

**STATE PROCUREMENT OFFICE
CONSTRUCTION PROCUREMENT
WORKSHOP NO. 130**

**Webinar
August 28, 2013**

**State of Hawaii
Department of Accounting & General Services
PUBLIC WORKS DIVISION**

www.hawaii.gov/dags

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KEYS TO BE SUCCESSFUL

- GOOD PLANNING
- GOOD MANAGEMENT
- GOOD PROCUREMENT KNOWLEDGE & UNDERSTANDING

		Table B1a Regular Time Requirements (Derived from Table B1 dated January 1, 1981. This table supplements Table B1.)										Date: 10/10	SEE BELOW: TIME REQUIREMENTS BEFORE START OF PROJECT
Project Phase	ACTIVITY	CONSTRUCTION COST IN THOUSANDS (PCL)										START MASTER PLAN, SITE SELECTION, E.A./E.I.S., FOR (For larger or more complex projects)	
		100	300	500	700	900	1,000	2,500	4,000	6,000	10,000		
Planning	PM RECD DATE TO START	2	2	2	2	2	3	3	3	4	4	START ENVIRONMENTAL ASSESSMENT (E.A.) (For smaller or non-controversial projects)	Environmental Impact Statement 12-24 months for larger, more complex projects
	FEE NEGOTIATION	8	8	8	8	8	8	12	12	12	12		
	PRE-SCHEMATIC	0	0	2	3	3	3	4	4	6	6		
	DAGS	0	0	1	2	3	3	3	4	4	4		
	(USER) ₁	0	0	(1)	(1)	(2)	(2)	(3)	(3)	(3)	(3)		
	SCHEMATIC	2	2	2	3	3	3	4	4	6	6		
	DAGS	1	2	2	3	3	3	4	4	4	4		
	(USER) ₂	(1)	(1)	(1)	(2)	(2)	(2)	(3)	(3)	(3)	(3)		
	PRELIMINARY	2	3	3	3	3	3	5	7	8	10		
	DAGS	1	2	2	2	2	2	3	3	3	3		
Design	(USER) ₁	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	SUBMIT LAND USE PERMIT APPLICATION OR APPROVALS • Special Management Area • Conditional Use Permit • Conservation District/Use Permit • Special Permit • Subdivision • Height Waiver or Variance • Etc.	4-6 months for non-controversial 6-12 months for more significant projects Design time for \$50 million project 3 weeks for ~10 months
	PRE-FINAL	3	4	4	4	5	6	7	9	11	15		
	DAGS	3	3	3	3	3	3	4	4	4	4		
	(GOV & USER) ₂	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(3)		
	FINAL	1	1	1	1	2	2	3	3	3	3		
	DAGS	1	1	1	1	1	1	1	1	1	1		
	TOTAL (CONSULTANT)	8	10	12	14	16	17	23	27	34	40		
	(DAGS)	6	8	9	11	12	12	14	16	16	16		
	TOTAL DESIGN TIME (WEEKS)	24.00	28.00	31.00	35.00	38.00	40.00	52.00	58.00	66.00	72.00		
	(MONTHS)	6.00	7.00	7.75	8.75	9.50	10.00	13.00	14.50	16.50	18.00		
Bidding/Contract	BIDDING TIME (MONTHS)	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00	2.00	2.00	BUILDING PERMIT APPROVED	2-4 months for smaller projects 4-6 months for larger projects 6-12 months for large projects
	BID TO NTP (MONTHS)	1.50	2.00	3.00	3.00	3.00	3.00	4.00	4.00	5.00	6.00		
Construction	CONSTRUCTION TIME (MONTHS)	4.00	5.00	6.00	7.00	8.00	9.00	11.00	13.00	15.00	18.00	TIME REQUIREMENTS BEFORE START OF PROJECT	User Agency's request to initiate project Prepare project scope, budget and schedule Send allotment request to Governor/Consultant selection process Receive allotment of funds/tend consultant selection letter/start project
	TOTAL PROJECT TIME (MONTHS)	13.00	15.50	18.25	20.25	22.00	23.50	30.00	33.50	38.50	44.00		
	PM RECD DATE TO BID (MONTHS)	7.50	8.50	9.25	10.25	11.00	11.50	15.00	16.50	18.50	20.00		
NOTE: • Refer to notes on Table B1. • For priority projects, time requirements should be adjusted accordingly. y User and Governor review concurrently with DAGS review. z. Verify material long-lead items, includes 10% for inclement weather.													
*Based on actual date since 12/15/08 to 2/10/10													

