



**RELEASE DATE: February 13, 2023**

**The State of Hawai'i  
Department of Business, Economic Development, and Tourism  
Hawai'i Tourism Authority**

**REQUEST FOR PROPOSALS  
RFP NO. 23-08**

**SUPPORT SERVICES FOR DESTINATION STEWARDSHIP**

Hawai'i Tourism Authority  
1801 Kalākaua Avenue  
Hawai'i Convention Center, First Level  
Honolulu, Hawai'i 96815

**OFFERS ARE DUE AT 2:00 P.M. HAWAII STANDARD TIME (HST) ON  
March 28, 2023**

(Or such later date as may be established by the State of Hawai'i by an Addendum to this RFP)

**ELECTRONIC SUBMISSION TO THE STATE OF HAWAII ePROCUREMENT SYSTEM  
(HIePRO) ONLY.**

QUESTIONS RELATING TO THIS RFP, ISSUES RELATING TO THE ACCESSIBILITY OF THIS RFP, AND REQUESTS FOR ACCOMMODATIONS FOR PERSONS WITH DISABILITIES IN CONNECTION WITH THIS RFP SHALL BE COMMUNICATED THROUGH HIePRO.

*Marc Togashi*

---

Marc Togashi  
Procurement Officer  
HAWAII TOURISM AUTHORITY

**TABLE OF CONTENTS**

SECTION ONE: INTRODUCTION, TERMS AND ACRONYMS, KEY DATES..... 3

SECTION TWO: BACKGROUND AND SCOPE OF WORK..... 9

SECTION THREE: PROPOSAL CONTENT AND SUBMISSION..... 14

SECTION FOUR: EVALUATION CRITERIA ..... 23

SECTION FIVE: CONTRACT AWARD..... 27

SECTION SIX: ATTACHMENTS AND EXHIBITS ..... 31

- Attachment 1: Offeror Checklist
- Attachment 2: Proposal Transmittal Letter
- Attachment 3: Corporate Resolution
- Attachment 4: Standard Qualifications Questionnaire
- Attachment 5: Contractor References
- Attachment 6: Subcontractor References
- Attachment 7: Confidential Information List
- Attachment 8: Organizational Conflicts of Interest Disclosure & Attestations
- Attachment 9: Price Sheet Summary
- Exhibit A: Overview of the RFP Process
- Exhibit B: Federal Regulations
- Exhibit C: HTA Travel Protocol
- Exhibit D: Special Provisions
- Exhibit E: General Provisions for Goods and Services
- Exhibit F: General Conditions for 103D
- Exhibit G: Form SPO-013 Certificate of Current Cost or Pricing Data

For screen reader users. The Hawai‘i Tourism Authority uses Hawaiian orthography. Please note that screen readers may not read or pronounce the Hawaiian words correctly.

## SECTION ONE: INTRODUCTION, TERMS AND ACRONYMS, KEY DATES

### 1.1 INTRODUCTION

The Hawai‘i Tourism Authority (HTA) is the state agency responsible for representing The Hawaiian Islands around the world, and for holistically managing tourism in Hawai‘i in a sustainable manner consistent with community desires, economic goals, cultural values, preservation of natural resources, and visitor industry needs.

The HTA was established in 1998 under Chapter 201B, Hawai‘i Revised Statutes (HRS). The HTA is administratively attached to the Department of Business, Economic Development and Tourism (DBEDT). The HTA’s President and Chief Executive Officer reports directly to the HTA Board of Directors and is responsible for assisting the Board in its responsibility to execute the mandate of HRS 201B.

The HTA works with the community and industry to ensure that we live up to Mālama Ku‘u Home – caring for our beloved home – by guiding Hawai‘i’s transition to a regenerative model of tourism. The agency does this through visitor education, brand management, community reinvestment, and collaboration to maximize tourism’s economic benefit while mitigating its negative impacts. Partners include visitor industry businesses and organizations, community groups, and government agencies at the county, state, and federal levels.

Representation of the Hawaiian Islands in our primary visitor source markets, known as Major Market Areas (MMAs), is through contracted firms collectively known as our Global Marketing Teams (GMTs). HTA currently engages GMTs in the USA, Canada, Oceania (Australia & Aotearoa-New Zealand), Japan, Korea and China markets.

In addition, the HTA creates, manages, and supports the development of unique tourism experiences such as community and cultural festivals, sporting events, natural resources, community, and cultural programs. The HTA also evaluates its programs on their impacts and return on investment (ROI) of public funds. The HTA also directly affects the visitor experience through its support of workforce development, visitor assistance programs, the integration of community and residents’ considerations, and a deep respect for Native Hawaiian culture.

The 2020 – 2025 HTA Strategic Plan frames our work with four interacting pillars: Hawaiian Culture, Natural Resources, Community, and Branding. Emphasis on the three pillars that support and uphold the integrity of Hawai‘i as our home are critical to maintaining the Hawaiian Islands brand globally. The 2020 – 2025 HTA Strategic Plan also adopted four Key Performance Indicators (KPIs) that the agency and its Contractors are responsible for advancing:

- **Resident Sentiment:** Improved resident sentiment toward tourism as measured in the Resident Sentiment Survey.
- **Visitor Satisfaction:** Improved prospective/returning visitor satisfaction with visiting Hawai‘i as measured with the Visitor Satisfaction Survey.
- **Average Daily Visitor Spending:** The average dollars spent by visitors.
- **Total Visitor Expenditures:** The U.S. dollar amount spent in Hawai‘i attributed to visitors. Includes direct spending by visitors while in Hawai‘i as well as any prepaid package purchased before arrival.

In 2021, HTA embarked on a statewide, island by island, community outreach process guided by diverse stakeholder steering committees to create individual Destination Management Action Plans (DMAPs) to recover and rebuild tourism for the benefit of our islands’ communities and to address community concerns. The DMAPs include specific actions and sub-actions that the agency and its partners are working to address.

Strategic Plan pillars, priorities and KPIs, DMAP priorities and actions, and the HTA board’s commitment to the Aloha+ Challenge and the ‘Āina Aloha Economic Futures (AAEF) Declaration are considered when designing and implementing all HTA programs and activities.

## 1.2 TERMS AND ACRONYMS

Authority	The Hawai‘i Tourism Authority. Also referred to as “HTA”.
AG	Attorney General
AAEF	‘Āina Aloha Economic Futures
BAFO	Best and Final Offer
Board	Board of Directors of the Hawai‘i Tourism Authority
Contract Administrator	The individual designated to manage the various facets of the contract to ensure the Contractor’s total performance is in accordance with the contractual commitments and obligations are fulfilled.
CPO	Chief Procurement Officer, Hawai‘i State Procurement Office
CVC	Certificate of Vendor Compliance. A single document that shows compliance with the IRS, DLIR, DCCA, and DOTAX. All four approvals are required in order to contract with the State.
DAGS	Hawai‘i Department of Accounting and General Services
DBEDT	Hawai‘i Department of Business, Economic Development and Tourism
DCCA	Hawai‘i Department of Commerce and Consumer Affairs
DLIR	Hawai‘i Department of Labor & Industrial Relations.
DMAP	Destination Management Action Plan
DOTAX	Hawai‘i Department of Taxation
GET	General Excise Tax
HAR	Hawai‘i Administrative Rules. State rules outlining procedures for applying statute.
HCE	Hawai‘i Compliance Express

HIePRO	Hawai'i State eProcurement System
HOPA	Head of the Purchasing Agency. The Director of the Department of Business, Economic Development and Tourism is the HOPA for HTA.
HRS	Hawai'i Revised Statutes
HST	Hawai'i Standard Time
HTA	Hawai'i Tourism Authority
IRS	Internal Revenue Service
Knowledge Bank	HTA's digital asset library of licensed creative assets accessible to the public. Registration and agreement to terms and conditions apply.
KPI	Key Performance Indicator
Offeror	Any individual, partnership, firm, corporation, joint venture or other entity submitting directly, or through a duly authorized representative or agent, a bid for the goods and/or services contemplated in this RFP.
OIP	Hawai'i Office of Information Practices
Procurement Officer	The procurement and contracting officer for the State of Hawai'i, Department of Business, Economic Development & Tourism, Hawai'i Tourism Authority.
Regenerative Tourism	Regenerative tourism is "creating the conditions for life to continuously renew itself, to transcend into new forms, and to flourish amid ever-changing life conditions" (Hutchins and Storm, 2019) - through tourism. It "recognizes its communities and places are living systems, constantly interacting, evolving, self-organizing, efficient, learning, distinct, and vital to create abundance, balance and conditions to support other life, resilience and contribute to a greater system of well-being." (Earth Changers, 2020).
Resident Sentiment Survey	The surveys gathered, and reports published by HTA regarding Hawai'i resident sentiment towards tourism in the State.
RFP	Request for Proposals, including all parts, Sections, Exhibits, Attachments, and Addenda.
ROI	Return on Investment
SPO	Hawai'i State Procurement Office
State	State of Hawai'i, including its departments, agencies, and political subdivisions.

### 1.3 ELECTRONIC PROCUREMENT

1.3.1 The State has established the Hawai'i State eProcurement System (HIePRO) to promote an open and transparent system for vendors to compete for state contracts electronically. Offerors interested in responding to this solicitation must be registered on HIePRO. Registration information is available at the

State Procurement Office (SPO) website: <http://spo.Hawaii.gov/HIePRO>, then select HIePRO Vendor Registration Guide. For technical assistance, please contact NIC Hawai'i at (808) 695-4620 or email at: [nichawaii@egov.com](mailto:nichawaii@egov.com).

1.3.2 The State will use HIePRO to issue the RFP, receive all offers, and issue any addenda to the RFP. Addenda and the other information and materials shall be provided by the State through HIePRO, including additions or changes with respect to the dates in Section 1.4 RFP Schedule and Significant Dates. The State is not responsible for any delay or failure of any Offeror to receive any materials updated through the RFP process on a timely basis.

1.3.3 As part of this procurement process, Offerors are informed that awards made for this solicitation, if any, shall be done through the HIePRO and shall therefore be subject to a mandatory .75% (.0075) transaction fee, not to exceed \$5,000 for the total contract term. The mandatory fee (.75%) is applicable for awards by Hawai'i government agencies only, , This transaction fee is payable to NIC Hawai'i (formerly known as Hawai'i Information Consortium), the vendor administering HIePRO. Refer to the "Instructions" tab in the HIePro solicitation for more details. The mandatory transaction fee shall be at the Contractor's sole cost and expense.

1.3.4 Offerors shall review all special instructions located in HIePRO. Offerors are responsible for ensuring that all necessary files are attached to their offer prior to the proposal deadline. Offerors are advised that they should not wait until the last minute to submit their proposal on HIePRO. Offerors should allow ample time to review their submitted proposal, including attachments, prior to the proposal deadline. The State shall not be responsible for responses/attachment that were not uploaded by the due date/time.

1.3.5 Changes to the RFP, including but not limited to answers to questions and procurement requirements, shall be changed via formal written addenda issued by the State. The State accepts no responsibility for a prospective Offeror not receiving solicitation documents and/or revisions to the solicitation. It is the responsibility of the prospective Offeror to monitor HIePRO to obtain any RFP addenda or other information relating to the RFP.

1.3.6 HIePRO is administered by NIC Hawaii (NIC). NIC shall invoice the Offeror directly for payment of transaction fees. Payment must be made to NIC within thirty (30) days from receipt of invoice. NIC is an intended third-party beneficiary of transaction fees, which are used to fund the operation, maintenance, and future enhancements of the HIePRO system.

#### **1.4 RFP SCHEDULE AND SIGNIFICANT DATES**

The schedule represents the State's best estimate of the schedule that will be followed. All times indicated are Hawai'i Standard Time (HST). If a component of this schedule, such as "Proposal Due Date/Time" is delayed, the rest of the schedule will likely be shifted by the same number of days. Any change to the RFP Schedule and Significant Dates shall be reflected in and issued in an addendum. No questions will be received after the Written Questions deadline.

