

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

June 5, 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 Furnish Building Maintenance Services for the Hawaii Community Development Authority American Brewery Building with Pacific Construction Builders, Inc. and Expend Up to \$400,200.00 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 at the American Brewery Building (ABB) on April 22, 2019. Bids closed on May 17, 2019 with one bid received from Pacific Construction Builders, Inc. State procurement guidelines require HCDA to make an award to the lowest responsive, responsible bidder.

**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 §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 ABB at 547 Queen Street. The ABB contains approximately 17,738 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 for the ABB.

The previous ABB maintenance contract with Hawaii Plumbing Group (HPG) expired on January 31, 2019. That contract was worth \$119,549.88 for three years and included a \$30,000.00 annual allowance.

The HCDA solicited an IFB for ABB maintenance services in December 2018 prior to the expiration of the HPG contract. Bids for that solicitation were due on January 8, 2019 and only one bid was received by the deadline. Pacific Construction Builders, Inc. submitted the sole bid of \$565.56 per hour, or \$67,867.20 annually.

Given that the bid price was 70% higher than the price of the contract with HPG at the time, HCDA staff did not believe the bid price was fair and reasonable. Pursuant to Hawaii Administrative Rules (HAR) § 3-122-35, which specifies that HCDA can reject a sole bid and resolicit the IFB, HCDA staff recommended to resolicit the IFB in order to encourage further competition prior to making an award to the lowest responsive, responsible bidder. At the January 9, 2019 meeting, the Authority requested the IFB be resolicited and brought back for approval prior to making an award.

The IFB was resolicited on April 22, 2019 for an initial three-year term with two one-year options to extend for a maximum five-year contract. The IFB is attached hereto as Exhibit A. Like in January, only one bidder submitted a responsive, responsible bid by the deadline.

Pacific Construction Builders, Inc. again submitted the sole bid of \$417.00 per hour, or \$50,040.00 annually if the maximum 120 hours of services are performed. The new price is \$17,827.20 less than their previous bid of \$565.56 per hour, or \$67,867.20 annually.

#### **ANALYSIS:**

Under the old contract with HPG, 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 and generally few repairs were needed, totaling about 4 hours of service 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.

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.

Pacific Construction Builders, Inc.'s new bid price calculates out to \$150,120.00 for the initial three-year term, plus \$50,040.00 a year for each additional extension option. The \$30,000.00 annual general repair allowance is added to the total offer for a maximum expenditure of \$400,200.00 over a potential five-year contract based on 120 hours of services a year (10 hours a month). Under the previous contract, an average of 48 hours of services were performed per year. Since the HCDA will only pay for hours of services rendered, we expect to expend only about 40% of the requested funds, barring any unforeseen major repairs.

**RECOMMENDATION:**


Pursuant to HRS §103D-302(h), HCDA staff recommends that the Board:

Authorize the Executive Director to Execute a Contract for Three Years Plus Two One-Year Options to Furnish Building Maintenance Services for the Hawaii Community Development Authority American Brewery Building with Pacific Construction Builders, Inc. and Expend Up to \$400,200.00 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 05-2018



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

**INVITATION FOR BIDS  
(IFB No. HCDA 05-2018)**

**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: April 22, 2019**

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- ATTACHMENT 5 - Interior Staircase Varnish Information
- EXHIBIT A - American Brewery Building Floor Plans

## SECTION ONE - INTRODUCTION AND SIGNIFICANT DATES

### 1.1 TERMS AND ACRONYMS

ABB	=	American Brewery Building, the main headquarters of the Hawaii Community Development Authority
AG	=	State of Hawaii, Department of the Attorney General
Form AG-008	=	State of Hawaii Department of the Attorney General General Conditions Form
Bidder	=	Any interested individual or business who submits a bid in response to this electronic Invitation for Bid
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
HlePRO	=	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 historic 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 general building maintenance and repair services for the ABB. ABB is approximately 17,738 square feet across five (5) floors, including ten (10) bathrooms, two (2) showers, one (1) kitchen, three (3) floors of office space, one (1) boardroom and one (1) community room. Floor plans are attached as Exhibit A.