PROCUREMENT METHODS USED FOR CONSTRUCTION

- **COMPETITIVE SEALED BIDS** - Invitation for Bid/Low Bid* (HRS 103D- 302, HAR 3-122 Subchapter 5)
- Multi-Step Bid (HRS 103D-302, HAR 3-122 Subchapter 6.5)
- Competitive Sealed Proposal - Request for Proposals, Design-Build (HRS 103D-303, HAR 3-122 Subchapter 6)
- **SMALL PURCHASE** (HRS 103D-305, HAR 3-122 Subchapter 8)
- Sole Source (HRS 103D-306, HAR 3-122 Subchapter 9)
- Emergency (HRS 103D-307, HAR 3-122 Subchapter 10)
- Exemption (HRS 103D-102, HAR 3-120-5)

SMALL PURCHASES FOR CONSTRUCTION (HRS 103D-305, HAR 3-122 Subchapter 8)

- Small Purchase Quotes - Less than \$5,000
 - Adequate and reasonable competition recommended, all jurisdictions.
- Small Purchase Quotes - \$5,000 to less than \$15,000
 - Minimum three (3) quotes for all jurisdictions.
- Small Purchase Written Quotes - \$15,000 to less than \$25,000
 - Minimum three (3) written quotes allowed for the following jurisdictions: UH, DOE, HHSC, OHA, and County jurisdictions.
 - Executive Branch must use an electronic procurement system.
- Small Purchase - \$15,000 to less than \$250,000
 - Must use Hawaii Electronic Procurement System (HePS*), except as noted above for written quotes - \$15,000 to less than \$25,000.
 - *HePS ending, transitioning to Hawaii eProcurement System (HlePRO).
- Prohibition Against Parceling
 - Do not artificially divide or parcel work to evade procurement requirements.
- Refer to Procurement Circular No. 2012-04 (Executive Branch CPO jurisdiction)
- Refer to Procurement Circular No. 2012-05 (All other CPO jurisdictions)

COMPETITIVE SEALED BIDS (IFB/LOW BID) PROCESS:

- PRIOR TO BID PERIOD
- BID PERIOD
- PUBLIC NOTICE
- ADDENDUM INSTRUCTIONS AND DEADLINES
- PRE-BID MEETNGS
- OTHER REQUIREMENTS AND DEADLINES
- BID OPEN
- BID EVALUATION AND AWARD
- CONTRACT EXECUTION

COMPETITIVE SEALED BIDS (IFB/LOW BID) PROCESS:

- NOTICE TO PROCEED
- COMMENCEMENT REQUIREMENTS
- EMPLOYMENT OF STATE RESIDENTS – HRS 103B
(Act 68/SLH 2010)
- PAYROLL & RECORDS
- PROMPT PAYMENT
- RETAINAGE
- CHANGE ORDERS
- PROJECT CLOSE-OUT

When italics lettering are used, this represents what DAGS PWD typically does or requires. Agencies may vary in what they do or require.

PRIOR TO BID PERIOD

- **Construction procurement starts at the beginning of the planning/design phases.**
 - Scope
 - Budget
 - Schedule
- **Scope, budget and schedule checked throughout all project phases.**

PRIOR TO BID PERIOD

- **Method of procurement determined**
 - *Competitive Sealed Bidding (Invitation for Bid/Low Bid) used the majority of the time by DAGS-PWD.*
- **Type of contract determined**
 - HAR 3-122-135 allows for 10 different types of contracts with variations in combinations.
 - Fixed-Price Contract most common.

PRIOR TO BID PERIOD

- **Consideration of bid alternates**
 - Additive bid alternates
 - Deductive bid alternates
- **Liquidated damages determined (HAR 3-125-20)**
- **Applicability of Small Business Set-Aside or Subcontracting Plan (HRS 103D-906)**
 - **As of Feb. 24, 2011, Interim HAR 3-124, Subchapter 9 expired. Therefore, there are no rules to implement HRS 103D-906 at this time.**

PRIOR TO BID PERIOD

- **Specifications, HRS 103D-401 to 405, HAR 3-122 Subchapter 3 (i.e. Plans & Specifications)**
 - **Shall seek to promote overall competition, shall not be unduly restrictive, and provide a fair and equal opportunity.**
 - **Unique requirements limiting competition should be the exception when justified and not the norm.**

PRIOR TO BID PERIOD

- **Plans & Specifications Types**
(HRS 103D-401 to 405, HAR 3-122 Subchapter 3)
 - Design specifications
 - Performance specifications
 - Brand name or equal
 - Qualified or pre-approved products
 - Brand name with no equal, a.k.a Restrictive specification: Only one brand name meets the State's requirements, but multiple sources. SPO approval required prior to bid solicitation.
 - Sole source: Only one supplier or source of good, service or construction. SPO approval.