<b>Task</b>	<b>Key Dates</b>
Release of Request for Proposals:	February 13, 2023
Pre-Proposal Conference via Zoom:	February 21, 2023; 3:00 P.M. HST
Written Questions Submittal Deadline: (must be submitted in HiePRO)	February 24, 2023; 4:30 P.M. HST
State’s Response to Written Questions:	March 3, 2023
Deadline to Submit Notice of Intent to Offer: (submit to <a href="mailto:procurement@gohta.net">procurement@gohta.net</a> )	March 7, 2023; 4:30 P.M. HST
<b>Proposal Due Date and Time:</b>	<b>March 28, 2023; 2:00 P.M. HST</b>
Evaluation Period:	March 29, 2023-April 14, 2023
Discussions and Oral Presentations with Priority Listed Offerors:	Week of April 17, 2023
Best and Final Offer Deadline, if necessary:	April 24, 2023
Anticipated Notice of Award:	May 5, 2023
Start of Contract(s) Performance	May 22, 2023

### 1.5 PRE-PROPOSAL CONFERENCE

The purpose of the pre-proposal conference is to provide Offerors an opportunity to be briefed on this procurement and to ask questions about the procurement process. The pre-proposal conference is not mandatory, but attendance is highly recommended. The pre-proposal conference will be held on the date noted in the Procurement Timeline, via Zoom teleconference. You must register in advance for this webinar using this link: <https://bit.ly/htappc23-08>

After registering, you will receive a confirmation email containing information about joining the webinar.

### 1.6 INTENT TO SUBMIT OFFER

**Notice of intent to offer is not required but is highly encouraged.** By registering your company, any applicable Addenda will be sent to you. If you are interested in responding to this solicitation, for confidentiality reasons, please email the information specified below to [procurement@gohta.net](mailto:procurement@gohta.net), with **“HTA RFP 23-03 Intent to Submit Offer”** in the subject line, by the deadline noted in the Procurement Timeline. Submission of an intent to offer does not mean you must submit an offer.

- Name of Company
- Name of Contact Person
- Email Address
- Company Address
- Telephone Number
- Solicitation (RFP) Number

### 1.7 QUESTIONS AND ANSWERS PRIOR TO OPENING OF PROPOSALS

All questions must be submitted through HiePRO. Questions must be submitted by the deadline shown in procurement timeline. Each question shall identify the page, section number, paragraph, and line or sentence of such provision(s) of the RFP to which the question applies. HTA reserves the right to consolidate, reconfigure and address questions as we deem appropriate, or to disregard questions altogether. Answers shall be issued as an addendum to the RFP, via HiePRO, and become part of the RFP, as appropriate.

### 1.8 PROTEST OF RFP CONTENT

Protest of RFP content must be received prior to the proposal due date. Offerors are encouraged to raise any concerns by the deadline for submission of written questions, or as soon as possible.

## 1.9 CANCELLATION

The RFP may be cancelled and any or all proposals rejected in whole or in part, without liability to the State, when it is determined to be in the best interest of the State, pursuant to HRS § 103D-308 and HAR §3-122-96 thru §3-122-97.

### 1.10 WEBSITE REFERENCE

Item	Website
Hawai'i Electronic Procurement System	<a href="https://hiepro.ehawaii.gov/welcome.html">https://hiepro.ehawaii.gov/welcome.html</a> <a href="https://hiepro.ehawaii.gov/welcome.html">https://hiepro.ehawaii.gov/welcome.html</a>
HTA Website	<a href="https://www.hawaiitourismauthority.org/">https://www.hawaiitourismauthority.org/</a>
HTA Five-Year Strategic Plan	<a href="https://hawaiitourismauthority.org/who-we-are/our-strategic-plan/">https://hawaiitourismauthority.org/who-we-are/our-strategic-plan/</a>
HTA Destination Management Plans (DMAPS)	<a href="https://www.hawaiitourismauthority.org/what-we-do/hta-programs/community-based-tourism/">https://www.hawaiitourismauthority.org/what-we-do/hta-programs/community-based-tourism/</a>
Hawai'i Compliance Express (CVC)	<a href="https://vendors.ehawaii.gov/">https://vendors.ehawaii.gov/</a>
eHawaii.gov YouTube Channel	<a href="https://www.youtube.com/user/eHawaiiGov1/videos">https://www.youtube.com/user/eHawaiiGov1/videos</a>
Hawai'i State General Conditions	<a href="https://hiepro.ehawaii.gov/static-resources/103D-1%20General%20Conditions.pdf">https://hiepro.ehawaii.gov/static-resources/103D-1%20General%20Conditions.pdf</a>
Chapter 201B HRS. HTA's inception statute.	<a href="https://www.capitol.hawaii.gov/hrscurrent/vol04_ch02_01-0257/HRS0201B/HRS_0201B-.htm">https://www.capitol.hawaii.gov/hrscurrent/vol04_ch02_01-0257/HRS0201B/HRS_0201B-.htm</a>
'Āina Aloha Economic Futures	<a href="https://www.ainaalohafutures.com/">https://www.ainaalohafutures.com/</a>



## **SECTION TWO: BACKGROUND AND SCOPE OF WORK**

### **2.1 PROJECT OVERVIEW AND BACKGROUND**

The COVID-19 pandemic and the resulting economic crises inspired, in the Hawai'i community, a reimagining of tourism and a resetting of priorities. Therefore, as domestic and international visitors return to the islands, tourism industry's recovery efforts will require effective destination management and destination stewardship.

As defined in HTA's Strategic Plan 2020-2025, destination management includes attracting and educating responsible visitors; advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems; and working with other responsible agencies to improve natural and cultural assets valued by both Hawai'i residents and visitors. Destination management also includes enhancing experiences for visitors.

In this RFP, the term destination stewardship is used instead of destination management, so as not to cause confusion with HTA's specific Destination Management Action Plan Program.

HTA will continue to strive for a balance between the economic benefits of tourism and quality of life for our residents. Efforts shall be taken to keep Hawai'i's visitor industry innovative and competitive. To this end, there must be alignment with each island's goals for tourism and its development.

HTA seeks a Contractor who shall provide technical assistance, project management and administrative services to the State of Hawai'i, in support of HTA's destination stewardship and its programs, to include but not be limited to:

- Support initiatives identified in the DMAPs and coordinate with HTA and its island Destination Managers.
- Provide post-arrival messaging and communication to visitors while in the Hawaiian Islands about responsible travel and supporting local.
- Develop and conduct technical assistance and capacity building programs in the areas of business and tourism, and stewardship of natural resources in order to develop innovative tourism experiences and manage resources to remain competitive.
- Explore the latest technologies that support HTA's overall regenerative tourism model.
- Support HTA in its efforts to find solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems.
- Support HTA in its efforts of collaboration and engagement with Hawai'i's visitor industry stakeholders, local communities, other sectors, and other government agencies to improve and protect natural and cultural assets valued by both Hawai'i residents and visitors.
- Develop a tourism quality assurance program to ensure Hawai'i continues to deliver on its brand promise and provide high-quality, exceptional service and experiences.
- Develop a certification program for tour guides.
- Provide support and administrative services for HTA's community programs in the areas of natural resources, Hawaiian culture, tourism product development, and festivals and events and smart tourism initiatives.
- Manage projects and relationship-building in both the visitor industry and also Hawai'i's diverse communities.
- Develop and administer all programs with an island-based, place-based approach.

<b>Pillar</b>	<b>HTA Strategic Plan Goals</b>	<b>AAEF Outcomes Measures</b>
Natural Resources	Respect for our Natural and Cultural Resources. Dedicate resources to programs that enhance & support Hawai‘i’s natural resources & cultural sites to improve the quality of life for all of Hawai‘i’s residents and to enhance the visitor experience.	The Visitor sector in Hawai‘i supports the vibrancy and integrity of Hawai‘i environment (land, water, ocean, sky & native flora & fauna).
Hawaiian Culture	Ho‘oulu (grow) the uniqueness and integrity of the Native Hawaiian culture and community through genuine experiences for both visitors and residents.	Supports Hawaiian cultural vitality and the application of ‘ike Kūpuna including the use of ‘ōlelo Hawai‘i and symbiotic, ancestral relationship to the ‘āina.
Community	Generate clear community benefits and responsibly manage tourism-related impacts on residents.	Positively impacts community well-being, equity, cohesion, capacity, & empowerment.  Improve the resilience & diversity of locally owned & resourced small businesses that along with ‘āina Aloha goals.  Increases hiring, career readiness, & leadership opportunities for Hawai‘i residents.
Brand Marketing	Strengthen tourism’s overall contribution to Hawai‘i by protecting & enhancing Hawai‘i’s globally competitive brand in a way that is coordinated, authentic, & market appropriate. Educate & attract mindful visitors with emphasis on lifetime value & positive impact.	Incorporate innovative approaches (processes, technologies & communications) that improve the well-being of communities & natural resources.

HTA has identified the following programs and activities to achieve the above goals and outcomes.

Visitor Education and Post Arrival Marketing & Communication. Continuing communication to visitors about how to visit, where to go and activities to do while in the destination is important. This includes messaging to Hawai‘i’s traveling public about how to visit Hawai‘i responsibly, respectfully, and mindfully in addition to marketing and promoting products, experiences that the visitor can participate in, and purchasing and supporting local.

Technical Assistance and Capacity Building. Providing technical assistance and capacity building to businesses, community organizations, and non-profits that are in alignment with HTA’s goals and outcomes are critical to ensure a sustainable change in Hawai‘i’s visitor industry and economy. Areas of need for technical assistance and capacity building include:

1. Supporting start-ups, small businesses, and nonprofits to ensure they have a solid business foundation and skills specific to the tourism industry.
2. Community stewardship of natural resources to address tourism impacts.
3. Developing new, innovative, and enhanced visitor experiences that meet the communities’ goals for tourism.

Tourism Quality Assurance Program. There are many destinations that have some type of quality assurance program – from the Cook Islands to Scotland, Australia, New Zealand, Thailand, and the Caribbean to name a few. A tourism quality assurance program can benefit our visitor industry, our visitors, and our community in the following ways:

- Increase consumer confidence in their ability to make more informed decisions and buy with confidence
- Exceed customer expectations
- Provide and maintain consistency in areas such as quality, reliability, environmental, sustainable and responsible tourism practices, adherence to a code of ethics
- Benchmark a business' performance
- Grow responsible, sustainable businesses
- Manage negative tourism impacts by promoting the organizations and businesses that are meeting and exceeding the standards

Tour Guide Certification Program. HTA funded a study conducted by the University of Hawai'i, School of Travel Industry Management in 2021/2022 which examined tour guide certification programs (<https://www.hawaiiitourismauthority.org/media/10388/study-of-formulation-and-implementation-of-a-formal-licensing-program-in.pdf>). A survey of local, Hawai'i stakeholders demonstrated that tour guide certification should be a priority for the state of Hawai'i, and that the current process needs a major overhaul.

Smart Tourism. To compete and progress as a world-class destination in addition to managing tourism impacts, use of technology for innovation and positive transformation is needed. Investment in Smart Tourism projects will assist in destination management efforts. Smart Tourism uses information and communication technology, mobile communication, artificial intelligence and virtual reality to:

- Improve the efficiency for resource management and crowd management
- Increase sustainability practices and reduce carbon footprint
- Enhance experiences for both residents and visitors
- Manage impacts
- Engage visitors and residents

Aloha 'Āina Program. Community-based projects with an emphasis on 'āina-kānaka (land-human) relationships and knowledge that manage, preserve, steward, and regenerate Hawai'i's natural resources and environment.

Community Enrichment Program. Community-based tourism projects that provide unique, authentic and highly-valued visitor experiences and also improve and enrich Hawai'i's product offerings must continue to be fostered. Specifically, the tourism niche areas of culture, education, health and wellness, nature, agriculture, technology, and voluntourism.

Resort Area Hawaiian Culture Initiative. It is important that Hawaiian culture is represented and perpetuated in a respectful, accurate, inviting, and educational manner to our visitors. Investment in Hawaiian cultural programs, cultural practitioners, entertainment, craftsmen, musicians, linguists and/or other artists, specifically at resort and visitor areas statewide, is needed to foster a Hawaiian sense of place.

Kūkulu Ola: Living Hawaiian Cultural Program. Community-based projects that enhance, strengthen and perpetuate the Hawaiian culture through genuine experiences for residents and visitors are vital.

Signature Events Program. World-class events help Hawai‘i to remain competitive, generate media exposure for Hawai‘i and increase economic benefits. “Signature” events aim to attract attendees and participants from outside the state of Hawai‘i through the use of extensive national and international marketing. In addition, they have broad appeal and align with Hawai‘i’s destination’s image and brand. Signature Events also include major Hawaiian Festivals.

