

# **COMPETITIVE SEALED BIDS**

## **Part I**

### **Procurement Training For State and County Purchasing Personnel**

HAR Chapter 3-122, Subchapter 5  
HRS Section 103D-302

## Before You Procure/Administer Contract: Written Delegated Authority and Training

**Before** you develop/draft/participate in a solicitation, review, approve, conduct, manage, or administer a procurement/contract, you must:

- **Have written delegated authority per signed and submitted (to SPO) Form SPO-036.**

**Note:** There is a new Procurement Delegation Memorandum 2010-01. Informational sessions including a webinar were held for ASOs/BMOs and their staff. New forms are due by 4/30/11. Current delegation remains in place until 4/30/11 or new delegations received, whichever is first.

- See : <http://hawaii.gov/spo>
  - > [For State & County Procurement Personnel](#)
  - > [Procurement Delegation](#) (there is also a link to the required (mandatory) training requirements site)
- **Have taken all required training.**  
*Reference: Procurement Circular 2010-05*  
**Note:** Some requirements have changed. Check the website periodically.
  - See: <http://hawaii.gov/spo>
    - > [Training for State and County Procurement Personnel](#)
    - > [Which Workshops Do I need to Take?](#)

## **About Public Sector Procurement**

### ***Why can't we 'Just Do it'***

- We use taxpayer funds;
- Our “shareholders” are the taxpayers (everyone).
- Like the private sector, we want best value **AND** we have additional obligations:

#### **1. We must be open/transparent.**

- Everyone has a right to know and have easy access.

#### **2. We must be fair to all qualified vendors.**

- Everyone has the right to compete.

#### **3. We ARE accountable.**

- Keep an auditable trail. (document, document, document!)
- Follow standardized rules and procedures.  
(Statutes, Administrative Rules, Procurement Circulars, Internal Procedures)

## Terms You Should Know

- **Head of Purchasing Agency (HOPA)**= Head of any governmental body which is authorized by this chapter or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods, services, or construction.
- **Procurement Officer (PO)**=any person authorized to enter into and administer contracts and make written determinations with respect thereto. The term also includes an authorized representative acting within the limits of authority. (*ref: HRS 103D-104*)

<b>Methods of Procurement</b>		
<b>Method</b>	<b>Bases for Use</b>	<b>Bases of Award</b>
Competitive Sealed Bids	Always used unless it is not feasible or practicable.	Lowest responsive, responsible bid.
Small Purchases	Purchases of smaller quantities for goods and services of less than \$100,000 and construction less than \$250,000.	Lowest responsive, responsible quotation.
Competitive Sealed Proposals	Competitive sealed bidding is not practicable; price is not the most critical factor.	Based on RFP evaluation criteria.
Multi-step Bid	Used when pre-qualification of offerors necessary before considering price.	Lowest bidder of qualified offerors.
Sole Source	Only one source for the required good, service, or construction.	Approved single source at agreed prices.
Emergency	Used to respond the needs that are immediate and serious that are a threat to life, public health,	Lowest responsive and/or responsible offeror.

# Methods of Source Selection

§3-122-16 Methods of source selection. Unless authorized by law, all contracts shall be awarded by competitive sealed bidding pursuant to subchapters 5 and 6.5, except as provided in:

- (1) Subchapter 4.5 - Source selection for federal grants;
- (2) Subchapter 6 - Competitive sealed proposals;
- (3) Subchapter 7 - Professional services procurement;
- (4) Subchapter 8 - Small purchases;
- (5) Subchapter 9 - Sole source procurements; and
- (6) Subchapter 10 - Emergency procurements.

[Eff 12/15/95; comp 11/17/97; am and comp  
MAR 21 2008 ] (Auth: HRS §103D-202)  
(Imp: HRS §103D-301)

# IFB Training Outline

- Invitation for Bids (IFB)
- Product/Service Specifications
- Type of Contracts
- IFB Considerations
- Parts of an IFB
- Public Notice
- Opening of Bids
- Bid Evaluation
- Protest
- Contract Template
- Preferences
- Hawaii Electronic Procurement System (HePS)

## Invitation for Bids ( IFB)

It's a process in which goods or services are identified for fulfilling an agency need in a timely manner and at the lowest responsive and responsible offer.



# Specifications are intended to:

## 3-122 Subchapter 3

Describe minimum requirements:

*Specifications: Identify specific end-use requirements to ensure the product or services acquired will accommodate the desired end result and perform in accordance with expectations.*

Identify performance, quality, and operation characteristics (List reproducible test methods for testing for compliance)

Enable suppliers and service providers to compare their products and services against stated requirements and offer bids on a comparable or equal basis;

Maximize competition in the marketplace.

# Types of Specifications

3-122-13 (b)

- Design
- Performance
- Brand Name ( Restrictive )
- Brand Name or Equal Specifications
- Qualified or Pre-Approved Product List

LINDA LINGLE  
GOVERNOR

AARON S. FUJIOKA  
ADMINISTRATOR



STATE OF HAWAII  
STATE PROCUREMENT OFFICE  
P.O. Box 119  
Honolulu, Hawaii 96810-0119  
Tel: (808) 587-4700 Fax: (808) 587-4703  
www.spo.hawaii.gov

PROCUREMENT POLICY BOARD  
DARRELL W. MARSDEN  
LESLIE S. CHEN  
DUSTY ANN HIG  
KEITH T. MAIEMOTO  
RUSSELL K. SATO  
PAMELA A. TORRES

September 15, 2008

PROCUREMENT CIRCULAR NO. 2008-09

TO: Executive Department Heads  
Chief Procurement Officers

FROM: Aaron S. Fujioka, Administrator

SUBJECT: SPECIFICATIONS Pursuant to Hawaii Revised Statutes (HRS) Chapter 103D, Part IV, and Hawaii Administrative Rules (HAR), Chapter 3-122, Subchapter 3

This Circular is issued as a reminder that HRS §103D-405, Maximum practicable competition, and HAR §3-122-10, Purpose, requires, in part, specifications shall seek to promote overall competition, shall not be unduly restrictive, and provide a fair and equal opportunity for contractors/vendors that are able to meet the State/county's needs. Therefore, careful consideration must be given when using specifications and requirements in solicitations that may serve to impose unnecessary prerequisites or preferred conditions that may limit overall competition and are not a cost effective practice.

A specification is the description of the physical or functional characteristics, or describes the nature of a good, service, or construction item. The term includes description of any requirement for inspecting, testing, or preparing a good, service, or construction item for delivery. Specifications serve several vital purposes in the procurement process, such as:

- Defining a clear understanding of agency needs or what is to be accomplished;
- Identifies offeror obligations;
- Basis for evaluation of offers;
- Binds the offeror to specific performance; and
- Enhances open and fair competition.

A specification may be determined unduly restrictive due to unnecessary design requirements in performance, or additional requirements not related to the State/county's needs. For example language favorable to companies who utilize unionized workers, such as "qualifications must be in accordance with local union requirements", "workers should have successfully passed an industry recognized training program such as the HVAC Apprenticeship Training Program", and "offeror must provide verification from Plumber and Fitter UA Local 675 to verify qualification of certification"; or a specification written around a specific product.

# Examples of a Restrictive Specification

## MINIMUM SPECIFICATIONS

### **¾ Ton Cargo Van for Oahu**

All quantities listed represent a minimum, unless otherwise specified.

1. Model Year -2005 or later production year
2. Model -Chevrolet Full Size Cargo Van 2500 or GMC Savana 2500 only
3. Wheelbase -135" minimum
4. Engine -8 cylinders  
-5.4-liter minimum rated 300 h.p. or higher  
-Gasoline powered  
-Factory Heavy Duty cooling system, coolant recovery system
5. Transmission -Minimum 4 speed automatic
6. Electrical system -12 volt with alternator capable of charging battery at low engine speed
7. Steering -Powered or power-assisted
8. Brakes -Powered or power-assisted with anti-lock braking system
9. Tires/Wheels -Tires and wheels must meet manufacturer's and Federal GAWR requirements for GVW submitted.  
-Full-size spare mounted on carrier inside or under vehicle  
-Jack and Wheel wrench

- |                 |   |
|-----------------|---|
| 10. Suspension  | -Two-stage rated at 5500 lbs. GVWR minimum; 3500 lbs. minimum load capacity or higher. Suspension and rear leaf spring ratings must meet manufacturer's and Federal GAWR requirements for GVW submitted   |
| 11. Interior    | -Individual front seats for driver and passenger<br>-Upholstery of manufacturer's standard gray cloth<br>-Interior insulation package includes full headlining and side paneling in driver's compartment<br>-Rubber or vinyl flooring throughout front and rear<br>-Front window defroster<br>-Factory gauge package<br>-AM/FM Radio, factory installed<br>-Air Conditioning Package, factory installed, front only<br>Dual Front Air Bags (SRS)    |
| 12. Exterior    | -Window glass around all sides of vehicle<br>-Flip-out or vented rear and/or side windows<br>-Sliding side door on passenger side<br>-Rear step-bumper with non-slip surface<br>-Power dual exterior rear view mirrors, 6" x 9" minimum low-mounted on Swing-out brackets<br>-Factory tinted glass on all windows<br>-Complete after-market rust-proofing with five (5) year, unlimited mileage <u>warranty</u> (see General Specifications item F) |
| 13. Color Paint | -Dark Blue Metallic   |

