

1 Make this section a part of the Standard Specifications:
2

3 **“SECTION 103 - AWARD AND EXECUTION OF CONTRACT**
4
5

6 **103.01 Consideration of Proposals.** The Department will compare the
7 proposals in terms of the summation of the products of the approximate quantities
8 and the unit bid prices after the submittal date and time established in HlePRO. If
9 a discrepancy occurs between the unit bid price and the bid price, the unit bid price
10 shall govern.
11

12 The Department reserves the right to reject proposals, waive technicalities or
13 advertise for new proposals, if the rejection, waiver, or new advertisement favors
14 the Department.
15

16 **103.02 Award of Contract.** The award of contract, if it be awarded, will be
17 made within 60 calendar days after the opening of bids, to the lowest responsible
18 and responsive bidder whose proposal complies with all the prescribed
19 requirements.
20
21

22 **(1) Requirement for Award.** The Bidder, as proof of compliance
23 with the requirements of section 103D-310(c), HRS, upon award of a
24 contract made pursuant to section 103D-302, HRS, shall provide the
25 documents listed below. The documents shall be submitted promptly
26 to the Department. If a valid certificate/clearance is not submitted on
27 a timely basis upon award, the Bidder may be deemed non-
28 responsible. See also Subsection 108.03 – Preconstruction Data
29 Submittal.
30

31 The Department may request the bidders to allow the Department to
32 consider the bids for the issuance of an award beyond the 60 calendar
33 day period. Agreement to such an extension must be made by a bidder
34 in writing. Only bidders who have agreed to such an extension will be
35 eligible for the award.
36

37 **(A) Tax Clearance.** Pursuant to §103D-310(c), 103-53 and 103D-328,
38 HRS, the bidder shall submit a tax clearance certificate from the State of
39 Hawaii Department of Taxation (DOTAX) and the Internal Revenue Service
40 (IRS), subject to section 103D-328, HRS, current within six months of
41 issuance date.

42
43 FORM A6, TAX CLEARANCE CERTIFICATE, is available at
44 the following website:

45
46 <https://tax.hawaii.gov/>
47

48 To receive DOTAX Forms by fax or mail, phone
49 (808)587-4242 or 1-800-222-3229.
50

51 The application for the Tax Clearance Certificate is the responsibility of the
52 bidder. Bidder shall submit directly to the DOTAX or IRS. The approved
53 certificate may then be submitted to the Department.
54

55 **(B) DLIR Certificate of Compliance.** Pursuant to §103D-310(c), HRS,
56 the bidder shall submit a certificate of compliance for Hawaii Employment
57 Security Law (Chapter 383, HRS), Workers' Compensation Law (Chapter
58 386, HRS), Temporary Disability Insurance (Chapter 392, HRS), and
59 Prepaid Health Care Act (Chapter 393, HRS), from the State of Hawaii
60 Department of Labor and Industrial Relations (DLIR), current within six
61 months of issuance date.

62
63 FORM LIR#27, APPLICATION FOR CERTIFICATE OF
64 COMPLIANCE WITH SECTION 3-122-112, HAR, is available at the
65 following website:

66
67 <http://labor.hawaii.gov/>
68

69 Contact the DLIR Unemployment Insurance Division at (808) 586-8926 for
70 additional information.

71
72 Inquiries regarding the status of a LIR#27 Form may be made by calling the
73 DLIR Disability Compensation Division at (808) 586-9200.
74

75 The application for the Certificate of Compliance is the responsibility of the
76 bidder. Bidder shall submit directly to the DLIR. The approved certificate
77 may then be submitted to the Department.
78

79 **(C) DCCA Certificate of Good Standing.** Pursuant to §103D-310(c),
80 HRS, the bidder shall submit a certificate of good standing from the
81 business registration division (BREG) of the State of Hawaii Department of

Commerce and Consumer Affairs (DCCA), current within six months of issuance date, to demonstrate it is either:

(1) Incorporated or organized under the laws of the State; or

(2) Registered to do business in the State as a separate branch or division that is capable of fully performing under the contract.

A Hawaii business that is a sole proprietorship, is not required to register with the BREG, and therefore not required to submit a certificate of good standing. Bidders are advised of costs associated with registering and obtaining a Certificate of Good Standing from the DCCA.

To purchase a CERTIFICATE OF GOOD STANDING, go to On-Line Services at the following website:

<http://cca.hawaii.gov/>

The application for the Certificate of Good Standing is the responsibility of the bidder. Bidder shall submit directly to the DCCA. The approved certificate may then be submitted to the Department.

(D) **Hawaii Compliance Express (HCE).** In lieu of the certificates referenced in subsection A, B, and C, the bidder may make available proof of compliance through a state procurement office designated certification process.

103.03 Cancellation of Award. The Department reserves the right to cancel the award of contracts before the execution of said contract by the parties. There will be no liability to the awardee and to other bidders.

103.04 Return of Proposal Guaranty. The Department will return the proposal guaranties, except those of the three lowest bidders, after the Department checks the proposals. The Department will return the proposal guaranties of the remaining two lowest bidders, not awarded the contract, within five working days following the execution of the contract. The Department will return the successful bidder's proposal guaranty after the successful bidder furnishes a bond and executes the contract.

103.05 Requirement of Contract Bond. At the time of execution of the contract, the successful bidder shall file a good and sufficient performance bond and a payment bond on the forms furnished by the Department conditioned for the full and faithful performance of the contract in accordance with the terms and intent thereof and for the prompt payment to all others for all labor and material furnished by them to the bidder and used in the prosecution of the work provided for in the contract. The bonds shall be of an amount equal to 100 percent of the

amount of the contract price and include 5 percent of the contract amount estimated to be required for extra work. The bidder shall limit the acceptable performance and payment bonds to the following:

(a) Legal tender;

(b) Surety bond underwritten by a company licensed to issue bonds in the State of Hawaii; or

(c) A certificate of deposit; share certificate; cashier's check; treasurer's check, teller's check drawn by or a certified check accepted by and payable on demand to the State by a bank savings institution or credit union insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).

1. The bidder may use these instruments only to a maximum of \$100,000.

2. If the required security or bond amount totals over \$100,000 more than one instrument not exceeding \$100,000 each and issued by different financial institutions shall be acceptable.

Such bonds shall also by the terms inure to the benefit of any and all persons entitled to file claims for labor done or material furnished in the work so as to give them a right of action as contemplated by HRS Section 103D-324.

103.06 Execution of the Contract. The contract bond and HRS Chapter 104 - Compliance Certificate, similar to a copy of the same annexed hereto, shall be executed by the successful bidder and returned within ten days after the award of the contract or within such further time as the Director may allow after the bidder has received the contract for execution.

The contract shall not bind the Department unless said parties execute the contract and the Director of Finance endorses the bidder's certificate in accordance with HRS Section 103-39.

103.07 Failure to Execute Contract. Failure to execute the contract and file acceptable bonds shall be cause for the cancellation of the award in accordance with Subsection 103.06 - Execution of the Contract. Also, the Contractor forfeits the proposal guaranty which becomes the property of the Department. This is not a penalty, but liquidated damages sustained by the State. The Department may then make award to the next lowest responsible and responsive bidder or the Department may readvertise and construct the work under contract."

END OF SECTION 103