## **2.2 SCOPE OF WORK**

The HTA is a policy-making organization and as such, the role of HTA for this contract is to provide oversight, guidance and final approval of all plans, activities, and initiatives. The HTA is seeking a Contractor to provide professional services and administrative support for the following programs and activities:

1. Visitor Education and Post Arrival Marketing & Communication. Create and execute a post-arrival marketing and communication campaign, including messaging and digital assets to educate on how to be a responsible and mindful visitor while in the Hawaiian Islands. Promote the breadth of visitor experiences, buy and shop local, and voluntourism opportunities that align with DMAPs and HTA programs. Services shall include but not be limited to:

- a) Develop a workplan including tasks and deadlines for HTA review and approval.
- b) Create and implement a post-arrival campaign, including the creative assets that are in alignment with the Hawaiian Islands brand and Mālama Hawai‘i. The campaign and creative assets are to be approved by HTA.
- c) HTA will provide access to its Knowledge Bank.

2. Technical Assistance and Capacity Building. Provide technical assistance and capacity building in the following areas to ensure a competitive visitor industry and that are in alignment with each island’s DMAPs:

- a) Foundational Technical Assistance Program: Identify needs, develop and conduct technical assistance and capacity building programs throughout the State targeted at start-ups, small businesses, and nonprofits to become market-ready for visitors and fully operational in the tourism industry. Examples include packaging tourism products such as tours and activities and domestic and international distribution systems, etc.
  - i. Provide a detailed workplan including target audiences and promotion and recruitment for the technical assistance and capacity building to HTA for approval. At minimum, the participation level should be at least 225 organizations across all 6 of the Hawaiian islands.
  - ii. Market, promote and conduct community outreach and ensure participation. All marketing and promotional materials are to be approved by HTA.
  - iii. HTA will provide results from the Moloka‘i needs assessments for businesses and nonprofits. HTA did not conduct any further needs assessments.
- b) Community Tourism Collaborative – Community Stewardship Technical Assistance and Project Funding: Design and execute technical assistance and training with community members and organizations who are interested and committed to improving or mitigating impacts at a specific site – in particular sites that are impacted by visitors and residents. Tasks shall include but not be limited to:
  - i. Technical assistance shall be developed, organized, and implemented by trainers/facilitators that have had experience in executing stewardship/natural resource management programs.
  - ii. Conduct training and technical assistance that shall include but not be limited to the following topics: creation of a volunteer program, developing an action plan, data collection, and developing education programs. At a minimum, training and

technical assistance shall be offered on each of the six Hawaiian Islands at least once in 2023, 2024 and 2025. HTA shall approve training topics.

- iii. Market, promote and conduct community outreach to share out the Community Tourism Collaborative and ensure participation. All marketing and promotional materials are to be approved by HTA.
- iv. Procure in a fair, equitable, competitive and transparent process for community stewardship projects targeted at those who complete all the Collaborative workshops, including marketing and promotions of funds available, application development, contract management, and project evaluation.
- v. Develop a detailed workplan for training and technical assistance and the procurement and management of community stewardship projects.
- vi. Community stewardship projects to take place in calendar years 2023 and 2024. The following amounts shall be awarded:
  - August 2023-May 2024: No more than \$400,000
  - CY 2024: No more than \$400,000

In calendar year 2025, only the training and technical assistance portion will continue. No funding of projects in 2025.

- c) Community Tourism Collaborative – Experiences Technical Assistance and Project Funding: Design and execute technical assistance and training with community members and organizations who are interested and committed to creating or enhancing the visitor experience that is in alignment with regenerative tourism and the destination’s brand and in particular areas such as agritourism, cultural tourism or a particular tourism niche area. The purpose is to develop new or enhance existing tourism products/visitor experiences.
- i. In-person training and technical assistance shall be developed, organized, and implemented by trainers/facilitators that have experience in the identified tourism niche area. HTA shall approve workshop topics.
  - ii. Conduct training and technical assistance in the first quarter of calendar year 2024. At a minimum, training and technical assistance shall be offered on each of the six Hawaiian Islands in 2024 and 2025. The outcome is the creation of a prioritized action plan to move participants’ ideas forward. HTA shall approve training topics.
  - iii. Market, promote and conduct community outreach to share out the Community Tourism Collaborative and ensure participation. All marketing and promotional materials are to be approved by HTA.
  - iv. Procure in a fair, equitable, competitive and transparent process for community visitor experiences projects targeted at those who complete all the Collaborative workshops, including marketing and promotions of funds available, application development, contract management, and project evaluation.
  - v. Develop a workplan for training and technical assistance and the procurement and management of community visitor experience projects targeted at those who complete all the Collaborative workshops.
  - vi. Community visitor experiences projects to take place in calendar 2024. The following amounts shall be awarded:
    - CY 2024: No more than \$400,000

In calendar year 2025, only the training and technical assistance portion will continue. No funding of projects in 2025.

3. Quality Assurance Program. Design a tourism quality assurance program in the areas of accommodations, activities, services and transportation. Services shall include but not be limited to:
  - a) Develop a detailed work plan, including identifying tasks, committee meetings, staff hours, and milestones.
  - b) Review tourism quality assurance programs and select the best practice from each that would be the most beneficial for a tourism quality assurance program for the Hawaiian Islands.
  - c) Development of rating scheme/standards that established benchmarks and measures the standard level of quality in the provided services and products and safety standards. Take into account HTA's desire for sustainable, responsible, and regenerative tourism practices.
    - i. Formation of committees with representatives from State, county, subject matter experts from the visitor industry and communities to assist with setting criteria and standards in the areas of accommodations (hotel/resort, short-term vacation rentals), visitor attractions and tours, service providers, and transportation). List of committees and its members are to be reviewed and approved by HTA.
    - ii. Identify the information that a business will need to provide to meet the accreditation standard.
    - iii. Identify the minimum expectation of a business.
  - d) Development of the brand for the quality assurance program.
    - i. Create a brand that is meaningful to the business, to industry and to the customer.
    - ii. Identify how businesses will promote that they are accredited.
  - e) Development of the system
    - i. Determine how businesses provide information to demonstrate they have met the standard.
    - ii. Determine the internal processes to assess the accreditation application and process renewals and site visits.
    - iii. Determine how businesses will be engaged into the program.
    - iv. Determine how to keep the program sustainable.
    - v. Determine how to support businesses through the program
    - vi. Determine how to get additional stakeholder involvement.
  - f) Develop an implementation plan to roll out the program with target dates, training, outreach, and incentives to participate.
  - g) Identify potential areas of technical assistance and capacity building for organizations.
  - h) Below are key dates:
    - i. The implementation plan shall be completed and provided to HTA for review and approval no later than May 15, 2024.
    - ii. Roll out the implementation plan shall occur no later than July 30, 2024.
  
4. Tour Guide Certification Program. Create an online Tour Guide Certification training program. Services shall include but not be limited to:
  - a) Develop a detailed workplan including tasks, key partners, and milestones.
  - b) Review the University of Hawai'i's School of Travel Industry Management's report titled "A Landscape Analysis on Current Certification for Hawai'i's Professional Tour Guides Program: Study of Formulation and Implementation of a Formal Licensing Program in the Future." (<https://www.hawaii-tourism-authority.org/media/10388/study-of-formulation-and-implementation-of-a-formal-licensing-program-in.pdf>)
  - c) Develop the Tour Guide Certification training curriculum which shall be reviewed and approved by HTA. Curriculum shall include but not be limited to:
    - i. Hawaiian culture;
    - ii. Hawai'i's history;

- iii. Customer Service;
- iv. Safety issues;
- d) Identify and implement strategies to increase enrollment and certification completion.
- e) Host the online Tour Guide Certification training program; and
- f) Develop a promotional and outreach plan to reach tour guides and companies which shall be reviewed and approved by HTA.
- g) Below are key dates:
  - i. Online Tour Guide Program site up and running no later than May 30, 2024.
  - ii. Promotion and outreach to start no later than June 1, 2024.

5. Management and Administrative Support for 6 HTA programs. Manage and support the statewide operation of the following six (6) HTA programs and provide intermediary services and a single point of contact for HTA in accordance with the programs’ guidelines: Resort Area Hawaiian Culture Initiative, Smart Tourism, Aloha ‘Āina, Community Enrichment, Kūkulu Ola and Signature Events. Services shall include as necessary:

- a. Procurement, contract management, and project evaluation for each of the six programs.
- b. Provide technical assistance, if needed, to ensure quality applications are submitted.
- c. Promote organizational and programmatic sustainability by providing capacity building training and technical assistance to awarded projects.
- d. Procure in a fair, equitable, competitive and transparent process for projects under the six (6) HTA programs mentioned above.
- e. Below are key dates and amounts for each program:
  - i. Smart Tourism projects to take place in calendar years 2023, 2024 and 2025. The following amounts shall be awarded:
    - August 2023-May 2024: No more than \$1,300,000
    - CY 2024: No more than \$1,300,000
    - CY 2025: No more than \$900,000

<u>Activity</u>	<u>Key Date</u>
Smart Tourism 2023 projects to start	Week of August 1, 2023
Smart Tourism 2023 (including final reports) must be completed by:	May 30, 2024
Smart Tourism 2024 projects to start	January 2024
Smart Tourism 2024 projects to end	December 2024
Smart Tourism 2025 projects to start	January 2025
Smart Tourism 2025 projects to end	December 2025

ii. Resort Area Hawaiian Culture Initiative projects to take place in calendar years 2023, 2024 and 2025. The following amounts shall be awarded:

- CY 2023: No more than \$700,000
- CY 2024: No more than \$700,000
- CY 2025: No more than \$450,000

<b>Activity</b>	<b>Key Date</b>
Resort Area Hawaiian Culture Initiative 2023 projects to start	July 2023
Resort Area Hawaiian Culture Initiative 2023 projects to end	December 31, 2023
Resort Area Hawaiian Culture Initiative 2024 projects to start	January 1, 2024
Resort Area Hawaiian Culture Initiative 2024 projects to end	December 31, 2024
Resort Area Hawaiian Culture Initiative 2025 projects to start	January 1, 2025
Resort Area Hawaiian Culture Initiative 2025 projects to end	December 31, 2025

iii. Aloha ‘Āina, Community Enrichment, Kūkulu Ola & Signature Events projects to take place in calendar years 2024 and 2025. The following amounts shall be awarded along with the following key dates:

<b>Program</b>	<b>CY 2024 – \$ Amount Available for Awards</b>	<b>CY 2025 – \$ Amount Available for Awards</b>
Aloha ‘Āina	No more than \$1,350,000	No more than \$1,350,000
Community Enrichment	No more than \$1,800,000	No more than \$1,500,000
Kūkulu Ola	No more than \$1,350,000	No more than \$1,000,000
Signature Events	No more than \$2,700,000	No more than \$2,000,000

<b>Activity</b>	<b>Key Date</b>
2024 projects to start	January 2024
2024 projects to end	December 2024
2025 projects to start	January 2025
2025 projects to end	December 2025

6. Monthly progress reports shall be provided to the HTA for the period starting June 1, 2023.

### **2.3 KEY PERFORMANCE INDICATORS & PERFORMANCE EVALUATION METRICS**

Below are the key performance indicators that the selected Contractor shall be targeting and tracking for HTA:

1. Visitor Education and Post Arrival Marketing & Communication.

- Number of views by visitors
- Number of messages reaching visitors
- Number of premium locations utilized for visitor education activities and post-arrival campaign



2. Technical Assistance and Capacity Building.
  - Number of trainings/capacity building workshops/training programs per island
  - Number of sustainable programs/projects generated from the trainings
  - Number of participants by tourism niche area, by island
  - Number of locations being steward
  - Increase in participants' measured skills/knowledge
  - Number of participants these programs host by tourism niche area and by island
  - Number of new entities in the community providing activities/programs for visitors and residents
  - Increase number of community-driven, local businesses and non-profits taking part in the visitor industry
3. Quality Assurance Program.
  - Number of businesses and organizations who sign up for the program, by sector, by island
  - Number of evaluations conducted
  - Number of awards provided by sector, by island
4. Tour Guide Certification Program.
  - Number of tour companies reached
  - Number of tour guides certified
5. Management and Administrative Support for 6 HTA programs.
  - Smart Tourism
    - Number of hotspots or areas/sites of concern addressed
    - Number of enhanced visitor experiences
    - Number of projects awarded by island
  - Resort Area Hawaiian Culture Initiative
    - Number of musicians/cultural practitioners participating by island
    - Number of locations where authentic experiences are provided
    - Number of visitor industry entities that integrate authentic Native Hawaiian experiences
  - Aloha 'Āina
    - Number of programs supported by island
    - For each program: number of on-island & off-island residents; number of out-of-state visitors; and satisfaction of attendees
  - Community Enrichment
    - Number of projects and programs funded including new activities for the community and visitors by island
    - Number of years operating for each project or program funded
    - For each program: number of on-island & off-island residents; number of out-of-state visitors; satisfaction of attendees
  - Kūkulu Ola
    - Number of programs supported by island
    - For each program: number of on-island & off-island residents; number of out-of-state visitors; and satisfaction of attendees
    - Increase number of organizations perpetuating Native Hawaiian culture & values
  - Signature Events
    - Number of festivals & events funded by island each year. Number of attendees (residents, out-of-state visitors). Percentage of demographics of out-of-state attendees consistent with target market.
    - Increase level of satisfaction of attendees

Also, Offeror shall propose additional key performance indicators as specified in Section 3.1.3.