- 
14. Other
- 2-½ lb. ABC dry chemical fire extinguisher mounted on removable Bracket inside vehicle
  - Back-up alarm
  - Rear Distance Sensor (flush-mounted sensors, includes LED/audible Interior warning indicator)
  - Airlift tie-down rings, front and rear of each of the two frame rails, installed. Airlift tie-down rings are required at front and rear of each of the two frame rails to facilitate airlift by military aircraft. The two rings in front of the vehicle shall be capable of holding down the front of the vehicle (more than 50% of the front axle weight). The rear two rings in the rear of the vehicle shall be capable of holding down the rear of the vehicle (more than 50% of the rear axle weight).
  - Airlift tie-down rings to be bolted onto frame rails (See Specifications pages S-4 through S-6)
  - Airlift tie-down ring dimensions to be:
    - Minimum inside width: 2-1/4 inches
    - Minimum inside length: 2-1/2 inches
    - Maximum outside length: 4 inches



STATE PROCUREMENT OFFICE  
**REQUEST FOR RESTRICTIVE SPECIFICATIONS**

'12 FEB -2 AIO :37

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Department of Accounting and General Services; Information and Communication Services Division  
*Name of Requesting Department*

*Pursuant to HRS §103D-405 and HAR chapter 3-122, Subchapter 3, the Department requests approval for the use of restrictive specifications.*

1. Describe in detail the goods needing restrictive specifications.

The goods needing restrictive specifications are the Dense Wave Division Multiplexing (DWDM) and Coarse Wave Division Multiplexing (CWDM) equipment manufactured by Sorrento Networks. This equipment allows up to 32 light wavelengths to be used across a single fiber optic strand. This Wave Division Multiplexing (WDM) equipment allows for an extensive increase in the data carrying capacity of fiber networks.

2. Identify the method of procurement to be conducted:

- Competitive Sealed Bidding (HRS §103D-302 and HAR chapter 3-122, Subchapter 5)  
 Competitive Sealed Proposals (HRS §103D-303 and HAR chapter 3-122, Subchapter 6)

3. Describe in detail the brand name specifications.

The brand name specifications are DWDM and CWDM equipment manufactured by Sorrento Networks. This includes support and maintenance from Sorrento Networks or a Sorrento Networks Authorized Partner.

4. Explain in detail the following:

a. Why the brand name specifications are necessary to the department?

Brand name specifications are necessary due to the extensive implementation of Sorrento WDM equipment by the State, University of Hawaii, and the Department of Education. This product is utilized extensively statewide on the State's Institutional NETwork (INET) that provides high speed connectivity for sites outside of the downtown civic center.

b. Why only the identified brand name item will satisfy the department's needs?

The Sorrento equipment utilizes a propriety network management protocol which cannot interoperate with equipment and network management systems from other manufacturers.

c. Why it is not practicable to use less restrictive specifications?

Use of another vendor's equipment will result in fragmented network management of the INET network and negatively impact network operations.

5. For the identified brand name, provide a list of possible suppliers and how the list of supplies were determined.

Goldfield Telecom, Inc.; Fiber Networks, Inc.; IPIntegration, Inc.; PSI; TelWorx Communications; Walker and Associates Inc.; Sorrento Networks (manufacturer). These possible suppliers were taken from the Sorrento Network website page listing their resellers.

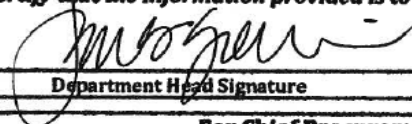


6. Identify the primary individual(s) who is knowledgeable about this request, who will conduct and manage this process, and has 1) appropriate written delegated procurement authority; and 2) completed mandatory training for the procurement method, and who SPO may contact for follow up inquiry, if any.  
 (Type over "example" and delete cells not used.)

Name of Department Personnel	Division/Agency	Phone Number	e-mail address
David Fujimoto	DAGS/ICSD	586-1930 x616	david.h.fujimoto@hawaii.gov
Matthew Wong	DAGS/ICSD	586-1940 x351	matthew.j.wong@hawaii.gov

**All requirements/approvals and internal controls for this expenditure is the responsibility of the department.**

**I certify that the information provided is to the best of my knowledge, true and correct.**



JAN 31 2012

Department Head Signature

Date

**For Chief Procurement Officer Use Only**

Chief Procurement Officer (CPO) Comments:

Approval is granted provided the department solicits offers through HRS section 103D-302, competitive sealed bidding. HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor must be compliant on the Hawaii Compliance Express). If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takaesu@hawaii.gov.

## Sample of a Qualified/Pre Approved/ Brand Name or Equal

### SPECIFICATIONS

#### **SPECIFICATIONS for Triple Quadrupole LC/MS/MS SYSTEM**

The LC/MS/MS Triple Quadrupole System provided shall include an Automated Liquid Chromatograph with Binary Gradient Pumping System, Electrospray Interface (ESI) and with a Triple Quadrupole Design. The System shall include Installation, System Familiarization, Training, Full One Year Warranty and Technical Support via an 800 number Hotline.

The package shall include a Nitrogen Generator to provide N<sub>2</sub> for the instrument.

#### Liquid Chromatograph

- Must include two modular solvent delivery modules for a binary gradient system.
- Each pump must be of single piston design with a Titanium pump head, flow rate 10ul-5ml/min, maximum pressure 8700 psi.
- System must come with a pressure module, in-line solvent degasser, and internal mixer.
- Autosampler must handle up to 84 2ml vials and 3 10ml vials; must have interchangeable sample loop volumes with 100 ul loop supplied.

#### Electrospray Interface

- LC Flow Range: 1-1000 ul/min
- Needle Voltage: 6kV max
- Nebulizing Gas Flow: 2L/min max
- Spray Plate Voltage: 800V max
- Capillary Voltage: 300V max

## Special Provision Wording for Acceptable Equal

**Pre-approved Products Only.** For this solicitation all products offered require pre-approval by the State prior to bid opening date. The intent of the State is to purchase high-grade quality furniture and equipment. However, it is not the State's intent to exclude or limit the products of any responsible manufacturer, if such products are comparable to the quality, performance and/or characteristics of the "pre-approved product(s)".

For substitution consideration, interested bidders must submit, for evaluation, product specification literature and/or other pertinent specification information, listing modifications, if any, to **Donn Tsuruda-Kashiwabara of the SPO, 1151 Punchbowl Street, Room 416, by April 19, 2006.**

The written request shall be submitted in duplicate, together with two (2) sets of technical brochures, and shall be accompanied by two (2) copies of a statement of variances, if any, as described on the attached Sample Request for Substitution.

The statement of variances must list all features of the proposed substitution, which differ from the specifications and/or product(s) specified and must further certify that the substitute has no other variant features. The brochures shall be clearly marked showing the make, model, size, options, etc. and must include sufficient evidence to enable the State to evaluate each feature listed as a variance. Should an unlisted variance be discovered upon review of the product literature, the penalty shall be immediate rejection of the request for substitution.

Any product determined by the SPO, upon evaluation, to be an acceptable equal, will be listed in an addendum issued prior to the bid opening date. The State will be the sole judge as to the comparable quality and suitability of the product and its decision shall be final. If a bidder offers a product without the State's pre-approval, the product shall not be considered for award.

SPECIAL PROVISIONS

SP-3

IFB-06-089-O

# Sample Request for Substitution

Date: \_\_\_\_\_

State of Hawaii  
State Procurement Office  
P.O. Box 119  
Honolulu, HI 96810-0119

Attention: Mrs. ~~Donn~~ Tsuruda-Kashiwabara

Dear Mrs. Tsuruda-Kashiwabara:

SUBJECT: Request for Substitution

Project: \_\_\_\_\_

IFB No. \_\_\_\_\_

In accordance with the requirements of the Special Provisions, we hereby submit for substitution two (2) sets of technical brochures and statement of variances for your review and approval for the item(s) shown below.

<u>ITEM</u>	<u>SPECIFIED BRAND</u>	<u>SUBSTITUTE BRAND</u>	<u>MODIFICATION/VARIANT FEATURES</u>
-------------	----------------------------	-----------------------------	--

I further certify that my request of the above item(s) has no other variant features.