PRIOR TO BID PERIOD

- **Requirements to be Included in Preparing the Bid Documents**
- **Refer to HAR 3-122-21 - Preparing a Competitive Sealed Bid.**
 - **Maximum time for bid acceptance.**
 - *Typically DAGS-PWD specifies 60 days from the time of bid opening to award.*
 - **Listing of Joint Contractor or Subcontractor, HRS 103D-302(b) and HAR 3-122-21(8)**
 - Bid documents shall specify that all bids include the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor in the performance of the contract and the nature and scope of the work.
 - HRS Chapter 444 – Contractors
 - HAR Title 16, Chapter 77 – Contractors

PRIOR TO BID PERIOD

- **Requirements to be Included in Preparing the Bid Documents**
 - **Recycled Product Preferences, if applicable**
HRS 103D-1005 and HAR 3-124 Subchapter 4
 - **Hawaii Product Preferences,**
HRS 103D-1002 and HAR 3-124 Subchapter 1
 - **New rules adopted, effective December 13, 2010.**
 - **New rules follows guidance provided by Procurement Circular No. 2009-13.**
 - **Determine applicability Apprenticeship Agreement Preference, HRS 103-55.6**
 - **Applicable to public works contracts having an estimated value of \$250,000 or more**
 - **Comptroller's Memorandum 2011-25 provides the latest guidance for implementation**

PRIOR TO BID PERIOD

- **Requirements to be Included in Preparing the Bid Documents**
 - **Independent Price Determination, HAR 3-122-192 (Anti-collusion Certification)**
 - **Offeror certifies the price was independently arrived at without collusion.**
 - **Certification for Safety and Health Programs for Offers in Excess of \$100,000, HRS 396-18**
 - **Campaign Contribution Clause (In the solicitation and contract), Procurement Circular 2006-02, HRS 11-355 (formerly under HRS 11-205.5)**

PRIOR TO BID PERIOD

- Requirements to be Included in Preparing the Bid Documents
 - Employment of State Residents on Construction Procurement Contract – HRS 103B
 - Any construction procurement under HRS 103D awarded a contract shall ensure that Hawaii residents compose not less than 80% of the employed to perform the contract.
 - Comptroller's Memo No. 2011-18 provides the latest guidance for provisions to be included in the bid documents and implementation.
 - Does not apply to professional services (103D-304) and small purchase procurements (103D-305).

PRIOR TO BID PERIOD

- Requirements to be Included in Preparing the Bid Documents
 - Labor and Wage Rates, Chapter 104 HRS for Project in Excess of \$2,000
 - See §104-2 HRS for applicability.
 - See §104-2.5 HRS Public work requirements; private construction contracts.
 - Hawaii Prevailing Wage Rate Schedules can found at: <http://labor.hawaii.gov/wsd/prevailing-wages-on-public-works>
 - Federal Funded Projects
 - Davis Bacon and Chapter 104 HRS applies.
 - Compliance with §103D-310 HRS
 - Bidder shall be incorporated or organized under the laws of the State or registered to do business in the State that is capable of performing under the contract.
 - Davis Bacon Wage Rate Schedules can be found at: <http://www.wdol.gov/dba>

PRIOR TO BID PERIOD

- Requirements to be Included in Preparing the Bid Documents
 - Bid Security/Bond, Performance and Payment Bonds §103D-324 HRS, §3-122 Subchapter 24 HAR
 - Bid bond required when bid/proposal offer is greater than \$50,000
 - *DAGS-PWD currently specifies & requires for when bid/offer is \$25,000 or higher.*
 - Bid bond shall be at least 5% of the base bid and additive alternate bid amounts or as required by terms of federal funding.

