed in this IFB to any subcontractor unless the CA has given written approval. The HCDA reserves the right to approve all subcontractors and shall require the primary contractor to replace any subcontractors found to be unacceptable. The HCDA also reserves the right to

condition its approval of any subcontractor on the subcontractor's compliance with terms and conditions contained herein. The primary contractor will be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract, and shall be responsible for all services whether or not the primary contractor performs them.

3.21 ENVIRONMENTAL POLLUTION CONTROL

Environmental pollution control shall consist of the protection of the environment from pollution during and as a result of operations under the contract. The control of the environmental pollution requires the consideration of air, water, land, and involves noise, dust, solid waste management as well as other pollutants. It is the responsibility of the Contractor to investigate and comply with all applicable Federal, State, and County laws and regulations concerning environmental pollution control and abatement and to secure all necessary permits.

3.22 RE-EXECUTION OF WORK

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

3.23 REMOVAL OF CONTRACTOR'S EMPLOYEES

Contractor agrees to remove any of his employees from services rendered and to be rendered the State, upon request in writing by the HCDA Point of Contact.

3.24 RIGHTS AND REMEDIES FOR DEFAULT

In the event the Contractor fails, refuses or neglects to perform the services in accordance with the requirements of the contract, these Special Provisions, the Specifications, and AG-008 103D General Conditions herein, in addition to the recourse stated in Section 13 of the AG-008 103D General Conditions, the HCDA reserves the right to purchase in the open market, a corresponding quantity of the services specified herein and to deduct from any moneys due or that may thereafter become due the Contractor, the difference between the price named in the contract and the actual cost thereof to the HCDA. In case any money due the Contractor is insufficient for said purpose, the Contractor shall pay the difference upon demand by the State. The HCDA may also utilize all other remedies provided by law.

3.25 LIQUIDATED DAMAGES

Liquidated damage is fixed at the sum of TWO HUNDRED DOLLARS (\$200.00) for 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 damages, if assessed, may be deducted from any payments due or to become due to the Contractor. Refer to Section 9 of the AG-008 103D General Conditions.

3.26 CANCELLATION OF SOLICITATIONS AND REJECTION OF BIDS

The solicitation may be canceled, or the bids may be rejected in whole or in part, when in the best interest of the purchasing agency, as provided in Section 3-122-96 through Section 3-122-97, HAR.

SECTION FOUR - ATTACHMENTS

- Proposal Offer Form, BF-1 to BF-5 ATTACHMENT 1
- Position Class Descriptions/Minimum Qualifications..... ATTACHMENT 2
- AG-008 103D General Conditions ATTACHMENT 3
- Skylight Cleaning and Maintenance Manual ATTACHMENT 4
- Interior Staircase Varnish Information..... ATTACHMENT 5