# Types of Contracts

## HAR 3-122 subchapter 16

- Fixed-Price Contracts
- Cost –Reimbursement Contract
- Cost-Incentive Contract
- Performance Incentive Contract
- Time and Materials Contract
- Labor Hour Contract
- Definite Quantity Contract
- Indefinite Quantity Contract
- Incremental Award Contract
- Multi Award Contract
- Geographic or regional award contract
- Lease contract
- Installment purchase payment contract
- Multi-Term Contract

## Common Type of Contract

- **Firm Fixed Priced:** Price is not subject to adjustment. The responsibility is placed on the contractor to deliver goods or services or construction in accordance with the contract terms at a firm price.
- **Fixed Price with Price Adjustment:** Firm fixed price contract that provides for variation in contract price under special conditions defined in the contract.

- **Definite Quantity Contract:**

Fixed price contract provides for delivery of a specified quantity of goods or services either at specified time or when ordered.

i.e., disability placards, and decals

- **Indefinite Quantity Contract  
(Requirements):**

Fixed price contract for an indefinite amount of goods, services to be furnished at specified times or as ordered for a set term.

i.e., recycled office paper price list, ammunition

- **Multiple Award Contract** §3-122-145 :

Indefinite quantity contract for one or more similar goods or services to more than one bidder or offeror. i.e., helicopter services

- **Multi-Term Contract** §3-122-149:

A contract that extends over more than one fiscal period but funds are available for only the initial fiscal period.

Contractual obligation of both parties in each fiscal period succeeding the first is subject to the appropriation and availability of funds;

Used to provide uninterrupted services over more than one fiscal period;

Multi-Term Contracts need HOPA approval.



# IFB Considerations

# IFB Considerations:

## HRS § 3-122-223

**Bid Security:** Protects against the failure or refusal of an Offeror to execute a contract for work bid or to supply the necessary performance and payment bonds as required.

If used, the amount shall be equal to at least 5% of the base bid and additive alternatives, or in an amount as required by federal funding.

## IFB Considerations: Bid Security

- Bid Security: Required for Construction bids over \$50,000 (HRS 103D-305)
- Required for Federal funds contracts where conditions of the funding requires bid security.
- Optional for goods and services. If you do want it then the HOPA can approval.
- If an Offer fails to accompany its offer with a required bid security, the offer shall be deemed non-responsive unless otherwise determined by the CPO and the HOPA to be non-substantial.

## Contract Performance and Payment Bond

### 3-122-224

- A contract performance bond indemnifies the State against loss resulting from the failure of the contractor to perform a contract. Review HRS section 103D-305. *For Construction contract, performance and payment bonds shall each be equal to 100% of the contract price, or in a manner satisfactory to the purchasing agency.*
- A contract payment bond guarantees payment and protection for those furnishing labor and materials to the contractor or its subcontractors for work bonded.  
( Both are Required for Construction Contracts > \$50,000)

<http://www4.hawaii.gov/StateForms/SPOInt/ShowInternal.cfm>

San

LINDA LINGLE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097  
August 28, 2008

BRENNON T. MORIOKA  
DIRECTOR

Deputy Directors  
MICHAEL D. FORMBY  
FRANCIS PAUL KEENO  
BRIAN H. SEKIGUCHI  
JIRO A. SUMADA

IN REPLY REFER TO:  
HWY-CM 2.9123

TO: AARON S. FUJIOKA, ADMINISTRATOR  
STATE PROCUREMENT OFFICE

FROM: BRENNON T. MORIOKA, PH. D., P.E. *BT*  
DIRECTOR OF TRANSPORTATION

SUBJECT: REQUIREMENT FOR CONTRACT PERFORMANCE BONDING ON  
LANDSCAPE MAINTENANCE CONTRACTS FOR HIGHWAYS, OAHU  
DISTRICT

Due to a shortage of manpower, the Highways Division, Oahu District, has been issuing landscape service contracts to maintain various areas around the island.

These service contracts do not have any bonding requirements. Consequently, the contractors have been bidding unrealistically low in an effort to win a State contract. Once the contract is awarded, the performance of these low bidding contractors is extremely poor, as they do not have enough money in the contract to complete all the required tasks. When deductions are made to their monthly invoice for lack of performance, the contractors simply abandon the contract. The State must then re-bid the contract and incur additional costs when doing so.

The performance bond will ensure the continuity of the maintenance service if the contractor decides to abandon the contract or goes out of business. We hereby request your approval to include the requirements for a Performance Bond in the following landscape service contract:

Project No.	Project Title	Estimated Annual Cost, \$
H2(ABCD)-01-07C	Maintenance of Landscaped Areas, H-2 Freeway, Waiawa Interchange to Waikakalaua Bridge	200,000.00

This letter is to correct the project number, Project No. H2(ABCD)-01-06C (highlighted in yellow in the attached approval letter, HWY-CM 2.8594, dated September 15, 2005), to match the project number that is found in the current contract documents, Project No. H2(ABCD)-01-07C. Above mentioned contract documents were returned to our Contracts Office by the State Department of Accounting and General Services to correct the original approval letter.

*SR-09-002-C*

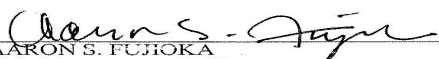
AARON FUJIOKA, ADMINISTRATOR  
August 28, 2008  
Page 2

HWY-CM 2.9123

The approval letter was received on September 27, 2005. However, since this is a pilot project, the specifications and electronic plans were not ready for bidding until December 2007. It is our practice to name project numbers by the Calendar Year.

Should you have any questions, please call Leandro Manding at 587-2184.

APPROVED/~~DISAPPROVED~~

  
AARON S. FUJIOKA  
Chief Procurement Officer

9/15/08  
DATE

Enclosure

The HOPA can approve. Procurement  
Delegation No. 2010-01 has delegated the  
authority for Bid Security and Performance and  
payment bonds.

SR-09-002C

# Other IFB Considerations

## IFB Considerations: Pre-Bid Meeting/Conference

3-122-16.05

The purpose is to explain the procurement requirements and to allow offerors to ask questions. It shall be stated in the public notice and prominently in the solicitation.

Optional - for goods and services.



# For Construction Projects

Pre-bid conference is mandatory for construction, including designing buildings for IFB projects \$500,0000 or more (HAR §103D-303.5)

**Pre-bid conference.**

At least fifteen days prior to submission of bids for a construction or design-build project, the head of the purchasing agency shall hold a pre-bid conference and shall invite all potential interested bidders, offerors, subcontractors, and union representatives to attend.

# Sample

## PRE-BID CONFERENCE

A pre-bid conference will be held at the \_\_\_\_\_.  
Attendance for the pre-bid conference is not mandatory. The date for the conference is *[Thursday, April 1, 2004 at 9:00 a.m. (HST)]*. This pre-bid conference will be for the purpose of reviewing the scope of services required for this solicitation.

Offeror is advised that anything discussed at the pre-bid conference does not change any part of this solicitation. All changes and/or clarifications to this solicitation shall be done in the form of written addenda.

If interested in responding to this solicitation, Offeror is advised to contact the \_\_\_\_\_ to insure that its name, address, telephone and facsimile number(s) are on record for addenda distribution. The State shall not be responsible for distribution of addenda to an interested Offeror who has not provided this information to the \_\_\_\_\_.

Submission of a bid in response to this solicitation shall indicate that Offeror understands the scope of services to be provided, and accepts the terms and conditions of the resulting contract, if awarded. No additional compensation, subsequent to bid opening, shall be allowed by reason of any misunderstanding or error regarding site conditions or work to be performed.

## SITE INSPECTION

Prior to submittal of an offer, Offeror may inspect the location(s) to thoroughly familiarize itself with existing conditions, rules and regulations, and the extent and nature of work to be performed. The site inspection is not mandatory; however, submission of an offer shall be evidence that the Offeror understands the scope of the project and shall comply with specifications herein, if awarded the contract. No additional compensation, subsequent to bid opening, shall be allowed by reason of any misunderstanding or error regarding site conditions or work to be performed.

## IFB Consideration: Notice of Intent to Offer

§3-122-111

### Optional, but if required by a solicitation:

- The notice shall be received no less than 10 calendar days prior to the deadline for receipt of offers;
- The notice may be submitted by facsimile and the date of receipt as evidenced by the procurement officer's transaction receiving report, shall determine timeliness of the notice.
- §103D-310(b)  
Whether or not an intention to bid is required, the procurement officer shall determine whether the prospective offeror has the financial ability, resources, skills, capability, and business integrity necessary to perform the work.

NOTICE OF INTENT TO SUBMIT AN OFFER

\_\_\_\_\_  
Procurement Officer  
State of Hawaii  
Department of \_\_\_\_\_  
\_\_\_\_\_  
Street, Room \_\_\_\_\_  
Honolulu, Hawaii 96\_\_\_\_

Re: Invitation For Bids No. \_\_\_\_\_; For the Furnishing and Delivery of  
\_\_\_\_\_

This is to acknowledge that we have examined the subject Invitation For Bids  
No. \_\_\_\_\_ and intend to submit an offer.