## 1.3 SCHEDULE

<b>HiPRO Posting/Procurement Notice System (PNS):</b>	Monday, April 22, 2019
<b>Informational Pre-Bid Conference:</b>  HCDA 547 Queen Street Honolulu, Hawaii 96813 First Floor Community Meeting Room	Friday, May 3, 2019 10:00 a.m.
<b>Deadline to Submit Written Inquiries:</b>	Monday, May 13, 2019 10:00 a.m.
<b>Response to Written Inquiries</b>	Tuesday, May 14, 2019 4:30 p.m.
<b>Deadline for Solicitation:</b>	Friday, May 17, 2019 Noon, 12:00 p.m.
<b>Anticipated Contract Start Date</b>	Monday, July 1, 2019

## 1.4 HCDA POINT OF CONTACT

The HCDA Point of Contact for this Invitation for Bids (IFB) 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](mailto:dbedt.hcda.contact@hawaii.gov)

**END OF SECTION**

## SECTION TWO - SPECIFICATIONS

### 2.1 DESCRIPTION

The purpose of the Contract is to maintain the ABB in good condition and repair. The Contract price shall be based on a 120-hour annual allotment, paid at an hourly rate.

Services shall include both interior and exterior general building maintenance and repair to the ABB. Hours of work required per month will vary according to HCDA's needs. Under the previous contract, an average of four (4) to five (5) hours of services were performed per month unless a situation arose that required more service hours (i.e., leaking roof).

If the maintenance or repair work requires specialized labor, such as a licensed Plumber, Electrician, Carpenter, or other licensed professional, the Contractor may hire subcontractor(s) as needed. The Contractor shall submit a written proposal to the HCDA showing the itemized cost of labor, equipment, and allowance as indicated in Section 2.10 of this document if a subcontractor is needed to perform the service. HCDA reserves the right to purchase its own materials should the HCDA not agree on the costs of materials.

### 2.2 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;
  - 7) Drill into walls to hang pictures or whiteboards; and
  - 8) 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 (see Attachment 4).
- F. Interior staircase maintenance and repair work:
  - 1) Repair any damage to the wooden interior staircase, including application of varnish (see Attachment 5).
- G. Inspect premises:
  - 1) Identify any potential large repairs or maintenance projects; and
  - 2) Prepare a scope of work for repairs.

Work performed under the Contract shall NOT include air conditioner, elevator and sprinkler system maintenance and repair.

## **2.3 TERM OF CONTRACT**

The initial term of the Contract shall be for a thirty-six (36) month period commencing on the official date set forth on the Notice to Proceed letter issued by the HCDA.

## **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 (DOSHS) 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 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 completion report is not submitted to HCDA upon request.
  - 3) The Contractor shall be responsible for the repair of all damage resulting from the Contractor's and/or 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 (1) 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 the 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 the 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 the 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.

Hours of work per month will vary. There shall be no minimum call out time. HCDA will call Contractor to schedule work as needed.

## **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 2.2 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 Allowable Costs for Parts. 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**

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

The allowance may be used and billed accordingly for:

1. Any and all work required above the maintenance and repair work stated in Section 2.2 Scope of Work;
2. Any and all maintenance or repair work hours required beyond the 120-hour annual allotment;
3. Any and all maintenance or repair work requiring specialized labor completed by subcontractor(s);
4. Emergency work; and
5. 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 PERFORMANCE MONITORING**

The performance of the work shall be monitored by the HCDA. Performance will be monitored on an ongoing basis by the HCDA through personal observation, site inspections, and/or other methods.

If 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.

**END OF SECTION**

## **SECTION THREE - SPECIAL PROVISIONS**

### **3.1 BIDDER QUALIFICATIONS**

To assure the HCDA that the Bidder is capable of performing the work specified herein, the 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 nature and extent of service specified. Bidder shall identify the number of years of such 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 the 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 Bidder and/or 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 respond to calls/requests and complaints. Bidder must be able to verbally respond to the HCDA within one (1) hour of the initial call/request or complaint.

Award will not be made to any Bidder failing to meet ALL of the above qualifications. Following the award, satisfaction of these requirements must be maintained throughout the entire Contract period.