PRIOR TO BID PERIOD

- Requirements to be Included in Preparing the Bid Documents
 - Payment and performance bonds required for contracts greater than \$50,000, including small purchase contracts for construction.
 - *DAGS-PWD currently specifies and requires for contracts \$25,000 and higher.*
 - Bond amounts shall be for 100% of contract amount for each bond or as required by term of federal funding.
 - Reduction of bond amounts limited to not less than 50% of the contract amount with approval of CPO or HOPA, §3-122-225 HAR

PRIOR TO BID PERIOD

- **Requirements to be Included in Preparing the Bid Documents**
 - **General Conditions**
 - ***Interim General Conditions (IGC), 1999 Edition for DAGS-PWD is included by reference***
 - *Available in PWD Room 422; or*
 - *May be downloaded from the DAGS-PWD website.*

PRIOR TO BID PERIOD

- ***Consultant A-E submits final plans & specifications/bid documents.***
- ***Project Coordinator checks final submittal, and submits bid documents to the Contracts Engineer. (approx. 1 week)***
- ***Contracts Engineer makes final checks, sets bid date, and determines contractor's licenses required for bidding. (approx. 1 week)***
- ***Advertising/posting on State/County Procurement Notices System website, and making CD's. (approx. 1 week)***

BID PERIOD

- **Minimum times allowed:**
 - IFB/Low Bid: Ten cal. days between first Public Notice date and bid open date.
 - Note: If pre-bid meeting required, must be longer.
 - See HAR 3-122-16.02 for other methods.
- ***Typically 4 weeks from date of advertisement/public notice of solicitation unless project requires more or less time.***

PUBLIC NOTICE (HAR 3-122-16.03)

- **ADVERTISEMENT**
 - Project is advertised/posted on the State/County Procurement Notices website at: <http://hawaii.gov/spo/general/procurement-notices-for-solicitations>
 - Brief or general description of the work
 - Where or how solicitation documents can be obtained
 - Pre-bid Conference: Date, Time, & Location
 - Bid Due Date, Time, & Location
 - Campaign Contribution Clause, Procurement Circular 2006 – 02, HRS §11-355
 - **DAGS-PWD also states in the advertisement:**
 - *A range of the estimated construction cost. Example: Between \$500,000 and \$1,000,000*
 - *Whether the Apprenticeship Agreement Preference is or is not applicable to the solicitation*
 - *Specifies the Contractor's license to be eligible to bid*

PUBLIC NOTICE

■ AVAILABILITY OF BID DOCUMENTS

- *Bid documents available on the DAGS-PWD website at <http://www.hawaii.gov/pwd> or CDs available at Public Works Division, Room 422.*
- *Also available at Neighbor Island District Offices when project is within that District/County.*
- *Online registration required if you want to download bid documents and receive addendums and/or bid clarification notifications by email.*

ADDENDUM INSTRUCTIONS AND DEADLINES

- *Sent to consultant at beginning of bid period.*
 - *Instructions*
 - *Addenda format*
 - *Proper communication*
 - *Deadlines*
 - *Substitution, if applicable*
 - *Addenda*
 - *Bid Open*

PRE-BID MEETINGS (HAR 3-122-16.05)

- Pre-Bid Meeting required at least 15 prior to the bid open date for projects with estimated contract value of \$500,000 or more. (HRS 103D-303.5)
 - Note: \$100,000 for RFP/Design-Build projects
- Shall be announced in the Public Notice or by addendum if decision made after initial solicitation.

PRE-BID MEETINGS

- Purpose is to explain the project and procurement requirements. Also to allow potential offerors to ask questions.
- Unless a change is made by written addendum, nothing stated at the pre-bid or pre-proposal meeting shall change the solicitation.
- A summary of the conference, in addition to changes to the solicitation shall be issued by addendum.
 - **CAUTION:** Recommend **NOT** including meeting minutes as part of the addendum.
 - Issue necessary clarifications and/or revisions by addendum.

OTHER REQUIREMENTS AND DEADLINES

- **Qualifications Questionnaire (HRS 103D-310, HAR 3-122-108 & 109)**
 - **Optional Requirement**
 - *DAGS-PWD requires questionnaire to be submitted or on file and must be current within one year of bid open date. If they do not have a current questionnaire on file, they must submit one within five (5) calendar days of our request.*
 - SPO Form 21 – Standard Qualification Questionnaire for Offerors
- **Intention to Bid required no later than 10 cal. days prior to bid open (HRS 103D-310, HAR 3-122-111)**
 - **Optional requirement**
 - *DAGS-PWD no longer requires*
- ***Clarification requests no later than 14 cal. days prior to bid open.***