Submitted by:

\_\_\_\_\_  
By (Signature) Date

\_\_\_\_\_  
Name and Title (Print)

\_\_\_\_\_  
Exact Legal Name of Offeror (Company)\*

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
Business Telephone Number

\_\_\_\_\_  
Business Facsimile Number

\*If the Offeror shown above is a "dba" or a "division" of a corporation, furnish the exact  
legal name of the corporation on behalf of the corporation on behalf of which the  
contract will be executed.

## Publicize the IFB on the Procurement Notice System (PNS)

### §3-122-16.03(d)1

- The rule states that you need to publicize the IFB.
- At the minimum, statewide and countywide public notices shall be publicized on a purchasing agency or provider internet site.
- Optional- In addition to the public notices you could do a newspaper publication.

# Putting together the IFB



[Department Name]

LEGAL AD DATE:[mm/dd/yyyy]

**INVITATION FOR BIDS**  
No. IFB-[ ]

**SEALED OFFERS**  
**FOR**  
[ ]

WILL BE RECEIVED UP TO AND OPENED AT [ ], P.M. (HST) ON  
[ ]

IN THE [ ] OFFICE, [ ] BUILDING, [ ] STREET, ROOM [ ], [ ], HAWAII  
96[ ]. DIRECT QUESTIONS RELATING TO THIS SOLICITATION TO [ ], TELEPHONE  
(808) [ ], FACSIMILE (808) [ ] OR E-MAIL AT [ ].

IFB-[ ]

\_\_\_\_\_  
Name of Company

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11.	OFFER PREPARATION
12.	OFFEROR'S EXPERIENCE
13.	METHOD OF AWARD
14.	EXECUTION OF CONTRACT
15.	INVOICING AND PAYMENT
16.	RE-EXECUTION OF WORK
17.	LIABILITY INSURANCE
18.	LIQUIDATED DAMAGES
19.	REMOVAL OF CONTRACTOR'S EMPLOYEES
20.	NO MULTIPLE OR ALTERNATE OFFERS
21.	PROTESTS
22.	CAMPAIGN CONTRIBUTIONS BY STATE AND COUNTY CONTRACTORS
SECTION 4	NOTICE OF INTENT TO SUBMIT AN OFFER FORM (Optional)
SECTION 5	REFERENCES PAGE (Optional)



STATE OF HAWAII  
RFP-13-008-O  
ENTERPRISE RESOURCE PLANNING (ERP)  
ENTERPRISE ARCHITECTURE AND SYSTEMS  
ENGINEERING CONSULTING SUPPORT

Procurement Officer  
State Procurement Office  
State of Hawaii  
Honolulu, Hawaii 96813

Dear Procurement Officer:

The procurement conducted for the specified goods and/or services are pursuant to Hawaii Revised Statutes (HRS) Chapter 103D and its Hawaii Administrative Rules (HAR). The undersigned has carefully read and understands the terms and conditions specified in the Specifications, Special Provisions, General Provisions, dated 9/2012, as amended, and the AG General Conditions, Form AG-008, dated 4/15/09 attached hereto; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) Offeror is declaring that offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) Offeror is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Offeror is:

Sole Proprietor    Partnership    \*Corporation    Joint Venture

Other \_\_\_\_\_

\*State of incorporation: \_\_\_\_\_

Note: Update reference to AG-008 latest is 10/15/13  
AG-003 updated 6/22/09

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Hawaii General Excise Tax License I.D. No. \_\_\_\_\_

Federal I.D. No. \_\_\_\_\_

Payment address  
(other than street address below): \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_

Business address (street address): \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_

Respectfully submitted:

(x)

\_\_\_\_\_  
*Date:*

\_\_\_\_\_  
*Authorized (Original) Signature*

\_\_\_\_\_  
*Telephone No.:*

\_\_\_\_\_  
*Name and Title (Please Type or Print)*

\*\*

\_\_\_\_\_  
*Fax No.:*

\_\_\_\_\_  
***Exact Legal Name of Company (Offeror)***

\_\_\_\_\_  
*E-mail Address:*

\*\*If Offeror is a "dba" or a "division" of a corporation, furnish the "dba" or "division" name of the corporation:

ATTACHMENT 1

OFFER FORM OF-1

RFP-13-008-O

***For the rest of the Offer Forms take into consideration the following:***

- Description of what is being purchased
- Space for Unit Price per Item per Packaging, if any
- Quantity being purchased
- Space for Extension of Unit Price per Item by Quantity of Items
- Space for Offeror to provide Manufacturer's Brand Name and Model No. of product being offered in response to solicitation
- Location of warehouse or facility, if required
- Delivery location for product being purchased
- Space(s) for additional information required for product being purchased

The following bid is hereby submitted for furnishing, delivering, and installing various freezers and refrigerators for the Department of Health, State Laboratories Division. All equipment shall be furnished, delivered and installed in strict accordance with the specifications herein.

Bidder shall provide the following information:

<u>Description</u>	<u>Unit Price</u>	<u>Total Bid Price</u>
1) -86°C Upright Ultra-Low Temperature Freezers	_____ x 2	\$ _____
2) -20°C <u>Undercounter</u> Freezer	_____ x 1	\$ _____
3) -40°C Upright Ultra-Low Temperature Freezer	_____ x 1	\$ _____
4) 4°C Large Capacity Upright Refrigerator	_____ x 1	\$ _____
5) 4°C Large Capacity Upright Space Saver Refrigerator	_____ x 1	\$ _____
6) 4°C <u>Undercounter</u> Refrigerator	_____ x 1	\$ _____

**Brand Name(s) and Model Number(s) offered:**

a. Two (2) -86°C Upright Ultra-Low Temperature Freezers that will be used for long-term storage of viral specimens and Nucleic Acid Extracts (REVCO Model ULT2586-9A or equivalent): \_\_\_\_\_

Accessories: \_\_\_\_\_

\_\_\_\_\_

b. One (1) -20°C Undercounter Freezer and accessories that will be used for PCR testing of Influenza virus (REVCO ULT-430A or equivalent): \_\_\_\_\_

\_\_\_\_\_

Accessories: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The following bid is hereby submitted to provide Helicopter Transportation Services, as specified herein, for the Division of Forestry and Wildlife, Hawaii Branch, Department of Land and Natural Resources.

<u>Item</u>	<u>Description</u>	<u>Estimated No. Of Hours</u>	<u>Unit Price Per Hour</u>	<u>Estimated Total Costs</u>
<b>TYPE OF SERVICE*</b>				
1	Passenger & Sling-Load/ Reconnaissance/Aerial Shooting	172 hours	\$ _____	\$ _____
2	Aerial Spraying, Boom type	8 hours	_____	_____
<b>Estimated Total Bid Price (Items 1-2):</b>				<b>\$ _____</b>

Offeror(s) shall complete the information requested:  
 (See Section 17.0, FUEL OIL PRICE ADJUSTMENT)

Average Gallon Per Hour (GPH) consumed by helicopters listed herein: \_\_\_\_\_

Current price per gallon for fuel being charged to the Contractor  
 Fuel supplier to operate helicopters listed herein: \$ \_\_\_\_\_

Name of Fuel Supplier: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Contact Name: \_\_\_\_\_

- \*Note:** a. Offeror is required to bid on all items or types of helicopter services in order to be considered for award.
- b. The unit price per hour shall be the all-inclusive cost to the State. See Section 8.2 "Bid Quotation" in Special Provisions, page SP-3

The following offer is hereby submitted for Furnishing Janitorial Service for the Lahaina Comprehensive Health Center located at 1830 Honoapiilani Highway, Lahaina, Maui:

<u>Item</u>	<u>Description</u>	<u>Unit Bid Price</u>		<u>No. of Periods</u>	<u>Total Bid Price</u>
1.	<b>General Janitorial Services</b> required on a daily, weekly and monthly basis	\$ _____	X	12	= \$ _____
2.	<b>Periodic Janitorial Services</b> required on a quarterly basis	\$ _____	X	4	= \$ _____
3.	<b>Periodic Janitorial Services</b> required on a semi-annual basis	\$ _____	X	2	= \$ _____
<b>TOTAL ANNUAL BID PRICE – Bid Item Nos. 1 to 3</b>					<b>\$ _____</b>

Offeror to complete the following: (for evaluation purposes only)

	<u>No. of Workers</u>	x	<u>Estimated Labor Hours Per Worker</u>	x	<u>Wage Rate</u>	=	<u>Total Bid Price</u>
Janitor I (BC01)	_____	x	_____ hrs./year	x	\$14.80*	=	\$ _____
Estimated Total Labor:							\$ _____
Plus Other Costs:							\$ _____
Estimated Total Bid Price:							\$ _____ **

\*Effective July 1, 2007

\*\*Estimated Total Bid Price should be the same as Total Annual Bid Price – Bid Item Nos. 1 to 3 shown above.