### **3.2 PRE-BID CONFERENCE, ADDENDA AND CLARIFICATIONS**

Prospective Bidders are encouraged to attend an optional 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, as well as a tour of the building. Impromptu questions shall be permitted at the Pre-



Bid Conference and spontaneous answers provided. Verbal responses provided at the Pre-Bid Conference are intended as general information and do not represent the official position of the HCDA. The only official position of the HCDA is that which is stated in writing and issued as an Addenda to the IFB on the HlePRO website.

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.

The HCDA reserves the right to amend this IFB at any time prior to the bid closing date and time. IFB Amendments shall be in the form of Addenda and prospective Bidders shall be notified of amendments in writing transmitted via electronic mail, regular postal mail or online posting via HlePRO. Bidders are responsible for the information communicated via 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 questions under the Question/Answers Section via HlePRO. All written questions will receive a written response from HCDA posted via HlePRO. Questions submitted via e-mail and/or facsimile transmission will not be accepted.

### **3.3 PRE-BID SITE INSPECTION**

Prospective Bidders may also visit the site on their own to thoroughly familiarize themselves 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 constitute 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 paid due to alleged misunderstanding or error regarding the conditions at the bid site or the nature and extent of work to be performed.

### **3.4 BID PREPARATION**

#### **A. BID FORM-1**

Bidder shall submit its respective bid under Bidder's legal name as registered with the State of Hawaii, Department of Commerce and Consumer Affairs. Failure to do so may delay HCDA's review of the bid.

The Bidder's execution of Bid Form page-1 (BF-1) shall constitute the 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 1/2 %) imposed by Chapter 238, HRS.

**C. HAWAII GENERAL EXCISE TAX LICENSE**

Bidder shall submit its current Hawaii GET I.D. number in the space provided on Bid Form page-1 (BF-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 Bid Form page-4 (BF-4), where indicated.

**G. REFERENCES**

Bidder shall list on Bid Form page-5 (BF-5) where indicated, 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, Bid Form page-6 (BF-6), 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**

Bidder must complete Bid Form Offer pages 1 to 6 (BF-1 to BF-6) and submit along with copies of Contractor's License, and proof of insurance. Bid Form pages may be downloaded from the HlePRO website. (See Attachment 1).

Bidder shall submit their completed bid online via the HlePRO website by uploading all required forms as an attachment by the designated solicitation

deadline as specified in Section 1.3 Schedule. The Bidder is responsible to ensure that all required forms are attached when submitting its bid otherwise a responsive bid from a responsible Bidder may not receive the award.

All bids must be received by the HCDA by the submittal time deadline to be considered responsive. Bids received after the solicitation deadline as specified in Section 1.3 Schedule shall be rejected. There shall be no exceptions to this requirement.

Bids received by the solicitation deadline as specified in Section 1.3 Schedule but outside of the HlePRO website, such as, hand delivery, regular postal mail, electronic mail and facsimile transmission, shall be rejected. There shall be no exceptions to this requirement.

### **3.6 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, Bidder must furnish to the HCDA a current and valid Certificate of Vendor Compliance from the Hawaii Compliance Express (HCE) electronic system. Bidder should register online with HCE prior to submitting a bid at <https://vendors.ehawaii.gov>. If Bidder is not compliant on HCE at the time of award, the Bidder will not receive the award.

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.

The HCDA shall verify Bidder's compliance on HCE. A Certificate of Vendor Compliance from the HCE is required for both the execution of contract and the final payment.

### **3.7 CERTIFICATION OF INDEPENDENT COST DETERMINATION**

By submission of a bid in response to this IFB, Bidder certifies the following:

- 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 attempts have been made or will be made by the Bidder to indicate any other person or firm to submit or not to submit its bid for the purpose of restricting competition.

### **3.8 DISQUALIFICATION OF BIDS**

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

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.

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

### **3.9 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.

### **3.10 CAMPAIGN CONTRIBUTIONS BY STATE AND COUNTY CONTRACTORS**

Bidder 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.

### 3.11 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, the Contractor will be obliged to provide wages no less than those increased wages.

The Contractor shall be further obliged to notify its employees performing work under the 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 Contractor may include such notice with each paycheck envelope furnished to the employee.

To assist the Bidder in determining whether the work of its employees performed under the Contract is similar to work performed by public employees performing similar work, Table 1 below provides class specifications and basic hourly wages paid to the public employee positions that perform maintenance services. (See also Attachment 3 Position Class Descriptions/Minimum Qualifications).