## 2.4 COMPENSATION

This is a Fixed-Price contract, inclusive of all taxes and expenses, for an amount not to exceed **TWENTY-EIGHT MILLION SIXTY-FIVE THOUSAND AND NO/100 DOLLARS (USD \$28,065,000.00)** for the initial two contract periods of this multi-term contract .

	Performance Period
Contract Period 1	May 2023-December 2024
Contract Period 2	January 2025-December 2025
Final Reporting and Close-out	January 2026-May 2026

The total amounts shall not exceed:

- A fixed price amount no greater than **FOUR MILLION SIX HUNDRED NINETY FIVE AND NO/100 DOLLARS \$5,195,000** for May 2023 through December 2023 of contract period 1;
- A fixed price amount no greater than \$12,270,000 for January 2024 through December 2024 of contract period 1;
- A fixed price amount no greater than \$10,600,000 for January 2025 through December 2025 of contract period 2

with options at the sole discretion of HTA to provide incremental funding, subject to the availability of funds, up to the amounts described below:

- A fixed price amount no greater than **TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00 USD)** for contract period 1; and
- A fixed price amount no greater than **FOUR MILION AND NO/100 DOLLARS (\$4,000,000.00 USD)** for contract period 2,

upon which performance measure targets would be reassessed.

Offerors shall submit their proposal for both the base and incremental funding described above as outlined in Section 3.

Total maximum compensation, inclusive of all taxes, expenses and optional incremental funding is for an amount not to exceed **THIRTY-FOUR MILLION SIXTY-FIVE THOUSAND AND NO/100 DOLLARS (USD \$34,065,000.00)** for the this multi-year contract.

The fixed price is inclusive of all aspects of the contract, including all expenses directly related to the scope of work, as well as all expenses indirectly related to the scope of work, such as the required insurance coverage. ( Annual Administrative Costs inclusive of staffing and office expenses, and Contractor profit/retainer, must be included in the fixed amount and may not exceed fifteen percent (15%) of the total annual fixed price.

Additionally, an option to extend for additional two (2) contract periods or parts there of shall be available at the state’s sole discretion up to the amount of **SEVENTEEN MILLION FIVE HUNDRED THOUSAND AND NO/100 (\$17,500,000.00 USD)** each option year. This amount is an estimate and subject to availability of funds, current market conditions, and other factors.

Notwithstanding anything in other sections of this RFP, the not-to-exceed amounts listed in this section shall prevail.

### **Cost Factor & Cost Reasonableness Determination**

In accordance with HAR §3-122-52 and HRS Chapter 103D, the proposal with the lowest cost factor must receive the highest available rating allocated to cost.

The awardee will be required at this time to submit a Certificate of Current Cost or Pricing Data Form, after which the HTA will make a Cost Reasonableness Determination.

No award is final until a contract is signed. If HTA and awardee fail to come to agreement, HTA may enter into agreement with the next highest scoring Offeror.

### **American Rescue Plan Act**

Portions or all of funds provided under the initial contract period for May 2023-December 2024 may be federal American Rescue Plan Act (ARPA) funds. Contractor shall be responsible for ensuring that all funds are recorded, expended, and audited to federal standards if funded by ARPA funds.

### **2.5 TERM OF CONTRACT**

This is a multi-term contract covering May 22, 2023 to June 30, 2026. This contract shall end on June 30, 2026 with the possibility of two (2) one-year extensions.

The previous paragraph notwithstanding, the contract term cannot exceed five (5) years total in accordance Hawaii Revised Statutes section 201B-3(a)(3).

Sufficient funds are available to pay for the initial contract period(May 2023-December 2024). The Contractor acknowledges and agrees that, for subsequent years of the multi-term contract, the availability of funds to HTA for any fiscal year (July 1 to June 30), shall initially be subject to the passage of a budget appropriation of public funds by the Legislature, and subsequently to the approval of an allotment of the budgeted funds by the Governor, through the Director of the Department of Budget & Finance, State of Hawai'i, and final allocation and approval by the HTA Board of Directors.

Each contract period is funded by a separate and respective fiscal year, or combination of fiscal years, in the manner described above. It is understood that the Head of Purchasing Agency (HOPA) or designee must notify Contractor on a timely basis if funds are not available for continuation of the contract for each succeeding fiscal period and that, in the event of a cancellation, Contractor will be reimbursed the unamortized, reasonably incurred, nonrecurring costs.

### **2.6 HTA CONTRACT MONITORING & EVALUATION**

HTA contract monitoring and evaluations will be conducted in accordance with HTA Contract Management Policy 400-20 and HTA Contract Management Procedures 400-20.01 – 400-20.05, or its equivalent, which may be subject to change periodically. Contractor performance will be monitored and assessed monthly and HTA direction will be given as necessary.

HTA staff will conduct written evaluations at least once a year. These evaluations will determine if the State wishes to continue the contract or not. When the best interests of the State so require, the State may issue a stop work order, termination for default, or termination for convenience. See the attached General Conditions for details.

Each Evaluation Review will cover the following topics:

- KPIs and Performance Measures – Review results against targets.
- Communication – Review Contractor's communication with HTA, community, industry partners

and visitors.

- Financial Accountability – Review significant variances of budget vs. actual, if any.

Evaluation meetings, either in person or virtually will be conducted as deemed necessary by HTA. Annual renewal of the contract will be contingent upon the Contractor's performance and ability to meet the objectives outlined above.

In the final year of the initial multi-term contract term, the Contractor will be notified of HTA's determination of whether it intends to exercise the available option referenced in section 2.5 above.

## **2.7 OWNERSHIP RIGHTS**

Pursuant to the General Conditions attached to and made a part of the RFP (Exhibit F), the State shall have complete ownership of all material which is developed, prepared, assembled, or conceived by the Contractor(s) under this Contract.

## **2.8 GENERAL RESPONSIBILITY TO COMPLY WITH STATE REQUIREMENTS**

Unless otherwise provided in this RFP, the Contractor is responsible for obtaining all official licenses, approvals, clearances, and similar authorizations required by any local, State, or federal agency to perform the work required in this RFP.

## **2.9 INHERENT GOVERNMENT FUNCTIONS**

It is important to recognize, however, that the State has fundamental inherent government functions that should not be delegated to a Contractor. Governmental personnel should be the only people making final decisions on proposed Contractor's services. Federal Procurement Law defines inherent functions to be performed only by government employees. The HTA considers the following responsibilities inherently governmental:

- Determining what supplies or services are to be acquired by the Government;
- Approving any solicitation documents, to include documents defining requirements, specifications, incentives, and evaluation criteria;
- Negotiating cost and pricing;
- Awarding contracts;
- Approving post-award contract changes to include, but not be limited to, ordering changes in contract scope, schedule, budget;
- Responding to evaluations of Contractor performance and accepting or rejecting Contractor products or services; and
- Terminating contracts.

## **2.10 HAWAII TOURISM AUTHORITY RESPONSIBILITIES**

- Provide direction and guidance to ensure the programs proceed as scheduled and meets HTA's objectives.
- Provide general information in a timely manner.
- Meet with the Contractor at a minimum monthly to discuss progress and any issues that have arisen or may arise.
- Review and affirm the completeness of the deliverables as to the information requested above.
- Coordinate for promotion and communication purposes of the programs identified in the Scope of Work.
- Provide program guidelines for the Contractor to create and issue the request for proposals for the following programs: Resort Area Hawaiian Culture Initiative, Smart Tourism, Aloha 'Āina, Community Enrichment, Kūkulu Ola and Signature Events.
- Provide access to HTA's Knowledge Bank for digital assets.

- Provide the findings from the Moloka'i needs assessments for businesses and nonprofits.
- Pay invoices upon verification of satisfactory performance.
- Maintain an oversight and advisory role for each of the tasks outlined above.

### **2.11 POINT OF CONTACT**

The Procurement Officer or its designee is the single point of contact (POC) during the procurement process. Offerors shall direct all questions regarding the procurement process and any other procedural questions that may arise related to this solicitation to be submitted in HiePRO by the due date/time referenced in the RFP Schedule. The reference number is **RFP-23-08**. This number must be referred to on all proposals, correspondence, and documentation relating to the RFP.

## SECTION THREE: PROPOSAL CONTENT AND SUBMISSION

### 3.1 PROPOSAL CONTENT

#### 3.1.1 Content Format

- Slide shows and PowerPoint Presentations will not be accepted. The proposal should be compact and substantive. Proposals may include a web address that evaluators will have the option of reviewing. However, evaluators will not be required to review your website, so do not omit essential information in reliance on website content. Video, audio, or other similar multimedia materials will not be considered during evaluation of written proposals, although they may be accepted or even requested in Round 2 of the procurement process.
- The format must be U.S. standard 8.5 by 11 inches. Orientation should be primarily portraited, though landscape is welcome for data or visual presentations as appropriate. No odd-sized pages allowed.
- Font size should be no smaller than 11 pts
- Page limit. The body of the proposal must not exceed the page limit outlined below. Proposals that exceed the page limit may be disqualified, or the extra pages may be excised prior to review.
- All submittals must be provided in English.

#### 3.1.2 Content List

All proposals shall include the following documents and titles to be considered for this RFP. Proposals that fail to submit any one of these documents may be considered non-responsive.

- **Item 1-6** to be individually labeled accordingly and submitted as one PDF file in the order listed below that is no more than seventy-five (75) pages:
  1. Cover Page
  2. Table of Contents
  3. Cover Letter
  4. Management Approach
  5. Professional Experience
  6. Technical Approach including Programs' Plans and Budgets
- **Item 7-14** to be submitted as one PDF file in the order listed below:
  7. Offeror Check List (Attachment 1)
  8. Proposal Transmittal Letter (Attachment 2)
  9. Corporate Resolution (Attachment 3)
  10. Standard Qualification Questionnaire (Attachment 4)
  11. Contractor References (Attachment 5)
  12. Subcontractor References (Attachment 6)
  13. Certificate of Vendor Compliance or Proof of Application for CVC
  14. Confidential Information List (Attachment 7)

#### 3.1.3 Content Explanation

##### **Cover Page**

The cover page should include the following:

- The name and number of the RFP: RFP 23-08. Hawai'i Tourism Destination Management and Destination Advancement.
- Name and address of Company.
- Company Federal and State Tax ID #s.
- Name, email address, phone number of contact person.

### **Table of Contents**

Please present the materials in the order outlined above. Please include page numbers for your table of contents.

### **Cover Letter**

The cover letter is your opportunity to make a personal statement to the HTA and to the evaluation committee. Please limit this to one to two pages maximum.

### **Management Approach**

- a) Personnel Management
  - i. Organizational chart of proposed staffing, including position titles, names, lines of responsibility/supervision, and time allocation to the HTA account. Please provide a calculation of full-time (40 hours per week) equivalent positions dedicated for HTA account.
  - ii. Project Manager (“Key HTA Point of Contact”) to be assigned to the HTA account. List detailed qualifications including experience, time with the organization, resume/bio demonstrating qualifications related to this RFP.
  - iii. Additional Staffing. The Offeror shall identify other key members who will be assigned to the projects. List detailed qualifications for each position (including experience, time with the organization, resume/bio demonstrating qualifications related to this RFP), proposed time allocation of staff.
- b) Accounting System. Describe how the Offeror’s accounting system will:
  - i. Accurately estimate and timely record actual expenditures for this contract;
  - ii. Accurately allocate and timely record all actual expenditures to the various budget categories;
  - iii. Accurately estimate and timely record actual expenditures of Subcontractor
- c) Contract Management System. Describe how the Offeror will track proposals and contract deliverables.