IFB Requirement - Services (S/1305)

8/19/00

**WAGE CERTIFICATE  
FOR SERVICE CONTRACTS  
(See Special Provisions)**

Subject: IFB No.: \_\_\_\_\_  
Title of IFB: \_\_\_\_\_

**Pursuant to Section 103-55, Hawaii Revised Statutes (HRS), I hereby certify that if awarded the contract in excess of \$25,000, the services to be performed will be performed under the following conditions:**

1. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with; and
2. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work, with the exception of professional, managerial, supervisory, and clerical personnel who are not covered by Section 103-55, HRS.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by section 103-55, HRS.

Offeror \_\_\_\_\_  
Signature \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

WAGE CERTIFICATE

IFB-XX-XXX-X

# Specifications

## Purpose:

- Procuring goods, services, or construction
- Meeting the needs for the State or County in a cost effective manner.
- Promote overall competition
- Provide a fair and equal opportunity for every supplier
- Avoid unique requirements to limit competition



## Attributes of a comprehensive and concise specification:

- General description of the product or service
- Numerical expression of appropriate units and limitations
- Specific make or model
- “Equal to” a specific brand, make, or model
- Item Characteristics (chemicals, ingredients, etc)
- Material composition
- Assembly or construction composition
- Output characteristics and performance

## Continued Attributes

- Engineering drawings and assembly methods
- Test methodically
- Industry Standards
- Standard grades
- Prototype sample
- Brand name
- Tolerance

## Example: Service Specifications

### SPECIFICATIONS

#### SCOPE OF WORK

The Contractor shall furnish all labor, equipment, cleaning supplies, materials and supervision to satisfactorily perform the janitorial services for State agencies in the Lahaina Comprehensive Health Center located at 1830 Honoapiilani Highway, Lahaina, Maui.

The State shall furnish toilet tissue, hand towels, hand soap, light bulbs, and fluorescent lamps. However, the Contractor shall be responsible monitoring proper supply levels and for replenishing these supplies in the proper receptacles. The Contractor will notify the Contract Administrator at (808) 877-3305 when supplies are needed. The Contractor will be responsible for the pickup of these supplies at the Department of Accounting and General Services (DAGS), Maui District Office at 755 Mua Street.

The Contractor shall furnish all other cleaning supplies and equipment such as ladders, brooms, mops, vacuum cleaner, sponges, brushes, dusters, disinfectants, cleaning detergents and soaps, carpet shampooing supplies and equipment, and any other equipment and supplies necessary to perform janitorial services.

#### WORK SCHEDULE

Services shall be performed twenty-five (25) hours a week, Monday through Friday (excluding State holidays), between the hours of 8:00 a.m. and 1:30 p.m. with a 30-minute lunch break.

#### DESCRIPTION OF WORK

Services shall be provided with a minimum of interruption to the regular course of operation of the department's personnel. The Contractor must maintain a regular systematic inspection of the premises and shall perform all work in a professional manner. The Contractor shall not use State equipment or State employees' personal belongings.

#### I. GENERAL JANITORIAL SERVICES

##### A. Services Required Daily

1. Room cleaning includes offices, conference rooms, lunchrooms, machine rooms, file rooms, libraries, interview room, therapy rooms, examination rooms.
  - a. Empty and clean wastebaskets
  - b. Dust horizontal surfaces of desks, files, tables and clean glass desktops and reception counter. CAUTION: DO NOT disturb papers, books, or other materials on desks, tables or files. DO NOT DAMP WIPE desks or metal cabinets.
  - c. Sweep and/or dust mop entire floor area two times a week and spot sweep and or dust mop on the three remaining days.
  - d. Thoroughly vacuum full carpeted areas three times a week and spot-vacuum on the two remaining days. Return furniture and equipment to their original location.

- e. Spot clean to remove all stains from carpeted areas.
- f. Clean wash basins and mirrors and replenish papertowels.
- g. Lock doors and windows and secure the building before leaving premises (except offices that have personnel working late).
- h. Dust horizontal surfaces of bookcases, chairs, windowsills, doors, fire extinguisher cabinets, etc., three times a week and spot clean wall surfaces within approximately 70 inches from floor, on the remaining two days.

2. Restroom Cleaning

- a. Empty all trash receptacles and service dispensers, wipe clean and replace in proper location.
- b. Clean interior and exterior of urinals and water closets, including both surfaces of toilet seats; remove rings, stains, etc.; disinfect and wipe.
- c. Clean wash basins; remove stains; disinfect and damp wipe.
- d. Polish all chrome and stainless steel fixtures and dispensers once a week; clean and wipe on remaining four days.
- e. Service and replenish all dispensers.
- f. Clean all mirrors.
- g. Sweep, mop and sanitize floors. Scrub floors to remove stubborn stains.
- h. Clean tile walls, stall partitions and doors, three times a week; spot-clean other surfaces and dust horizontal surfaces on the remaining two days.

3. Drinking Fountains: clean and wipe.
4. Corridors, Hallways, Stairways, Entrances, Court Yard and Lobby:
  - a. Sweep and/or mop, or vacuum all assigned areas.
  - b. Police main entrances and lobbies twice a week.
  - c. Damp mop resilient floors in main corridor.
  - d. Dust handrails, ledges, etc.
  - e. Clean all trash receptacles.
  - f. Clean both surfaces of entrance door glass.
  - g. Clean fire extinguishers on wall.
  - h. Spot clean stairwell rails.
  - i. Wipe down benches.
  - j. Spot clean to remove all stains from carpeted areas.
  - k. Vacuum upholstery of chairs in lobby.
5. Trash - collect, remove, and deposit trash in refuse containers provided by DAGS.

B. Services Required Weekly:

1. Polish wooden handrails and coffee tables.
2. Wipe down planters.
3. Wipe down Koa paneling located in lobby.
4. Water plants as required.
5. Mop all floors without carpets with clean water.

C. Services Required Monthly:

1. Floors - spray buff hard floors.
2. Walls - dust vertical surfaces above 70 inches from floor, remove all bee nests as required, wax Koa paneling in lobby.

1. Caution signs shall be provided and displayed at each location where there is exposure to toxic materials or harmful physical agents. Labels shall be affixed to all toxic materials or harmful Physical agents, or their containers, warning of their potential danger.
2. Contractor shall post information (Material Safety Data Sheet) prominently regarding hazards posed by toxic materials or harmful Physical agents in the employer's workplace. The information shall include suitable precautions, relevant symptoms, and emergency treatment in case of overexposure.
3. Contractor's employees, who are required to use poison, caustics, and other harmful substances, shall be instructed in the proper and safe handling of such products and made aware of the potential hazards, as well as the personal hygiene and personal protective measures required.

**KEYS**

If applicable, Contractor shall be responsible for State key(s) loaned to the Contractor for entry and exit to the agency premises while performing services under the contract. Contractor shall return all keys within twenty-four (24) hours of contract termination or when requested by the State. Contractor shall be charged for lock and key replacement(s) if keys are lost during the term of the contract or not returned within twenty-four (24) hours of contract termination.

GENERAL SPECIFICATIONS

In addition to detailed specifications herein, the following requirements shall form a part of these specifications:

- a. Vehicle offered shall include any other standard features not listed but detailed in manufacturer's brochures and deemed necessary for the proper and safe operation of vehicle.
- b. Manufacturer's standard warranty of 36 months or 36,000 miles from the date the vehicle is placed in service whichever occurs first. Full coverage shall include cost of parts, labor and any other expenses incurred in performing warranty work. Warranty documents shall be delivered with the vehicle and shall detail manufacturer's obligation and warranty.
- c. Contractor shall provide a copy of the owner-operator manual and service/repair manual at the time vehicle is delivered.
- d. Vehicle shall include and comply with all Federal Motor Vehicle Safety Standards. Vehicle shall also comply with the Code of Federal Regulations, Title 40, Part 85: Control of Air Pollution from New Motor Vehicles and New Motor Vehicle Engines, Environmental Protection Agency.
- e. Vehicle shall be completely serviced and in full operational condition upon delivery. Contractor will deliver vehicles no later than 150 calendar days from the official start date on the Notice To Proceed.
- f. Accessory equipment installed on the vehicle shall be fully guaranteed by the Contractor against defects resulting from the use of defective or inferior materials or from neglect or against all design and manufacturing defects. Warranty period shall begin from the date equipment is placed in service and shall be for a minimum of one (1) year or for the period guaranteed by the manufacturer, whichever is longer. Warranty documents shall be delivered with the vehicle and shall detail manufacturer's obligation and warranty procedures. Contractor shall replace or repair defective material and/or workmanship at no cost to the State for parts and labor during the warranty period, provided such defects are not due to abuse or negligence on the part of the State.
- g. All equipment offered shall meet ANSI and OSHA safety requirements, and any other Federal or State safety requirements. If applicable or when requested, equipment shall bear a label or written documentation indicating approval of safety requirements from a bonafide testing laboratory.
- h. The 2008 model vehicles in the top one-fifth of energy efficient in it's class can be found on the Department of Business, Economic Development and Tourism Website (DBEDT) website:  
<http://www.hawaii.gov/dbedt/info/energy/efficiency/state/> Needs updating see §103D-412  
At the homepage, click on Model Year 2008 "Energy Efficient Vehicles.