BID OPEN: HAR 3-122-30 – Receipt, Opening and Recording of Bids

- **Upon receipt, each bid and modification shall be time stamped but not opened and stored in a secure place by the procurement officer until the time and date set for bid opening.**
- **Sealed bids publicly opened in presence of one or more witnesses and read aloud.**
 - Name of each bidder, the bid price, and any other pertinent information shall be read aloud or otherwise made available.
 - Names and address of witnesses shall be recorded at the bid opening.
 - Opened bids shall be made available for public inspection to the extent permitted.
- **Mistakes in Bids (HAR 3-122-31)**
 - An obvious mistake in the bid may be corrected or withdrawn, or waived by the offeror to the extent it is not contrary to the best interest of the procuring agency or to the fair treatment of other bidders.
 - See HAR 3-122-31 for conditions.

BID EVALUATION AND AWARD (HAR 3-122-33)

- Award is made to the lowest responsive and responsible bidder based on the criteria set forth in the bid documents.
- Only objectively measured criteria shall be applied.
 - Preferences: Hawaii Products, Apprenticeship
 - Additive or Deductive Bid Alternates
- Procuring agency responsible to verify whether or not a company is suspended or debarred under provisions of Chapters 103D, 104 or 444.
 - If using Federal funds and if applicable, need to check Federal debarment list on the SAM site (System for Award Management) at www.sam.gov.
- Posting of awards on the Procurement Notice System is required within 7 days of the notice of award. (See Procurement Circular 2010-01)

BID EVALUATION AND AWARD (HAR 3-122-33)

- *Typically specified that award will be made within 60 calendar days, subject to availability of funding.*
- *If the contract is not awarded within the 60 cal. days, DAGS may request the successful bidder to extend the time for acceptance of its bid.*
- *Bidder may reject request to extend w/out penalty and in such case, DAGS may make similar offer to the next lowest responsive and responsible bidder and so on.*
 - *Note: These conditions are stated in our Interim General Conditions which are a part of the solicitation documents.*

BID EVALUATION AND AWARD

- *Award letter/transmittal sent with Performance Bond and Labor and Material Payment Bond forms for execution.*

PROCUREMENT PROTEST STATISTICS

- Act 173, SLH 2012, Section 1: requires reporting on all protest received from June 30, 2012 using form SPO-43.
- The form shall be submitted to SPO via e-mail to state.procurement.office@hawaii.gov within ten (10) days after the outcome of the Procurement Officer's protest response.
- Refer to Procurement Circular No. 2012-03, Amendment 1.

CONTRACT EXECUTION

- Contractor submits:
 - Performance Bond
 - Labor & Material Payment Bond (HRS 103D-324, HAR 3-122 Subchapter 24)
 - Proof of Compliance at the Time of Award:
 - Must use the Hawaii Compliance Express for proof of compliance, website at: <https://vendors.ehawaii.gov/hce/splash/welcome.html>
 - Tax Clearance (State & Federal)
 - DLIR Certificate of Compliance
 - DCCA Certificate of Good Standing
 - *DAGS-PWD requests Proof of Compliance to be submitted with the bid/proposal offer*
 - Must also use the Hawaii Compliance Express for contracts of \$2,500 or more for awards pursuant to HRS 103D-305 (Small Purchases). See Procurement Circular No. 2011-02

CONTRACT EXECUTION

- After receipt of bonds and compliance certificates, Procurement Officer (*Comptroller*) signs the contract and funds are encumbered into the contract to become a fully executed contract.

NOTICE TO PROCEED (NTP)

- *Typically, the NTP is given when the contract is fully executed and building permits and other applicable permits/approvals are obtained.*
- *In the event NTP is not given within the time specified in the bid documents (180 cal. days typical) after the bid open date, contractor may submit claim for increase labor and material cost, (but not overhead) cost which are directly attributable to the delay.*
 - *Note: This condition is stated in our Interim General Conditions which are a part of the solicitation documents.*
- *Partial NTP for ordering of materials permitted, when appropriate & approved.*

COMMENCEMENT REQUIREMENTS

- *Identification of the Superintendent*
- *Proposed Working Hours*
- *Permits and Licenses*
- *Schedule of Prices to be accepted for the agreed Monthly Payment application for non-unit price bids*
- *Proof of Insurance Coverage*
- *Construction Schedule prior to start of work*
- *Upon award of a contract and prior to starting any construction work, the Contractor shall submit to the Contracting Officer a list of all subcontractors and the actual subcontracted dollar amount for each of its subcontractors regardless of the amount of the subcontract. (Note: This requirement is in response to Act 68/SLH 2010 – Employment State Residents)*

PAYROLLS AND PAYROLL RECORDS §104-3 HRS

- Certified copy of each weekly payroll required to be submitted
- Certification shall affirm that payrolls are:
 - Correct and complete;
 - Not less than applicable wage rates;
 - Classifications conform with the work performed.