### **Professional Experience**

The Offeror shall provide a complete description of its relevant experience in working with community organizations and the visitor industry, project management, and administration of programs related to providing funding to other organizations (grants) and project evaluation as described below:

- a) Provide a brief history of the establishment, development, and accomplishments of the organization.
- b) Describe the Offeror’s experience and past performance history, including work in:
  - i) Hawai‘i’s visitor industry and ability to provide technical assistance and capacity building related to tourism development, ability to develop a tour guide certification program and ability to develop a tourism quality assurance program.
  - ii) Procuring and , awarding funds to non-profit organizations, including contract management.
  - iii) Developing and implementing marketing and communications campaigns.
  - iv) Assisting and working with the non-profit community, the Hawaiian community, and the area of natural resources.
- c) Performance Measures: Describe a minimum of five (5) past work experiences within the past 5 years that reflect the tracking of performance measures to targeted results, including the measurement methodology used.

### **Technical Approach - Programs’ Plans and Budgets**

Offeror must present a program/project plan and budget for each of the five (5) areas as outlined in the scope of work above. The Offeror will be responsible for developing and administering the programs.

- a) Visitor Education and Post-Arrival Marketing and Communication.
- i. Workplan: Propose a media and marketing and communications workplan for a visitor education and post-arrival marketing campaign, including start and end dates for implementation and milestones.
  - ii. Concepts and Campaign Components: Propose concepts and describe activities and campaign components, including target audiences.
  - iii. Price/Budget: The overall budget for this program shall consist of separate budgets for the following time periods: contract period 1 (May 2023 through December 2024), contract period 2 (January 2025 through December 2025), and final reporting and close out from January 2026 through June 2026, in addition to a combined total amount proposed for the entire contract. Budgets shall include a breakdown showing what the budget is paying for. The cost breakdown should be clear enough that, if HTA should decide to make adjustments to the number of deliverables, the HTA would be able to recalculate the costs based on the information provided and propose a payment schedule based on the suggested milestones.
  - iv. Program Metrics: Propose key program metrics and targets that will be used to measure the success of the campaign to include but not be limited to the measures found in Section 2.3. Describe how the data will be obtained and tracked.
- b) Technical Assistance and Capacity Building.
- i. Describe how you will create and implement technical assistance and capacity building programs, including key partners that will accomplish the scope as outlined in Section 2.2, item number 2 of this RFP.
  - ii. Workplan: Propose a workplan that encompasses the scope outlined in Section 2.2, item number 2 of this RFP, including start and end dates for implementation and milestones.
  - iii. Price/Budget: The overall budget for this program shall consist of separate budgets for the following time periods: contract period 1 (May 2023 through December 2024), contract period 2 (January 2025 through December 2025), and final reporting and close out from January 2026 through June 2026, in addition to a combined total amount proposed for the entire contract. Budgets shall include a breakdown showing what the budget is paying for. The cost breakdown should be clear enough that, if HTA should decide to make adjustments to the number of deliverables, the HTA would be able to recalculate the costs based on the information provided and propose a payment schedule based on the suggested milestones.
  - iv. Program Metrics: Propose key program metrics and targets that will be used to measure the success of this program to include but not be limited to the measures found in Section 2.3. Describe how the data will be obtained and tracked.
- c) Quality Assurance Program.
- i. Describe in detail how you will develop, implement, and manage the Quality Assurance Program and identify key partners in the development and its execution.
  - ii. Workplan: Propose a workplan for the development and execution of the Quality Assurance Program.
  - iii. Price/Budget: The overall budget for this program shall consist of separate budgets for the following time periods: contract period 1 (May 2023 through December 2024), contract period 2 (January 2025 through December 2025), and final reporting and close out from January 2026 through June 2026, in addition to a combined total amount proposed for the entire contract. Budgets shall include a breakdown showing what the budget is paying for. The cost breakdown should be clear enough that, if HTA should decide to make adjustments to the number of deliverables, the HTA would be able to recalculate the costs based on the information provided and propose a payment schedule based on the suggested milestones.
  - iv. Program Metrics: Propose key program metrics and targets that will be used to measure the



success of this program to include but not be limited to the measures found in Section 2.3. Describe how the data will be obtained and tracked.

d) Tour Guide Certification Program.

- i. Describe in detail how you will build out the components of the online Tour Guide Certification Program curriculum, key partners involved, strategies for outreach and incentivizing companies and tour guides to complete the certification, and manage this program once the training program is online.
- ii. Workplan: Propose a workplan for the development and execution of the Tour Guide Certification Program.
- iii. Price/Budget: The overall budget for this program shall consist of separate budgets for the following time periods: contract period 1 (May 2023 through December 2024), contract period 2 (January 2025 through December 2025), and final reporting and close out from January 2026 through June 2026, in addition to a combined total amount proposed for the entire contract. Budgets shall include a breakdown showing what the budget is paying for. The cost breakdown should be clear enough that, if HTA should decide to make adjustments to the number of deliverables, the HTA would be able to recalculate the costs based on the information provided and propose a payment schedule based on the suggested milestones.
- iv. Program Metrics: Propose key program metrics and targets that will be used to measure the success of this program to include but not be limited to the measures found in Section 2.3. Describe how the data will be obtained and tracked.

e) Management and Administrative Support for HTA Programs.

- i. Program Management: Describe how you will manage each of the 6 programs, including designing and procuring a fair and competitive process to support the programs' projects and following up with sub-awardees for contract deliverables on a timely basis.
- ii. Technical Assistance and Capacity Building: Describe how you will promote organizational and programmatic sustainability by providing capacity building training and technical assistance to awarded projects.
- iii. Workplan: Propose a workplan in the development and execution of the 6 programs.
- iv. Price/Budget: The overall budget for this program shall consist of separate budgets for the following time periods: contract period 1 (May 2023 through December 2024), contract period 2 (January 2025 through December 2025), and final reporting and close out from January 2026 through June 2026, in addition to a combined total amount proposed for the entire contract. Budgets shall include a breakdown showing what the budget is paying for. The cost breakdown should be clear enough that, if HTA should decide to make adjustments to the number of deliverables, the HTA would be able to recalculate the costs based on the information provided and propose a payment schedule based on the suggested milestones.
- v. Program Metrics: Propose key program metrics and targets that will be used to measure the success of this program to include but not be limited to the measures found in Section 2.3. Describe how the data will be obtained and tracked.

f) Program Enhancements. Propose program enhancements, including proposed program metrics and detailed budgets should incremental funds become available in calendar years 2024 (an estimated amount of \$2,000,000.00) and 2025 (an estimated amount of \$4,000,000.00) in the areas of 1) visitor education and post-arrival marketing and communications; 2) product development and technical assistance and capacity building; 3) quality assurance program; and 4) any other additional enhancements that meet the objectives of this RFP.

**Contractor References**

Offeror must use this form to provide three (3) references for previous work performed as the Prime Contractor and similar to this project. More recent (within 5 years) and more relevant performance usually

has a greater impact in the confidence assessment than less recent and less relevant projects. See Attachment 5 for details.

### **Subcontractor References**

If Subcontractors will be used for this contract, Offerors shall complete the Subcontractor References Form (Attachment 6) for each Subcontractor and ensure all requirements of the General Conditions outlined in Exhibit F of this RFP are followed.

In addition, the Offeror shall attach to the Subcontractor Reference Form a letter or statement from each Subcontractor, signed by a legally authorized representative, stating:

1. The general scope of work to be performed by the Subcontractor; and
2. The Subcontractor's willingness to perform the indicated work.
3. The number of years this Subcontractor has been used by your company, if applicable.

Any new subcontracts require HTA's prior written approval. Requests for written approval to subcontract shall include:

1. An explanation of the need for the goods or services to be subcontracted;
2. A statement regarding subcontractor's qualifications to provide the goods or services;
3. A summary of process used to procure the goods or services, including the material terms of bids or other responses to provide the goods or services; and
4. The reason(s) for the selection of the subcontractor, including information used to determine the reasonableness of the contract amount.

Note: Contractors are asked to include a force majeure clause in all their Subcontracts where possible. Please use the same language as appears in Exhibit D, Special Provisions.

### **Offer Checklist**

Offeror must complete the checklist and submit all items noted on the form. See Attachment 1 for details.

### **Proposal Transmittal Letter**

On the Offeror's business letterhead, include a transmittal letter to confirm that the Offeror will comply with the requirements, provisions, terms, and conditions specified in this RFP. Offeror shall use the exact legal name as registered with the Department of Commerce and Consumer Affairs. The price shall be submitted on the transmittal letter and shall be the all-inclusive cost, including the GET and incremental funding, and not to exceed \$34,065,000.00.

The Offeror represents that neither the Offeror, nor its principals, employees, or agents of the Offeror, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with their performance of this Contract, if awarded. Should any conflict exist, it must be disclosed. If no conflict exists, state no conflict on the transmittal letter.

The Offeror must certify that neither the Offeror nor its principals, employees or agents of the Offeror are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any governmental department or agency. If the Offeror cannot certify this statement, attach a written explanation for review by the State. If no debarment action exists, state no debarment on the transmittal letter.

This form must have an electronic signature, which is required before an award, if any, can be made. If unsigned, the offer will be automatically rejected. See Attachment 2 for details.

### **Qualifications Questionnaire**

Offeror must respond to all questions on the Qualifications Questionnaire form. See Attachment 4 for detailed questions.

### **Corporate Resolution**

On the Offeror's business letterhead, include a copy of the corporate resolution or written authorization of Offeror's representative to sign this proposal, and contract, if awarded. See Attachment 3 for details.

### **Certificate of Vendor Compliance or Proof of Application for CVC**

Offeror shall submit a copy of the Certificate of Vendor Compliance from Hawai'i Compliance Express, or proof that one has been applied for from Hawai'i Compliance Express. (See Section 5.2)

### **Confidential Information List (if applicable)**

Offeror shall provide a list of all confidential information referenced in the Offeror's proposal including page number and sections in a separate attachment. Material designated as confidential shall be readily separable from the proposal in order to facilitate inspection of the non-confidential portion of the proposal, pursuant to HAR § 3-122-46. If not applicable, Offeror should state so. (See Section 3.2.6) See Attachment 7 for details.

## **3.2 PROPOSAL SUBMISSION**

### **3.2.1 Offeror's Authority To Submit An Offer**

The State will not participate in determinations regarding an Offeror's authority to sell a product or service. If there is a question or doubt regarding an Offeror's right or ability to obtain and sell a product or service, the Offeror must resolve that question prior to submitting a proposal.

### **3.2.2 Required Review**

Before submitting a proposal, each Offeror must thoroughly and carefully examine this RFP, any attachment, addendum, and other relevant document, to ensure Offeror understands the requirements of the RFP. Offeror must also become familiar with State, local and Federal laws, statutes, ordinances, rules, and regulations that may in any manner affect cost, progress, or performance of the work required.

Should Offeror find defects and questionable or objectionable items in the RFP, Offeror must notify HTA in writing prior to the deadline for written questions as stated in Section 1.5, RFP Schedule and Significant Dates, as may be amended. This will allow the issuance of any necessary corrections and/or amendments to the RFP by addendum and mitigate reliance on a defective solicitation and distribution of proposal(s) upon which award could not be made.

### **3.2.3 Proposal Preparation Costs**

Any and all costs incurred by the Offeror in preparing or submitting a proposal shall be the Offeror's sole responsibility whether or not any award results from this RFP. The State shall not reimburse such costs.

### **3.2.4 Tax Liability**

Work to be performed under this solicitation is a business activity taxable under HRS Chapter 237, and if applicable, taxable under HRS Chapter 238. Contractor is advised that it is liable for the Hawai'i GET. If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Offeror must state its tax-exempt status and cite the HRS chapter or section allowing the exemption.

Federal I.D. Number and Hawai'i General Excise Tax License I.D. Offeror must submit its current Federal

I.D. number. and Hawai'i General Excise Tax License I.D. number in the space provided on the Proposal Transmittal Letter, thereby attesting that the Offeror is doing business in the State and that Offeror will pay such taxes on all sales made in the State.