GENERAL SPECIFICATIONS

S-1

IFB-09-016-O

**DETAILED SPECIFICATION FOR COMPACT 4 DOOR VEHICLES**

**All quantities listed represent a minimum, unless otherwise specified. Vehicles must come with original factory equipment with no aftermarket modifications/alteration/retrofits to meet requirement of specifications.**

1. Model Year: 2009 or newer
2. Make/Model: Toyota Corolla or equivalent
3. Wheelbase: 102" minimum
4. Engine: 1.6 Liter minimum  
4 Cylinder
5. Transmission: Automatic
6. Steering: Power or power assisted
7. Brakes: Power or power assist  
Front Disc/Rear Drum/minimum
8. Wheels: 15 inch Radial tires minimum  
Full or space saver spare tire  
Jack and Wheel wrench
9. Interior: 5 passenger seating capacity (5 seat belt positions)  
Air conditioning  
AM/FM Radio  
Dual Front Air Bags (SRS)  
Standard vinyl or cloth upholstery  
Power windows/door locks
10. Exterior: Color: Factory White  
4 Doors  
Enclosed Trunk  
Dual outside mirrors  
Factory tinted glass all windows  
Side body moldings
11. Other: Operator's manual  
Mileage shall not exceed 300 miles at the time of delivery  
Shop repair manual (1 set)  
Three (3) sets of Keys  
Highway miles per gallon must be equal or higher than in the top one-fifth of the most energy-efficient vehicles in its class for 2008 compact cars.

GENERAL SPECIFICATIONS

S-2

IFB-09-016-O



## §103D-412 Light –duty motor vehicles requirements.

- The procurement policy for all agencies purchasing or leasing light-duty motor vehicles shall be to reduce dependence on petroleum for transportation energy.
- Beginning January 1, 2010, the priority for selecting vehicles shall be:
  1. Electric or plug-in hybrid electric vehicles;
  2. Hydrogen or fuel cell vehicles;
  3. Other alternative fuel vehicles
  4. Hybrid electric vehicles; and
  5. Vehicles that are identified by the EPA as “Fuel Economy Leaders”

## RELATING TO PRIVATE GUARDS

**Act 208, SLH 2010, effective July 1, 2013, all individual guards, and all agents, operatives, and assistants employed by a guard agency, private business entity, or government agency who act in a guard capacity shall apply to register with the Board of Private Detectives and Guards.**

# Example of Special Conditions

SPECIAL CONDITIONS

1. INTRODUCTION

The State of Hawaii, Department of \_\_\_\_\_, \_\_\_\_\_ Division, (herein after referred to as "\_\_\_\_\_") is seeking offers for furnishing and delivering \_\_\_\_\_, pursuant to HRS chapter 103D, all in accordance with the Specifications, Special Conditions, and General Conditions of this IFB No. \_\_\_\_\_.

2. AUTHORITY

This IFB is issued under the provisions of the State Procurement Code (HRS Chapter 103D) and the State Procurement Office's applicable Directives, Circulars and administrative rules. All prospective Offerors are charged with the presumptive knowledge of all applicable legal authorities. Submission of a valid executed offer by any prospective Offeror shall constitute admission of such knowledge on the part of such prospective Offeror.

Any Agreement arising out of this offer is subject to the approval of the State Department of the Attorney General, as to form, and to all further approvals as required by statute, administrative rule, order, or other directive.

3. PROCUREMENT OFFICER

The Procurement Officer is responsible for administering and overseeing the Contract, including monitoring and assessing contractor performance. The Procurement Officer for the Contract is:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title or Position)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Address)

Telephone: (808) \_\_\_\_\_

Facsimile: (808) \_\_\_\_\_

#### 4. ISSUING OFFICER

The individuals listed below are the **sole** point of contact from the date of release of this IFB until the selection of the Offeror to which a Contract will be awarded:

Primary Contact

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title or Position)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Address)

Telephone: (808) \_\_\_\_\_

Facsimile: (808) \_\_\_\_\_

Alternate Contact\*

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title or Position)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Address)

Telephone: (808) \_\_\_\_\_

#### **5.0 TERM OF CONTRACT**

The term of contract shall be for the twelve (12) month period commencing on or about April 1, 2013 and ending on March 31, 2014.

Unless terminated, the contract may be extended without re-solicitation, upon mutual agreement in writing between the State and the vendor (s), prior to the expiration date, for not more than four (4) additional twelve (12) month periods, or parts thereof, provided the contract price for the extended period(s) shall be in accordance with the price adjustment provisions listed herein.

The Contractor or the State may terminate any extended contract period at any time upon one hundred twenty (120) days prior written notice.

#### **6.0 OFFEROR'S AUTHORITY TO BID**

The State will not participate in determinations regarding an Offeror's authority to sell a product. If there is a question or doubt regarding an Offeror's right or ability to obtain and sell a product, the Offeror shall resolve that question prior to submitting a bid. If an Offeror offers a product that meets the specifications, is acceptable and the price submitted is the lowest price offered, the contract will be awarded to that Offeror.

#### **8.0 OFFEROR QUALIFICATIONS**

**Location of Business on Oahu.** On the island of Oahu, Offeror shall maintain an island-based business at the time of bidding and during the contract period with warehouse or retail business at the time of bidding and during the contract period with warehouse inventory operations for supplying the items awarded. Award(s) shall not be made to any Offeror not meeting this qualification requirement. Island-based warehouse location, contact person, phone and facsimile numbers shall be provided on the appropriate Offer Form page OF-1.

**Location of Business on Maui.** On the island of Maui, Offeror shall maintain an island-based business at the time of bidding and during the contract period with warehouse or retail business at the time of bidding and during the contract period with warehouse inventory operations for supplying the items awarded. Award(s) shall not be made to any Offeror not meeting this qualification requirement. Island-based warehouse location, contact person, phone and facsimile numbers shall be provided on the appropriate Offer Form page OF-1.

**Location of Business on Hawaii.** On the island of Hawaii, Offeror shall maintain an island-based business at the time of bidding and during the contract period with warehouse or retail business at the time of bidding and during the contract period with warehouse inventory operations for supplying the items awarded. Award(s) shall not be made to any Offeror not meeting this qualification requirement. Island-based warehouse location, contact person, phone and facsimile numbers shall be provided on the appropriate Offer Form page OF-1.

**Award(s) shall not be made to any Offeror not meeting the Offeror Qualification requirements.**

Island-based administrative office location, contact person, phone and facsimile numbers shall be provided on the appropriate Offer Form, page OF-1.

The company name, street, address, city, state and zip code shall be provided on the appropriate Offer Form, page OF-1.

#### **7.0 RESPONSIBILITY OF OFFERORS**

Offeror is advised that in order to be awarded a contract under this solicitation, Offeror will be required to be compliant with all laws governing entities doing business in the State, including the following chapters and pursuant to HRS §103D-310(c):

- Chapter 237, General Excise Tax Law;
- Chapter 383, Hawaii Employment Security Law;
- Chapter 386, Workers' Compensation Law;
- Chapter 392, Temporary Disability Insurance;
- Chapter 393, Prepaid Health Care Act; and
- Certificate of Good Standing for entities doing business in the State.

Refer to the Award of Contract (Section 23.0) provision herein for instructions to register for Hawaii Compliance Express (HCE) utilized for verification of compliance.

The SPO will conduct periodic checks to confirm Contractor(s) maintain compliance on the HCE throughout the term of the contract, including any extensions. If Contractor(s) Certificate of Vendor Compliance shows *Not Compliant* or *Expired* status in Hawaii Compliance Express, the State has the right to remove the Contractor(s) from the price list contract.

#### **22.0 STANDARDS**

Gasoline shall meet the specifications for automotive spark ignition engine fuel as approved by the Measurement Standards Branch of the Hawaii State Department of Agriculture.

Ultra Low Sulfur Diesel (On & Off Highway) shall meet the specifications for diesel fuel oils as approved by the Measurement Standards Branch of the Hawaii State Department of Agriculture.

The sale, distribution and transportation of petroleum products specified herein shall comply with all current Federal, State and County laws and ordinances rules and regulations or as revised thereafter.

#### **23.0 AWARD OF CONTRACT**

*23.1 Method of Award. Award, if made, shall be to the responsive, responsible Offeror submitting the lowest Total Sum Bid Price by County. The three awards shall be made to:*

- Award Number 1: TOTAL SUM BID PRICE – OAHU
- Award Number 2: TOTAL SUM BID PRICE – MAUI
- Award Number 3: TOTAL SUM BID PRICE - HAWAII

Offeror is not required to bid on every County to be considered for award. However, Offeror must bid on every line item within a County to be considered for that County award.

