

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.**

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

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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.”**

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19       **(II) Amend Subsection 109.08(B) Payment for Material On Hand** by  
20       revising lines 421 to 423 to read as follows:

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22                   **“(2) The materials shall be stored and handled in accordance**  
23                   **with Subsection 105.14 – Storage and Handling of Materials and**  
24                   **Equipment.”**

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27       **(III) Amend Subsection 109.11 Final Payment** by revising lines 568 to 576  
28       to read as follows:

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30                   **“(3) A current “Certificate of Vendor Compliance” issued by the**  
31                   **Hawaii Compliance Express (HCE). The Certificate of Vendor**  
32                   **Compliance is used to certify the Contractor’s compliance with**

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

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

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41                               **(c) Subsection 103D-310(c), HRS. The State reserves**  
42                               **the right to verify that compliance is current prior to the**  
43                               **issuance of final payment. Contractors are advised that non-**  
44                               **compliance status will result in final payment being withheld**  
45                               **until compliance is attained.**

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47                   Sums necessary to meet the claims of any governmental agencies  
48                   may be withheld from the sums due the Contractor until said

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claims have been fully and completely discharged or otherwise  
satisfied."

**END OF SECTION 109**