### 3.2.5 Property Of State

All proposals become the property of the State of Hawai'i.

### 3.2.6 Confidential Information

All government records are open to the public unless access is restricted by law. Identification of confidential information shall be the sole responsibility of the Offeror.

The Uniform Information Practices Act requires an agency to make a government record available for inspection and copying, unless the agency can show that an exception to disclosure under Chapter 92F-13, HRS, authorizes the agency to restrict or deny access to that record.

All Offerors are advised that confidential information in a proposal, offer, specification, protest, or correspondence may be subject to disclosure. The State may only restrict or deny access to items deemed confidential pursuant to Chapter 92F, HRS. Any data submitted to the State that the Offeror wishes to remain confidential shall be clearly marked and be readily separable from the submittal in order to facilitate eventual public inspection of the non-confidential portion of the submittal. Any page of an offeror's submittal containing confidential information shall only include confidential information. In addition, Offeror shall provide a list of all confidential information referenced in the Offeror's proposal including page number and sections in a separate attachment. (See Attachment 7 for details).

If an Offeror believes that any portion of a proposal, offer, specification, protest, or correspondence contains information that should be withheld from disclosure pursuant to § 92F-13 HRS, then the Offeror shall inform the Procurement Officer named on the cover of this RFP in writing and provide the Procurement Officer with justification to support the Offeror's confidentiality claim at the time of submittal. Price is not considered confidential and will not be withheld; however, actual costs or pricing information that would enable competitors to estimate profit margins and production costs may be marked as confidential. These include selling prices, inventory balances, profit margins, purchase activity, cost of good and freight charges.

Pursuant to §3-122-58, HAR, the head of the purchasing agency or designee shall consult with the Attorney General and make a written determination on any request for confidentiality in accordance with Chapter 92F, HRS. If the request for confidentiality is denied, such information shall be disclosed as public information, unless the person appeals the denial to the Office of Information Practices in accordance with § 92F-15.5(a), HRS.

### 3.2.7 Exceptions

Should an Offeror take any exception to the terms, conditions, specifications, or other requirements listed in the RFP, the Offeror must attach a written explanation including the RFP section where exception is taken, a description of the exception taken, and the proposed alternative, if any. If none, state so in the transmittal letter. See Attachment 2 for details.

Further, the nature of the exceptions will be considered when evaluating proposals. In the sole discretion of the State, exceptions may be evaluated to determine the extent to which the alternative language or approach poses unreasonable, and/or additional risk to the State; inhibits achieving the objectives of the RFP; or creates ambiguity making evaluation difficult and a fair resolution (available to all Offerors) impractical given the timeframe for the RFP.

### 3.2.8 SUBMITTAL REQUIREMENTS

**ELECTRONIC SUBMITTAL ONLY VIA HIePRO.** Proposals shall be submitted and received electronically through HIePRO by the date and time listed in procurement timeline. This electronically submitted offer shall be considered the original. Any offers received outside of the HIePRO, including faxed or e-mailed bids, shall not be accepted, or considered for award. Any offer received after the due date and time shall be rejected. **The maximum single file size that HIePRO can accept is 100MB. Multiple files may be uploaded.**

Submission of a proposal shall constitute an incontrovertible representation by the Offeror that the Offeror agrees to comply with every requirement of this RFP, and that the RFP documents are sufficient in scope and detail to indicate and convey reasonable understanding of all terms and conditions of performance of the work.

Offerors are advised to carefully read Section 3.1.2 Content List and Section 3.1.3 Content Explanation, and submit all necessary documents required for this RFP.

### 3.2.9 RECEIPT AND REGISTRATION OF PROPOSALS

Proposals will be received on HIePRO and receipt verified by two or more procurement officials, on or after the date and time specified in procurement timeline, or as amended. The register of proposals and proposals of the Offeror(s) shall be open to public inspection after contract award pursuant to section 103D-303(d), HRS, and HAR § 3-122-58.

ter

### 3.2.10 MODIFICATION PRIOR TO SUBMITTAL DEADLINE OR WITHDRAWAL OF OFFERS

The Offeror may modify or withdraw a proposal before the proposal due date and time. Any change, addition, deletion of attachment(s) or data entry of an Offer must be made prior to the deadline for submittal of proposals.

### 3.2.11 MISTAKES IN PROPOSALS

Mistakes may not be corrected after award of Contract. When the Procurement Officer knows or has reason to conclude before award that a mistake has been made, the Procurement Officer should request the Offeror to confirm the proposal. If the Offeror alleges a mistake, the proposal may be corrected or withdrawn pursuant to this section.

- a) Once discussions are commenced or after best and final offers are requested, any Priority Listed Offeror may freely correct any mistake by modifying or withdrawing the proposal until the time and date set for receipt of best and final offers.

Technical irregularities are matters of form rather than substance evident from the proposal document, or insignificant mistakes that can be waived or corrected without prejudice to other Offerors; that is, when there is no effect on price, quality, or quantity. If discussions are not held or if best and final offers upon which award will be made have been received, the Procurement Officer may waive such irregularities or allow an Offeror to correct them if either is in the best interest of the State. Examples include, but are not limited to: failure of an Offeror to return the correct number of signed proposals required by the request for proposals; failure to sign the proposal, but only if the unsigned proposal is accompanied by other material indicating the Offeror's intent to be bound; or to acknowledge receipt of incorrect number of amendments to the request for proposal, but only if it is clear from the proposal that the Offeror received the amendments and intended to be bound by its terms; or if the missing amendment involved had no effect on price, quality or quantity.

If the State requests additional information regarding aspects of an Offeror's offer, the Offeror shall provide the same within five (5) Business Days of the State's request, unless the State specifies another time period. Each Offeror shall submit only one (1) Offer. If an Offeror submits more than one (1) Offer, then the State reserves the right to reject and or dismiss the Offeror from the RFP process.

**3.2.12 NO LATE SUBMITTALS AFTER DEADLINE**

Proposals received after the due date and time will be marked late and shall be ineligible for this solicitation. Any offers received outside of the HiePRO shall not be accepted. No hard copies will be accepted.

**3.2.13 OFFER GUARANTY**

An offer guaranty or performance bond is NOT required for this RFP.

## SECTION FOUR: EVALUATION CRITERIA

### 4.1 REJECTION OF PROPOSALS

1. Requirements must be met: HTA reserves the right to consider as acceptable, responsible, and responsive only those proposals submitted in accordance with the requirements set forth in this RFP.
2. Reasons: A proposal may be automatically rejected, without further review, for the following reasons:
  - a) Late proposals. Late proposals are automatically disqualified unless the delay was due to the action or inaction of the procuring agency, and only if the proposal was received before award;
  - b) Non-Responsiveness. Failure to submit in accordance with the RFP requirements, or failure to supply an adequate response to the RFP;
  - c) Non-Responsibility. Including:
    - i) Lack of a Certificate of Vendor Compliance (CVC) upon award;
    - ii) Refusal to abide by the State of Hawai‘i’s General Conditions as amended in this RFP by the HTA;
    - iii) Failure to meet the terms of agreement on any previous HTA contract;
  - d) Failure to cooperate with HTA or deal in good faith;
  - e) Failure to maintain standards of responsibility: falsification of information; suspension or debarment by State; felony conviction related to procurement contracting with any unit of government; failure to maintain necessary licensure or meet its tax or other obligations to a government agency;
  - f) Any effort to lobby any member or employee of the Hawai‘i State Legislature.

### 4.2 PROPOSAL EVALUATION CRITERIA AND SCORING GUIDE

Written proposals will be reviewed, evaluated, and scored by an evaluation committee based on scoring criteria.

Evaluation Category	Evaluation Subcategory	Point Breakdown	Maximum Score
Evaluation Criteria 1: Management Approach			
	Staff Experience – Key Personnel (Resumes)	7	
	Accounting Systems	4	
	Contract Management System	4	
	Subtotal		<b>15</b>
Evaluation Criteria 2: Technical Approach (Programs, Workplans and Budgets)	Quality and reasonableness of workplans	10	
	Market Research	7	
	Innovative solutions and strategies	8	
	Ability to design and execute technical assistance and	8	

	capacity building programs		
	Competitive Procurement and Contract Management	7	
	Marketing and outreach	5	
	Performance Measures for achieving the goal and scope of work	5	
	Subtotal		<b>50</b>
Evaluation Criteria 3: Past Performance and Professional Experience	Offeror References	7	
	Depth of experience and demonstrated success with similar projects and evidence of past performance	8	
	Subtotal		<b>15</b>
Evaluation Criteria 4: Project Enhancements	Quality, effectiveness, and reasonableness of the proposed programs' activity enhancements for incremental funding		<b>5</b>
Evaluation Criteria 5: Price	Subfactor 1- Total Price Calculation	10	
	See further detail below		
	Subfactor 2- Price Reasonableness and Realism	5	
	See further detail below		
	Subtotal		<b>15</b>
Total Possible Points			<b>100</b>

The evaluation committee shall score proposals by reviewing the narrative for each of the evaluation criteria above.

Price Evaluation Criteria

Total Price Evaluation – Cost Points Conversion

In accordance with HAR §3-122-52 and HRS Chapter 103D, the proposal with the lowest cost factor, based on the total cost for the initial two contract periods of this multi-term contract, must receive the highest available rating allocated to cost. Each proposal that has a higher cost factor than the lowest must have a lower rating for cost. Additionally, the points allocated to higher-priced proposals must be equal to the lowest proposal price multiplied by the maximum points available for price, divided by the higher proposal price. The point allocations for cost on the other Offers for each service category will be determined through the method set out in the



following formula: [Lowest Total Cost multiplied by maximum points divided by [Offeror's Proposed Cost] = Cost Points Awarded.

**Price Reasonableness and Realism**

Prices shall be evaluated for competitiveness and reasonableness of price. The HTA will use price realism to determine price reasonableness and may use any or all price realism techniques and procedures for the purpose of measuring an offeror's understanding of the solicitation requirements, technical understanding or of assessing the risk inherent in an offeror's proposal. A Price Realism Analysis is intended to determine if the contractor is proposing a price so low that the performance of the contract will be at risk.

Assessment	Scoring Guidelines	Total Score
<b>Poor</b>	<p>Proposal is inadequate in many basic aspects for the scored category.</p> <p>Evaluator has very low confidence in the Offeror's ability to perform as promised or as required.</p>	<b>0-19</b>
<b>Marginal</b>	<p>Proposal minimally addresses the requirements, but one or more major considerations of the category are not addressed, or lacking in some essential aspects for the specific criteria.</p> <p>Evaluator has low confidence in the Offeror's ability to perform as promised or as required.</p>	<b>20-40</b>
<b>Adequate</b>	<p>Proposal adequately meets the minimum requirements for the category and is generally capable of meeting the State's needs for specific criteria.</p> <p>Evaluator has confidence in the Offeror's ability to perform as promised or as required.</p>	<b>41-60</b>
<b>Good</b>	<p>Proposal more than adequately meets the minimum requirements of the specific criteria, and exceeds those requirements in some aspects.</p> <p>Evaluator has high confidence in the Offeror's ability to perform as promised or as required.</p>	<b>61-80</b>
<b>Excellent</b>	<p>Proposal fully meets all requirements and exceeds most requirements.</p> <p>Evaluator has extremely high confidence in the Offeror's ability to perform as promised or as required.</p>	<b>81-100</b>

#### **4.3 EVALUATION COMMITTEE**

An evaluation committee of at least 3 qualified State employees approved by the procurement officer shall evaluate proposals for the contract. The evaluation will be based solely on the Evaluation Criteria and the process described.

Evaluation committee member identities are kept confidential during the RFP process. Offerors are forbidden from contacting any member of the Evaluation Committee regarding this RFP during the RFP process. Offerors will not be penalized for inadvertent or unrelated communication with committee members. However, Offerors may be disqualified if they seek the identities of the committee members, or knowingly seek out or contact committee members for advice or favor.

#### **4.4 EVALUATION AND AWARD PROCESS**

Submittals shall not be examined for evaluation purposes until the submittal deadline. Deadlines will be enforced even-handedly. The RFP evaluation process will consist of at least two rounds.