Responsibility of Offeror. Pursuant to HRS §103D-310(c), the selected offeror shall at the time of award be compliant with all laws governing entities doing business in the State. The State will verify compliance on Hawaii Compliance Express (HCE).

Hawaii Compliance Express. The HCE is an electronic system used to quickly verify proof of compliance of vendors/contractors/service providers doing business in the State. The HCE certificate, *Certificate of Vendor Compliance* is a printable certificate that will provide *compliant* status in real time. It is an online certificate process of the tax clearance from the Department of Taxation and the Internal Revenue Service; certificate of compliance from the Department of Labor and Industrial Relations and a *Certificate of Good Standing* from the Department of Commerce and Consumer Affairs required pursuant to Hawaii Revised Statutes (HRS) §103D-310(c) and Hawaii Administrative Rules (HAR) §3-122-112.

Vendors/contractors/services providers are advised to register with Hawaii Compliance Express (HCE) at <https://vendors.ehawaii.gov>. Vendors/contractors/service providers will pay an annual fee of \$12.00, or as amended to the Hawaii Information Consortium, LLC (HIC).

## **12.0 CERTIFICATION OF INDEPENDENT COST DETERMINATION**

1. By submission of a bid in response to this IFB, bidder certifies as follows:

12.1.1 The costs in this IFB have been arrived at independently, without consultation, communication, or agreement with any other Offeror, as to any matter relating to such costs for the purpose of restricting competition.

1. Unless otherwise required by law, the cost which have been quoted in this IFB have not been knowingly disclosed by the Offeror prior to award, directly or indirectly, to any other Offeror or competitor prior to the award of the contract.

2. No other attempt has been made or shall be made by the Offeror to indicate any other person or firm to submit or not to submit a bid for the purpose of restricting competition.

## **13.0 CONTRACT ADMINISTRATOR**

For purposes of this contract, the DAGS Automotive Administrator or appointed representative is designated as Contract Administrator and may be contacted at (808) 586-0343.



HCE program will be required to provide the paper certificates as instructed in the sections previous to this one.

**Timely Submission of all Certificates.** If a valid certificate is not submitted on a timely basis as determined by the Procurement Officer for award of a contract, an offer otherwise responsive and responsible may not receive the award.

8. PRE-BID MEETING (**OPTIONAL**)

Prospective offerors are invited to attend a pre-bid meeting to be held on \_\_\_\_\_, 2006, 10:00 a.m. (HST), at the Department of \_\_\_\_\_, \_\_\_\_\_ Street, \_\_\_\_\_, Hawaii 96\_\_\_\_\_. The purpose of the pre-bid meeting is to address any questions and concerns offerors may have regarding the specifications or any other items in this solicitation. Although Offerors are encouraged to notify the Issuing Officer if they plan to attend, it is not mandatory.

9. INQUIRIES (**OPTIONAL**)

All inquiries regarding any item in this IFB shall be in writing and received by the Issuing Officer by \_\_\_\_\_, 2006, 2:00 p.m. (HST). Only those written inquiries received by the deadline shall be responded to. An Addendum shall be issued to provide offerors with a list of inquiries and responses. The State's responses shall not be construed to make any changes to the IFB unless otherwise revised by an addendum.

10. NOTICE OF INTENT TO SUBMIT AN OFFER (**OPTIONAL**)

If required, all Offerors who intend to submit an offer must **first** submit the Notice of Intent to Submit an Offer form (Notice of Intent form) included as an attachment to this IFB to the Issuing Officer, \_\_\_\_\_ Street, Room \_\_\_\_\_, Honolulu, Hawaii, \_\_\_\_\_, by the deadline for submission of the Notice of Intention to Submit an Offer.

Hand-delivery of the Notice of Intent form is the preferred method of delivery to the Issuing Officer. However, facsimiles of the Notice of Intent form sent to the attention of the Issuing Officer at (808) \_\_\_\_-\_\_\_\_ and received by the specified deadline will be accepted.

Facsimile submitted Notice of Intent forms sent to the Issuing Officer shall have the facsimile electronic printed time and date serve as the official time stamp. No offer will be accepted from an Offeror who fails to meet this requirement to timely submit a Notice of Intent form to the Issuing Officer by the specified deadline.

#### 11. OFFER PREPARATION

Offer Submittal. To submit an offer, the Offeror must: (1) complete the Offer form attached to this IFB in accordance with the terms and conditions set forth in the IFB; (2) sign the offer in ink with an original signature; (3) place the original, single-sided, unbound offer, plus \_\_\_ (\_\_\_) copies, in an envelope clearly identified with the IFB number, Title, and Offeror's name on the outside of the envelope; (4) seal the envelope; and (5) submit the sealed envelope containing the original and \_\_\_ (\_\_\_) copies of the offer to the Department of \_\_\_\_\_, Attention \_\_\_\_\_, Issuing Officer, \_\_\_\_\_ Street, Room \_\_\_\_\_, \_\_\_\_\_, Hawaii, \_\_\_\_\_, by the deadline for the submission of the offer.

Hand-delivery of the offer (i.e., sealed envelope) is the preferred method of delivery. Unlike the Notice of Intent form, **FACSIMILE OFFERS WILL NOT BE ACCEPTED OR CONSIDERED.**

#### **NO OFFERS WILL BE ACCEPTED AFTER THE DEADLINE SET FOR OFFER SUBMITTALS.**

Legal Name. Offers shall be submitted using the Offeror's exact legal name as registered with the State Department of Commerce and Consumer Affairs. An Offeror shall indicate its exact legal name in the appropriate spaces on the Offer Form. The authorized signature on the Offer Page shall be an original signature in ink. If unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the Offeror's intent to be bound.

Offer Price. The offer price shall be the all-inclusive price to perform the services as specified herein. The offer price shall be the all-inclusive price and include, but not be limited to, i.e., all labor, materials, equipment, ground transportation, lodging, taxes, and any other costs for providing the services herein.

Acceptance of offer, if any, shall be made within ninety (90) calendar days after the opening of offers, and the prices quoted by the Offeror shall remain firm for the ninety (90) day period or longer as mutually agreed upon by the Offeror and the State.

Offer Security. An offer guaranty (bid security) \_\_\_\_\_ required for this solicitation.

Confidential Information. Offerors shall designate those portions of their offer that contain trade secrets or other proprietary data that are to remain confidential subject to Hawaii Administrative Rules (HAR) §§ 3-122-21(a)(7) and 3-122-30 (c) and (d). Material designated as confidential shall be readily separable from the offer in order to facilitate public inspection of the non-confidential portion of the offer. Prices, makes and models, or catalogue number of items offered, deliveries and terms of payment, shall be publicly available at the time of opening regardless of any designation to the contrary.

12. OFFEROR'S EXPERIENCE (*OPTIONAL*)

To assure the State that the Offeror is capable and has the necessary experience to perform the services specified herein, the Offeror must submit a minimum of \_\_\_\_\_ ( ) references located in the State in the Section 5, References Page included in the IFB for whom the Offeror has provided similar services. The State reserves the right to contact any of the listed references to inquire about the Offeror's performance in providing the services.

13. METHOD OF AWARD

An award, if made, shall be to the responsive and responsible Offeror submitting the lowest Price on the Offer Form.

Only those offers that meet all of the IFB's Specifications, Special Conditions, and General Conditions, and any other IFB requirement(s) will be considered for award. Any offer that proposes terms, conditions, or requirements that are contrary to those specified herein or does not meet the qualification requirements of the IFB, as solely determined by the State and as provided for herein, may be considered non-responsive and will be rejected as provided for herein.

14. EXECUTION OF CONTRACT

The successful Offeror shall be required to execute the State's Agreement For Goods Or Services Based Upon Competitive Sealed Bids, included by reference in the IFB. No performance or payment bond is required for this Contract.

No work is to be undertaken by the Contractor prior to receiving a fully executed Contract. The State is not liable for any work, contract costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to receiving a fully executed Contract.

15. INVOICING AND PAYMENT

The Contractor shall submit an original and three (3) copies of invoices to the Procurement Officer listed in this IFB. Payment shall be made to the Contractor at the contracted price and upon the terms of the IFB upon certification that the

**33.0 CANCELLATION OF IFB AND PROPOSAL REJECTION**

33.1 The State reserves the right to cancel this IFB and to reject any and all proposals in whole or in part, and waive an defects, when it is determined to be in the best interest of the State, pursuant to HAR §3-122-96 through HAR §3-122-97.

33.2 The State shall not be liable for any costs, expenses, loss of profits or damages whatsoever, incurred by the Offeror in the event this IFB is cancelled or a proposal is rejected.

**34.0 QUALITY OF PRODUCT**

All fuels furnished under these specifications shall be non-contaminated and of the best quality of its respective kind. It shall be free of contamination. Contaminated or rejected fuel shall be removed by vendor within a reasonable amount of time agreed upon by the vendor and State agency.

