

1 **SECTION 109 - MEASUREMENT AND PAYMENT**
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3 Make the following amendment to said Section:
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5 **(I) Amend Subsection 109.05 Allowances for Overhead and Profit** by
6 revising lines 101 to 110 to read as follows:
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8 **“(1) 20 percent of the direct cost for any work performed by the**
9 **Contractor’s own labor force.**

10
11 **(2) 20 percent of the direct cost for any work performed by each**
12 **subcontractor’s own labor force.**

13
14 **(3) For the Contractor or any subcontractor for work performed**
15 **by their respective subcontractor or tier subcontractor, 10 percent**
16 **of the amount due to the performing subcontractor or tier**
17 **subcontractor.”**
18

19 **(II) Amend 109.08(A) Monthly Payment** by adding the following after line
20 411:
21

22 **“(1) Retainage.** If the Engineer finds that the Contractor is
23 progressing satisfactorily in completing the project work and:
24

25 **a.** Less than 50% of the whole contract cost is complete,
26 the Engineer shall retain 5% of the value of the work done
27 until the Engineer makes final payment;
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29 **b.** More than 50% of the whole contract cost is
30 complete, the Engineer may make the remaining progress
31 payments in full.
32

33 **c.** After satisfactory completion of work other than
34 landscaping items, the Engineer may adjust the amount of
35 retainage to 15% of the landscaping items or 2½% of the
36 total contract amount whichever is less. Do not use this
37 subsection if the contract is only landscaping.”
38

39 **(III) Amend Subsection 109.08(B) Payment for Material On Hand** by
40 revising lines 421 to 423 to read as follows:
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42 **“(2) The materials shall be stored and handled in accordance**
43 **with Subsection 105.14 – Storage and Handling of Materials and**
44 **Equipment.”**
45
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47 **(IV)** Amend **Subsection 109.11 Final Payment** by revising lines 568 to 576
48 to read as follows:
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50 **“(3)** A current “Certificate of Vendor Compliance” issued by the
51 Hawaii Compliance Express (HCE). The Certificate of Vendor
52 Compliance is used to certify the Contractor’s compliance with
53

54 **(a)** Section 103D-328, HRS (for all contracts \$25,000 or
55 more) which requires a current tax clearance certificate
56 issued by the Hawaii State Department of Taxation and the
57 Internal Revenue Service;
58

59 **(b)** Chapters 383, 386, 392, and 393, HRS; and
60

61 **(c)** Subsection 103D-310(c), HRS. The State reserves
62 the right to verify that compliance is current prior to the
63 issuance of final payment. Contractors are advised that non-
64 compliance status will result in final payment being withheld
65 until compliance is attained.
66

67 Sums necessary to meet the claims of any governmental agencies
68 may be withheld from the sums due the Contractor until said
69 claims have been fully and completely discharged or otherwise
70 satisfied.”
71

72 **END OF SECTION 109**
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