Phase 1: The Procurement Officer, in accordance with Hawai'i Administrative Rules §3-122-53, will classify proposals as acceptable, potentially acceptable, or unacceptable. All responsible Offerors who submit acceptable or potentially acceptable proposals are eligible for the priority list. In the initial phase of the evaluation process, the State will review all proposals timely received. Unacceptable proposals (non-responsive, not conforming to the RFP requirements) will be eliminated from further consideration. In Phase 1, the evaluation committee will evaluate and score all acceptable and potentially acceptable proposals using the criterion and scoring guidelines described in Section 4.2 of the RFP. The proposals will be ranked by combined-weighted score. The evaluation committee will then select no more than three (3) Offerors from the highest ranked proposals who will advance to Round 2. These selected Offerors will be referred to as "Priority Listed Offerors."

Phase 2: In the second phase, the Evaluation Committee may conduct discussions with Priority-Listed Offerors and request "Additional Information," which may consist of any combination of question-and-answer sessions, oral presentations, requests for clarification, best and final offers (BAFO), or anything else that the Evaluation Committee may find useful in coming to a decision. The date for oral presentations is listed in the RFP Schedule and Significant Dates found in Section 1.4. The Evaluation Committee reserves the right, but is not required, to perform reference checks.

The evaluation criteria and scoring guidelines for Phase 2 shall be the those found in Section 4.2 of the RFP. In this second round, evaluators will turn in new score sheets. The Phase 2 score sheet shall reflect the evaluators overall assessment of the Offeror, inclusive of the written proposals in addition to the oral presentations and/or any clarifications from Phase 2.

#### **4.5 IN THE EVENT OF A SCORING TIE**

Should a tie in total average score occur, the tied proposals will be compared and the one with the higher average quality and reasonableness of proposal score wins. If that, too, is a tie, then the one with the higher average demonstrated past performance & capabilities score wins.

**The contract will be awarded to the responsible Offeror whose proposal is determined to be the most advantageous to the State based on the evaluation criteria set forth in Section 4.2 of the RFP.**

The Evaluation Committee, based on the aforementioned process, will make a recommendation to the Procurement Officer for her/his approval. In the event the State is unsuccessful in negotiating its post-award contract, the HOPA reserves the right to make the award to the next highest ranked responsible Offeror and engage that responsible Offeror in post-award negotiations leading to an executed contract.

The HOPA further asserts that she/he may, if negotiations are unsuccessful, in accordance with Hawai'i Revised Statutes and Hawaii Administrative Rules, cancel the RFP.

## **SECTION FIVE: CONTRACT AWARD**

### **5.1 AWARD OF CONTRACT**

Award will be made to the responsible Offeror whose proposal is determined to be the most advantageous to the State based on the evaluation criteria set forth in the RFP pursuant to HRS §103D-303(g).

### **5.2 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):

1. Chapter 237, General Excise Tax Law.
2. Chapter 383, Hawai'i Employment Security Law.
3. Chapter 386, Worker's Compensation Law.
4. Chapter 392, Temporary Disability Insurance.
5. Chapter 393, Prepaid Health Care Act.
6. §103D-310(c), Certificate of Good Standing for entities doing business in the State.

If an Offeror is not compliant with the above HRS chapters at the time of award, the Offeror may not receive the award. The State reserves the right to move on to the next responsive, responsible Offeror who is compliant. The State will verify compliance on Hawai'i Compliance Express (HCE). Offerors who do not participate in HCE may submit paper compliance certificates to HTA at the time of award.

Hawai'i Compliance Express. Vendors may use HCE, which is an electronic system that allows Vendors/Contractors/Service Providers doing business with the State to quickly and easily demonstrate compliance with applicable laws. It is an online system that replaces the necessity of obtaining paper compliance certificates from the Department of Taxation, Federal Internal Revenue Service; Department of Labor and Industrial Relations, and Department of Commerce and Consumer Affairs.

Vendors/Contractors/Service Providers intending to use HCE to demonstrate compliance are encouraged to register with HCE prior to submitting an offer at <https://vendors.ehawaii.gov>. The annual registration fee is \$12.00, and the 'Certificate of Vendor Compliance' is accepted for the execution of a contract and final payment.

Timely Registration on HCE. Vendors/Contractors/Service Providers are advised to register on HCE as soon as possible. Although not a requirement for submission, if a Vendor/Contractor/Service Provider is not compliant at the time of award, an Offeror may not receive the award.

All certificates must be valid on the date it is received by the HTA. Timely application for all applicable clearances is the responsibility of the Offeror.

Upon receipt of compliance documents, the HTA reserves the right to verify their validity with the respective issuing agencies. The Contractor shall maintain their compliance throughout the term of the Contract.

### **5.3 PROPOSAL AS PART OF THE CONTRACT**

This RFP and all or part of the successful proposal may be incorporated into the Contract.

### **5.4 PUBLIC EXAMINATION OF PROPOSALS**

Except for confidential portions, the proposals shall be made available for public inspection upon posting of award pursuant to HAR § 3-122-58. If a person is denied access to a State procurement record, the person may appeal the denial to the Office of Information Practices in accordance with HRS §92F-15.5.

### **5.5 DEBRIEFING/PROTEST**

Pursuant to HAR §3-122-60, a non-selected Offeror may request a debriefing to understand the basis for award.

A written request for debriefing shall be made within three (3) working days after the posting of the award of the contract. The Procurement Officer or his/her designee shall hold the debriefing within seven (7) working days to the extent practicable from the receipt date of the written request.

A protest by the requestor following a debriefing shall be filed within five (5) working days, as specified in HRS §103D-303(h).

Pursuant to HRS §103D-701 and HAR §§ 3-126-3 and 4, any actual or prospective Offeror who is aggrieved in connection with the solicitation or award of a contract may submit a protest. Any protest shall be submitted in writing; hand delivered or sent via registered or certified mail, return receipt requested (the envelope should be labeled “PROTEST”) to the Procurement Officer at:

Procurement Officer  
Hawai‘i Tourism Authority  
Hawai‘i Convention Center, First Level  
1801 Kalākaua Avenue  
Honolulu, Hawai‘i 96815

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; provided that a protest based upon the content of the solicitation shall be submitted in writing prior to the date set for receipt of offers; provided further, that a protest of an award or proposed award shall be submitted within five (5) working days after the posting of award or if requested, within five (5) working days after the Procurement Officer’s debriefing was completed.

At a minimum, the protest shall contain the following information:

- Name and address of the protestor;
- Appropriate identification of the procurement;
- A statement of the reasons for the protest; and
- Supporting exhibits, evidence, or documents to substantiate any claims unless not available with the required filing time in which case the expected availability date shall be indicated.

Awards, if any, resulting from this solicitation shall be posted to the SPO website via HIePRO.

### **5.6 APPROVALS**

Any agreement arising out of this solicitation may be subject to the approval of the Department of the

Attorney General, and to all further approvals, including the approval of the Governor, as required by statute, regulation, rule, order, or other directive.

## **5.7 CONTRACT EXECUTION / NOTICE TO PROCEED**

The successful Offeror receiving an award shall enter into a formal written Contract. Work will commence on the official commencement date specified on the Notice to Proceed. No work is to be undertaken by the Contractor prior to the commencement date specified on the Notice to Proceed. If the Contractor wishes to engage in preparation and planning, all work performed by the Contractor prior the date specified on the Notice to Proceed shall be at the Contractor's sole cost and expense. The State of Hawai'i is not liable for any work, contract costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to this date.

If an option to extend is mutually agreed upon, the Contractor will be required to execute a supplement to the Contract for the additional extension period.

## **5.8 INSURANCE**

5.8.1 Prior to the Contract start date, the Contractor shall obtain and maintain insurance coverage acceptable to the State in full force and effect throughout the term of the Contract. The Contractor shall provide proof of insurance for the following minimum required insurance coverage(s) and limit(s) in order to be awarded a Contract. The type of insurance coverage is listed as follows:

a. 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 \$1,000,000 per occurrence; personal injury 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.

b. Automobile Liability Insurance

Automobile liability insurance covering owned, non-owned, leased, and hired vehicles with a minimum of \$1,000,000 for bodily injury for each person, \$1,000,000 for bodily injury for each accident, and \$1,000,000 for property damage for each accident; or a \$2,000,000 single limit.

c. Errors and Omissions Insurance

Errors and omissions or professional liability insurance coverage of \$3,000,000 per occurrence; and with an annual aggregated limit of \$5,000,000.

5.8.2 The Contractor shall deposit with the HTA, upon notification of award, certificate(s) of insurance necessary to satisfy the HTA 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 HTA during the entire term of the Contract. Upon request by the State, the Contractor must furnish a copy of the policy or policies.

5.8.3 The Contractor shall immediately provide written notice to the State should any of the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed upon expiration.

5.8.4 Each insurance policy required by this contract, including a Subcontractor's policy, shall contain the following clauses:

- “The State of Hawai‘i is added as an additional insured with respect to operations performed for the State of Hawai‘i.”
- “It is agreed that any insurance maintained by the State of Hawai‘i will apply in excess of, and not contribute to, insurance provided by this policy.”

5.8.5 A Waiver of Subrogation shall apply to the General Liability, Automobile Liability, and Worker’s Compensation insurance policies and shall be in favor of the State of Hawai‘i.

5.8.6 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.

5.8.7 In addition, the contractor is responsible for securing all employee-related insurance coverage for the contractor and the contractor’s employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage at their own expense.

## 5.9 FEDERAL FUNDS

If this Contract is payable in whole or in part from federal funds, Contractor agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the Contractor shall be paid only from such funds received from the federal government and shall not be paid from any other funds, unless so determined by the State. Failure of the State to receive anticipated federal funds shall not be considered a breach by the State or an excuse for nonperformance by the Contractor.

## 5.10 PAYMENT

The awarded Contractor shall submit all invoices via email in accordance with the State’s invoicing guidelines. Pursuant to HRS 103-10, the State shall have thirty (30) calendar days after receipt of invoice or satisfactory completion of deliverable to make payment. For this reason, the State will reject any offer submitted with a condition requiring payment within a shorter period of time.

The State has allocated a maximum amount of funds for this contract. It is expected that the Contractor will be able to achieve all the goals set out in the Proposal without the need for any additional monies and will be responsible for delivering and completing all work agreed to within the proposed budget.

The Contractor will be put on a payment schedule. For each payment the Contractor will be required to submit a list of associated deliverables along with an invoice. *In the event of a delay between services and payment, so the Contractor agrees to utilize its own financial resources to fund at least two months of the services described in its proposal.* The “Conflicts of Interest Disclosures and Attestations” includes a statement that Offeror will need to sign confirming that it has the availability of funds and agreeing to the use of these financial resources.

Official invoice date is the date that the invoice and all deliverables are received and accepted by the HTA. Invoice must also include the HTA contract number as well as a Contractor-generated invoice number. All required deliverables must be received along with, or prior to, receipt of invoice.

Invoices submitted prior to receipt of the necessary deliverables will not be accepted and will have to be resubmitted. Fiscal year ends June 30. Invoices received at the change of fiscal year, between June 1 and

July 31, may be subject to delays in processing. See your Contract Administrator for details.

As previously mentioned, Contractor must have a compliant CVC to receive final payment.

**5.11 CONTRACT INVALIDATION**

If any provision of the Contract is found to be invalid, such invalidation will not be construed to invalidate the entire Contract.

**5.12 ADA COMPLIANCE**

At the request of the State, the Contractor shall produce all deliverables and reports in an accessible format that is compliant with Title II of the Americans with Disabilities Act (ADA) and Sections 504 and 508 of the Rehabilitation Act of 1973, as amended. The Contractor shall produce all reports and deliverables into the communication auxiliary aid(s), as directed by the State during the duration of the contract period.

**5.13 HAWAIIAN ORTHOGRAPHY**

The Contractor shall produce all deliverables using Hawaiian orthography as directed by the State during the duration of the contract period.