**35.0 FAILURE TO DELIVER / PRODUCT SUBSTITUTION**

Vendor shall be obliged to deliver products awarded in accordance with the terms and conditions stated herein. If the vendor is unable to deliver products under contract, it shall be the vendor's responsibility to obtain prior approval of the ordering agency to deliver an acceptable substitute at the contract price quoted. It shall be the vendor's responsibility to obtain such substitute. In the event a vendor consistently needs to substitute or refuse to substitute products, the Procurement Officer reserves the right to terminate the contract and/or initiate the debarment process pursuant to HAR Chapter 3-126, Legal and Contractual Remedies.

**Refer to Comptroller's Memo  
2010-06 , 2010-08 and 2010-39 Required for  
Executive Agencies**

**15.0 LIABILITY INSURANCE**

Prior to the contract start date, the Contractor shall procure at its sole expense and maintain insurance coverage acceptable to the State in full force and effect throughout the term of the Contract. The Offeror shall provide proof of insurance for the following minimum insurance coverage(s) and limit(s) in order to be placed on the price list contract. The type of insurance coverage is listed as follows:

- Commercial General Liability Insurance

Commercial general liability insurance coverage against claims for bodily injury and property damage arising out of all operations, activities or contractual liability by the Contractor, its employees and subcontractors during the term of the Contract. This insurance shall include the following coverage and limits specified or required by any applicable law: bodily injury and property damage coverage with a minimum of \$2,000,000 per occurrence; personal and advertising injury of \$1,000,000 per occurrence; broadcasters' liability insurance of \$1,000,000 per occurrence; and with an aggregated limit of \$2,000,000. The commercial general liability policy shall be written on an occurrence basis and the policy shall provide legal defense costs and expenses in addition to the limits of liability stated above.

The Contractor shall be responsible for payment of any deductible applicable to this policy.

- Automobile Liability Insurance Automobile liability insurance covering owned, non-owned, leased, and hired vehicles with a minimum of \$2,000,000 for bodily injury for each person, \$2,000,000 for bodily injury for each accident, and \$2,000,000 for property damage for each accident.

- Product Liability - \$2,000,000 for Personal Liability. Appropriate levels of per occurrence insurance coverage for workers' compensation and any other insurance coverage required by Federal or State law. The Contractor shall deposit with the SPO, on or before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the SPO that the provisions of the Contract have been complied with, and to keep such insurance in effect and provide the certificate(s) of insurance to the SPO during the entire term of the Contract. Upon request by the SPO, the Contractor shall furnish a copy of the policy or policies.

The Contractor will immediately provide written notice to the contracting department or agency should any of the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed upon expiration."

The certificates of insurance shall contain the following clauses:

- The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii.*
- 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.*

Failure of the Contractor to provide and keep in force such insurance shall constitute a material default under the Contract, entitling the State to exercise any or all of the remedies provided in the Contract (including without limitation terminating the Contract). The procuring of any required policy or policies of insurance shall not be construed to limit the Contractor's liability hereunder, or to fulfill the indemnification provisions of the Contract. Notwithstanding said policy or policies of insurance, the Contractor shall be responsible for the full and total amount of any damage, injury, or loss caused by the Contractor's negligence or neglect in the provision of services under the Contract.

The Contractor agrees to remove employees from services rendered and to be rendered to the State upon written request from the State.

20. NO MULTIPLE OR ALTERNATE OFFERS

Multiple or alternate offers from the same Offeror will not be accepted. An Offeror may submit only one offer in response to a solicitation. If an Offeror submits more than one offer in response to a solicitation, then all such offers shall be rejected. Similarly, an Offeror may submit only one offer for each line item (if any) of a solicitation. If an Offeror submits more than one offer per line item, then all offers for that line item shall be rejected.

21. PROTEST

A protest shall be submitted in writing within five (5) working days after the aggrieved person knows or should have known of the facts giving rise thereto or upon the posting of the award of the contract as described herein; provided that a protest based upon the content of the IFB shall be submitted in writing prior to the date set for receipt of offers.

The notice of award, if any, resulting from this IFB shall be posted on the Procurement Reporting System, which is available on the SPO website: <http://www.hawaii.gov/spo2/source/>.

Any protest pursuant to §103D-701, HRS, and Section 3-126-3, HAR, shall be submitted in writing to the Procurement Officer, \_\_\_\_\_, \_\_\_\_\_ Street, Room \_\_\_\_, \_\_\_\_\_, Hawaii \_\_\_\_\_.

## Example: Price Adjustment for Service Contracts

### PRICE ADJUSTMENT DUE TO WAGE INCREASE TO STATE EMPLOYEES

*[The following example is based on hourly rates for security guard services. PS will have to customize this adjustment provision to the type of services being procured.]*

1. Contract price adjustment shall be considered:
  - a. Only upon request by the Contractor accompanied by proof satisfactory to the State that its employees have been paid comparable wages to State employees; and
  - b. Only if there is a wage increase to public employees performing comparable work; and
  - c. Only for the contract period in which the price adjustment request is submitted (current contract period only).

Example:

Original contract period: March 7, 2003 to March 6, 2004  
Extension period: March 7, 2004 to March 6, 2005

The option to extend the original contract is exercised for the period March 7, 2004 to March 6, 2005. On March 1, 2005, the State announces a pay raise retroactive to July 1, 2003 and the Contractor soon thereafter submits a request of modification is issued accompanied by acceptable documentation. A contract modification is issued to reflect a price a price adjustment for the current period of the contract, March 7, 2004 to March 6, 2005. Note that the price adjustment is not applied retroactively to July 1, 2003 since the condition of this contract allows price adjustment to the current contract period only.

2. Price adjustment based on the actual dollar increase per hour per State employee shall be calculated as follows:
  - a. Bid Price/Hr/Officer (A) = (A) for example = \$15.00/hr
  - b. Current Hourly Wage Rate (B) = (B) for example = \$11.00/hr
  - c. New Hourly Wage Rate paid to State Employees (C) = (C) for example = \$11.50/hr
  - d. Hourly Wage Increase to State employees (D) = (D) for example = \$.50/hr
  - e. Adjusted Bid Price/Hr/Officer (E) = (A) + (D), or  
\$15.00 + \$.50 = \$15.50/hr
3. In addition to the actual dollar amount of wage increase, Contractor may apply for the percentage (%) fringe benefits required by statute. However, the resulting fringe benefit percentage shall only be applicable to the actual dollar amount of increase and the State shall only consider those benefits that are required by contract and are directly affected by the wage increase.

If request includes adjustment for wage related fringe benefits, Contractor must provide support documentation and an itemized percentage breakdown of the fringe benefits being paid.

The State has determined that the applicable fringe benefits for wage related price adjustments shall be limited to: 1) Federal Old Age Benefits, 2) Worker Compensation, 3) Temporary Disability Insurance, and 4) Unemployment Insurance. Based on past experience, it has been determined that the percentage increase be set at 16%. If Contractor is able to document that its percent for fringe is higher than 16%, the State will review and consider Contractor's claim.

The following method of calculation shall be applied for the fringe benefits:

a. 16% for Allowable Fringe Benefits

b. \$ Adjusted for Allowable Fringe Benefits (F) = (D) x (.16) = F, or  
 $\$.50 \times .16 = \$.08$

c. Adjusted Bid Price/Hr/Officer + Fringe Benefits = (E) + (F), or  
 $\$15.50 + \$.08 =$   
 $\$15.58$

4. After the contract modification for the increase is issued by the State, but before payment of an increase is made on the portion of the current contract period already performed, the Contractor shall show proof that its employees were given the retroactive wage increase.



## Example: Price Adjustment for Goods Contract ( Requirements)

### PRICE ADJUSTMENT

During the contract period, the Contractor may request an increase in contract price when there is a substantial increase in the cost of materials or freight. Such requests must be made in writing to the Procurement Officer and shall meet the following conditions:

1. Request for a price increase shall be limited to the percent increase imposed upon the Contractor by the manufacturer or supplier of the materials. (No allowances will be given for Contractor's increased labor or operating expenses.)
2. Request for a price increase due to higher transportation costs shall be limited to the percent imposed upon the Contractor by the freight forwarder.
3. Contractor shall submit at the time of such written request, documentation or verification that the increase is the result of manufacturer or supplier increase in cost of materials or transportation.
4. No price increase adjustment shall be allowed within the first three (3) months of the contract. Within the remaining nine (9) month contract period, the Contractor may submit one additional price increase adjustment request for item(s) awarded provided proper documentation is submitted to substantiate the increase as detailed in items 1 thru 3.

In the event of a general price decrease, the State will be entitled to reductions; provided, however, the amount of such decrease shall not exceed the amount of any increase granted herein. Contractor shall notify the State within five (5) business days of such price decrease.

The State Procurement Office  
**This concludes Part I**

## SPO Assistance

- Kevin Takaesu (808) 586-0568
- Donn Tsuruda Kashiwabara (808) 586-0565
- Stan Mato 586-0566
- Wendy Ebisui 586-0563