PROMPT PAYMENT §103-10.5 HRS, §3-125-23 HAR

- HAR requires prompt payment clause in contract
- Generally states:
 - Contractor to pay subcontractor within 10 days of receipt of payment
 - Upon final payment to the contractor, full payment to the subcontractor required within 10 days including retainage
 - Penalty of 1.5% per month on outstanding amounts due that were not paid by the responsible party
 - Much more stated in HAR clause

RETAINAGE: HRS §103-32.1

- **Contract Provisions for Retainage, Subcontractors**
- **Retainage held by the Procurement Officer**
 - **Bonded subcontractor up to 5%**
 - **Unbonded subcontractor up to 10%**
- **State is not party to Contractor – Subcontractor disputes**

EMPLOYMENT OF STATE RESIDENTS HRS CHAPTER 103B (as amended by Act 192, SLH 2011)

- **The Contractor and any Subcontractor whose subcontract is \$50,000 or more, for the entire duration of the contract shall submit:**
 - **A certification of compliance with the “notice of completion of the contract.”**
 - *For DAGS, the “notice of completion of the contract is the request for final payment.*
 - **The certification of compliance shall be made under oath by an officer of the company by completing a Certification of Compliance for Employment of State Residents form and executing the Certificate before a licensed notary public.**

**CERTIFICATION OF COMPLIANCE
FOR
EMPLOYMENT OF STATE RESIDENTS
HRS CHAPTER 103B AS AMENDED BY ACT 192, SLH 2011**

Project Title: _____
 Agency Project No: _____
 Contract No.: _____

As required by Hawaii Revised Statutes chapter 103B as amended by Act 192, Session Laws of Hawaii 2011 – Employment of State Residents on Construction Procurement Contracts, I hereby certify under oath, that I am an officer of _____ and for the Project Contract indicated above, _____ was in compliance with HRS chapter 103B as amended by Act 192, SLH 2011 by employing a workforce of which not less than eighty percent are Hawaii residents, as calculated according to the formula in the solicitation, to perform this Contract.

I am an officer of the **Contractor** for this contract.
 I am an officer of a **Subcontractor** to this contract.

CORPORATE SEAL

(Name of Company) _____
 (Signature) _____
 (Print Name) _____
 (Print Title) _____

Subscribed and sworn to me before this _____ day of _____, 2010. Doc. Date: _____ # of Pages _____ 1st Circuit
 Notary Name: _____
 Doc. Description: _____

Notary Public, 1st Circuit, State of Hawaii
 My commission expires: _____

Notary Signature _____ Date _____
 NOTARY CERTIFICATION

- ## CHANGE ORDERS HRS §103D-501
- **Contract Clauses and Their Administration**
 - **§3-125-4 HAR: Change Orders in Construction Contracts**
 - **Contract clauses for change orders shall be included in the contract. (Included in the bid solicitation which becomes the contract)**
 - **Changes/adjustments allowed for:**
 - **Work within the scope of the contract;**
 - **Contract price; and**
 - **Contract time**

CHANGE ORDERS

- **HAR §3-125-13: Price Adjustment in Construction Contracts**
 - In absence of an agreement §103D-501(b)(5) applies
 - C.O. under \$50K – Force Account
 - C.O. over \$50K – Unilateral
- **HAR §3-122-123: Requirement for Cost or Pricing Data**
 - Required for any adjustment in price increase or decrease including profits expected to exceed \$100,000.

PROJECT CLOSE OUT

- ***Punch List***
- ***Final Inspections***
- ***Project Record Documents***
- ***Warranties***
- ***O & M Manuals***
- ***Other Requirements, such as instruction & training, etc.***

KEYS TO BE SUCCESSFUL

- Good Planning
- Good Management
- Good Procurement Knowledge & Understanding
 - Incorporate procurement requirements into your procurement forms, general conditions and standard documents
 - The Procurement Code constantly changes; keep informed and update as the changes occur

PROCUREMENT OF CONSTRUCTION SERVICES
PUBLIC WORKS DIVISION
Department of Accounting & General Services

Mahalo!

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