**Table 1.** State position class specifications and basic hourly wages, effective as of June 1, 2018.

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

Accordingly, Bidder shall consider the aforementioned wage rates when preparing its quote. Bidder shall also submit a signed Wage Certificate, Bid Form page-6 (BF-6), as an attachment on HlePRO.

### 3.12 PAYROLL AFFIDAVITS

Upon the HCDA's request, the Contractor will be required to submit quarterly payroll documentation to the HCDA for all employees working under the

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 the Contract.

### 3.13 LIABILITY INSURANCE

The Contractor shall maintain in full force and effect during the life of the Contract, liability and property damage insurance on an occurring basis to protect the Contractor and its subcontractors, if any, from claims for damages for personal injury, accidental death and property damage which may arise from operations under the 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 the 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 respect 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 the 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 the 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 the Contract, entitling the State to exercise any or all of the remedies provided in the 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 the 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 the Contract.

### **3.14 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.

The Contractor's request for increase must meet the following criteria:

- A. 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.
- B. 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.
- C. Request for increase must be made in writing to the HCDA on a timely basis.
  - 1) 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.
  - 2) 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 Point of Contact 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.



### 3.15 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 Bid Form page-2 (BF-2) to be considered for award.

In the event that the total sum bid price of all bids received exceeds the project control budget, the HCDA reserves the right to award to the apparent lowest Bidder if additional funds are available or by negotiating a reduction to the scope of work that is mutually agreed upon by both the HCDA and the Bidder.

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.

### 3.16 EXECUTION OF CONTRACT

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

### 3.17 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.

### 3.18 NOTICE TO PROCEED

Work will commence on the official commencement date specified in the Notice to Proceed letter issued by the HCDA upon execution of the Contract.

### 3.19 INVOICING

Contractor shall submit one (1) original and three (3) copies of the invoice to:

Hawaii Community Development Authority  
547 Queen Street  
Honolulu, Hawaii 96813

All invoices shall reference the Contract number and given a unique invoice number for identification purposes.

Invoice must detail the service and hours of work performed. Hours billed shall be for actual hours worked. Contractor shall identify separate charges for Allowance Items.

If 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. If all or portions of the work are not acceptable to the HCDA, payment may be withheld for all or a portion of the work until such work is completed and corrected to the satisfaction of the HCDA.

The Contractor is required to remain in compliance with the Federal and State requirements. For final payment, a Certificate of Vendor Compliance, issued through the Hawaii Compliance Express system as explained in Section 3.6 Responsibility of Bidders, shall be required.

### **3.20 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.

### **3.21 SUBCONTRACTORS**

The Contractor is allowed to hire subcontractors as needed to perform specialized work (i.e. work requiring a licensed Plumber, Electrician, etc.). The Contractor must ensure that the subcontractor(s) have all necessary licenses, permits, and/or certificates to perform the necessary work.

The HCDA reserves the right to approve all subcontractors and shall require the 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 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 Contractor performs them. The

Contractor shall not delegate any duties listed in this IFB to any subcontractor unless the Point of Contact has given written approval.

### **3.22 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.

### **3.23 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.

### **3.24 REMOVAL OF CONTRACTOR'S EMPLOYEES**

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

### **3.25 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.

**3.26 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.

**END OF SECTION**

## **SECTION FOUR - ATTACHMENTS**

ATTACHMENT 1 – Bid Offer Forms, BF-1 to BF-6

ATTACHMENT 2 – Position Class Descriptions/Minimum Qualifications

ATTACHMENT 3 – AG-008 103D General Conditions

ATTACHMENT 4 – Skylight Cleaning and Maintenance Manual

ATTACHMENT 5 – Interior Staircase Varnish Information

EXHIBIT A – American Brewery Building Floor Plans

**END OF SECTION**

# SECTION FOUR - ATTACHMENTS

- ATTACHMENT 1 - [Illegible]
- ATTACHMENT 2 - [Illegible]
- ATTACHMENT 3 - [Illegible]
- ATTACHMENT 4 - [Illegible]
- ATTACHMENT 5 - [Illegible]

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