## **SECTION SIX: ATTACHMENTS AND EXHIBITS**

- Attachment 1: Offeror Checklist
- Attachment 2: Proposal Transmittal Letter
- Attachment 3: Corporate Resolution
- Attachment 4: Qualifications Questionnaire
- Attachment 5: Contractor References
- Attachment 6: Subcontractor References
- Attachment 7: Confidential Information List
- Attachment 8: Organizational Conflicts of Interest Disclosure & Attestations
- Attachment 9: Price Sheet Summary
- Exhibit A: Overview of the RFP Process
- Exhibit B: Federal Regulations
- Exhibit C: HTA Travel Protocol
- Exhibit D: Special Provisions
- Exhibit E: General Provisions for Goods and Services
- Exhibit F: General Conditions for 103D
- Exhibit G: Form SPO-013 Certificate of Current Cost-Pricing Data

## **EXHIBIT A**

### **OVERVIEW OF THE RFP PROCESS**

1. The RFP is issued pursuant to Subchapter 6 of HAR Chapter 3-122, implementing HRS §103D-303.
2. The procurement process begins with the issuance of the RFP and the formal response to any written questions or inquiries regarding the RFP. Changes to the RFP will be made only by Addendum.
3. Upon award, proposal files are public records available for review by submitting a Request to Access Government Records..
4. All proposals and other material submitted by Offerors become the property of the State.
5. The Procurement Officer, or an evaluation committee approved by the Procurement Officer, will evaluate the proposals in accordance with the evaluation criteria in Section Four.
6. A "priority list" of responsible Offerors submitting acceptable and potentially acceptable proposals will be generated. The priority list may be limited to a minimum of three responsible Offerors who submitted the highest-ranked proposals. The objective of these discussions is to clarify issues regarding the Offeror's proposal before the BAFO is tendered.
7. If during discussions, there is a need for any substantial clarification or change in the RFP, the RFP will be amended by an addendum to incorporate such clarification or change. Addenda to the RFP will be distributed only to Priority Listed Offerors who submit acceptable or potentially acceptable proposals.
8. Following any discussions, Priority Listed Offerors will be invited to submit their BAFO, if required. The Procurement Officer or an evaluation committee reserves the right to have additional rounds of discussions with the top three (3) Priority Listed Offerors prior to the submission of the BAFO.
9. The date and time for Offerors to submit their BAFO, if any, is indicated in Section 1.4 RFP Schedule and Significant Dates. If Offeror does not submit a notice of withdrawal or a BAFO, the Offeror's immediate previous offer will be construed as its BAFO.
10. After receipt and evaluation of the BAFOs in accordance with the evaluation criteria in Section Four, the Procurement Officer or an evaluation committee will make its recommendation. The Procurement Officer will award the contract to the Offeror whose proposal is determined to be the most advantageous to the State taking into consideration price and the evaluation factors set forth in Section Four.
11. The contents of any proposal shall not be disclosed during the review, evaluation, or discussion. Once award notice is posted, all proposals, successful and unsuccessful, become available for public inspection. Those sections that the Offeror and the State agree are confidential and/or proprietary should be identified by the Offerors and shall be excluded from access.

12. The Procurement Officer or an evaluation committee reserves the right to determine what is in the best interest of the State for purposes of reviewing and evaluating proposals submitted in response to the RFP. The Procurement Officer or an evaluation committee will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to the RFP.
13. The RFP, any addenda issued, and the successful Offeror's proposal shall become a part of the contract. All proposals shall become the property of the State of Hawai'i.

## **EXHIBIT B**

### **FEDERAL REGULATIONS**

The first year of the contract may be funded with federal money. Contractors and Subcontractors must be familiar with, and be ready to comply with, federal contracting requirements, including but not limited to those outlined in the Federal Acquisition Regulations.

By law, the State must report any violations, by Contractors or Subcontractors, of the 14 federal laws listed below:

- Fair Labor Standards Act
- Occupational Safety and Health Act
- Family and Medical Leave Act
- National Labor Relations Act
- Davis-Bacon Act
- Title VII of the Civil Rights Act
- Americans with Disabilities Act
- Age Discrimination in Employment Act
- Executive Order 11246
- Vietnam Era Veterans' Readjustment Assistance Act
- Section 503 of the Rehabilitation Act (of 1973)
- Executive Order 13658 - federal minimum wage
- Service Contract Act
- Migrant and Seasonal Agricultural Worker Protection Act

In addition, as part of "paycheck transparency," Contractors and Subcontractors are required to:

- Provide detailed information from their worker's pay stubs including overtime, hours worked, and deductions.
- Provide written notice of all independent Contractors and their classification as such.
- Provide written notice of employees that are exempt from receiving overtime pay.

Additionally, Contractors and Subcontractors with contracts over \$1 million are prohibited from entering into arbitration agreements under Title VII for sexual assault or harassment. (Note: This rule does not apply if the workers are already under a collective bargaining agreement, or if an arbitration agreement is already in place, though entering into arbitration agreements in anticipation of government contracting could be considered suspect.)

*The winning Contractor is solely responsible for knowing and abiding by all federal laws.*

## **EXHIBIT C**

### **HTA TRAVEL PROTOCOL**

As a State agency, HTA is required to follow an ethics code that informs our travel policy. HTA reserves the right to review Contractor's travel policy. If elements of the Contractor's policy fall outside of the following protocol, HTA will require Contractor to take measures to ensure that all travel related to HTA work does not violate State ethics laws.

## EXHIBIT D

### SPECIAL PROVISIONS

As part of the proposal, Offerors are required to accept the State's General Conditions as amended in the RFP by the HTA. The HTA amendments to the General Conditions, for this contract, are as follows:

1. Hawai'i Compliance Express. Paragraph No. 2i of the attached General Conditions is further clarified as follows: The current "designated certification process" is Hawai'i Compliance Express. In lieu of presenting the separate certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, as outlined in Paragraphs 2e, 2g, and 2h, the Contractor shall obtain and provide the HTA with a current Certificate of Vendor Compliance from the Hawai'i Compliance Express that is current prior to commencing any performance under this Contract. The Contractor shall also be solely responsible for meeting all requirements necessary to obtain the Certificate of Vendor Compliance as required for final payment under Section 103-53, Hawai'i Revised Statutes (HRS), as amended, and Paragraph 17 of these General Conditions.

2. Conflicts of Interest. Paragraph No. 5 of the attached General Conditions is further clarified as follows: Contractor acknowledges and agrees that it has represented to HTA, and HTA has justifiably relied upon such representation, that Contractor is duly authorized, by law and in equity, to conduct the project described in the Proposal under the trade name or other name commonly understood for the Project. Contractor shall avoid all conflict of interests that will not prevent and deter fraud, waste, and abuse, or will not provide increased economy to maximize, to the fullest extent practicable, the purchasing value of public funds. Any credible and reliable proof of such conflict of interest shall be cause to terminate this Contract and withhold any payment to Contractor.

3. Change Orders: Paragraph No. 20 of the attached General Conditions is further clarified as follows: By written order, at any time and without notice to any surety, the Procurement Officer may, unilaterally, order of the Contractor:

- (A) Changes in the work within the scope of the contract; and
- (B) Changes in the time of performance of the contract that do not alter the scope of the contract work.

4. Limited License to Use Intellectual Property. The State hereby grants to the Contractor, a non-exclusive limited license during the time of performance for this Contract only, to use any designated intellectual property, including any domain name, trade name, service mark, tag line, or logo (hereinafter referred to cumulatively as "Licensed Property"), which is owned, copyrighted, registered, patented, or reserved by the HTA, for the purpose of promoting and marketing Hawai'i as a visitor destination and in a manner consistent with the "Hawai'i Tourism Authority Five-Year Strategic Plan 2020-2025." The Contractor covenants and agrees that its use of the Licensed Property shall be of high standards and of high quality, style, and appearance and that Contractor shall, at all times, maintain, increase, or enhance the goodwill associated with the Licensed Property. The Contractor shall not authorize, assign, or grant any interest in the Licensed Property without the State's prior written consent.

5. Conflict Resolution. Notwithstanding any provisions or representations to the contrary, any conflict among the various provisions of this Contract shall be resolved by allowing the various provisions in the following documents, in order of priority, to control:

- (1) Hawai'i State law; then
- (2) HTA regulations, policies, or procedures; then
- (3) The Executed Agreement, including the Contractor's final proposal, with any modifications, amendments, or other properly documented changes; then
- (4) The RFP as amended; then
- (5) The course of conduct, then
- (6) The course of dealing, then
- (7) General principles of government contracting; then
- (8) Tourism industry practices.

6. Execution in Counterparts. This Contract may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

7. Travel Protocol. As a State agency, HTA is required to follow an ethics code that informs our travel policy. See HTA's travel policy, attached as the Exhibit entitled "HTA Travel Protocol." HTA reserves the right to review Contractor's travel policy and if elements fall outside of the attached policy, Contractor must work with HTA to ensure that all travel related to HTA work does not violate State ethics laws.

8. Force Majeure. As parties to this Contract, neither HTA nor Contractor shall be responsible or liable, or deemed in breach hereof, for a delay in the performance of their respective obligations and responsibilities under this Contract due solely to a Force Majeure Event beyond its reasonable control; provided that the party experiencing the Force Majeure Event shall exercise due diligence in endeavoring to overcome any Force Majeure Event that impedes its performance, and to mitigate costs where possible. Upon the occurrence of a Force Majeure Event, the non-performing party shall be excused from any further performance or observance of the affected obligation(s) only for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay. Any party so delayed in its performance will immediately notify the other by telephone or by the timeliest means otherwise available (to be confirmed in writing within two (2) calendar days after the inception of such delay) and describe in reasonable detail the circumstances causing such delay. *(As used in this Contract, "Force Majeure Event" means any occurrence beyond the reasonable control of a party, including, without limitation, acts of God; act of terrorism; war; embargo; national emergency; insurrection or riot; acts of the public enemy; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; or unusually severe weather or other natural disasters.)*

## EXHIBIT E

### GENERAL PROVISIONS FOR GOODS AND SERVICES

#### 1. DEFINITIONS OF TERMS

Terms, as applicable and as used in these General Provisions, unless the context requires otherwise, shall have the following meaning:

a. BID

Bid means any offer submitted in competitive sealed bidding or in the second phase of multi-step bidding.

b. BID PROPOSAL GUARANTY OR SECURITY

The security when required, furnished by an Offeror with his offer to ensure that the Offeror will enter into the contract with the State and execute the required contract and payment bonds covering the work contemplated, if his offer is accepted.

c. CONTRACT

Contract means the combination of the solicitation, including the instructions to Offerors, the specifications or scope of work, the special provisions, and the general terms and conditions; the offer and any best and final offers; and any amendments to the solicitation or to the contract; and any terms implied by law.

d. CONTRACT BOND

The approved form of security furnished by the Contractor and his surety or sureties or by the Contractor alone, to ensure completion and satisfactory performance of the contract in accordance with the terms of the contract and to guarantee full payment of all claims for labor, materials and supplies furnished, used or incorporated in the work.

e. CONTRACTOR

An individual, partnership, firm, corporation, joint venture, or other legal entity undertaking the execution of work under the terms of the contract with the State and acting directly or through his, their or its agents, employees, or Subcontractors.

f. DAYS

Days mean calendar days unless otherwise specified.

g. GENERAL CONDITIONS

General Conditions issued by the Department of the Attorney General of the State of Hawaii, referred to as Form AG-008, as revised, and included in solicitations by reference. The applicable revised Form AG-008, which is included by reference, is the form dated and in effect at the date the solicitation is issued.

h. GENERAL PROVISIONS

General Provisions are standard terms and conditions.



i. HAR

Hawaii Administrative Rules

j. HEAD OF THE PURCHASING AGENCY

The head of any agency with delegated procurement authority by law or from a Chief Procurement Officer of this State to enter into and, administer contracts.

k. HRS

Hawaii Revised Statutes

l. IFB

Invitation for Bids

m. OFFER

An offer means a bid or proposal as defined in sections 1a and 1p, in response to any solicitation.

n. OFFEROR

Any individual, partnership, firm, corporation, joint venture or other legal entity, submitting directly or through a duly authorized representative or agent, an offer for the work or services contemplated in response to a solicitation as defined in 1s.

o. PROCUREMENT OFFICER

Procurement officer means the person with procurement delegation duly authorized to enter into and administer contracts and make written determinations with respect to the contract. The term includes an authorized representative acting within the limits of authority. The delegated authority is received from the Chief Procurement Officer directly or through the head of a purchasing agency or designee to the Procurement Officer.

p. PROPOSAL

A proposal means any offer submitted in response to any solicitation, except a bid as defined in section 1a.

q. PURCHASING AGENCY

Purchasing agency means any governmental body which is authorized by law or rules, or by way of delegation to enter into contracts for procurement of goods, services, or construction.

r. RFQ

Request for Quotes

s. RFP

Request for Proposals

t. SOLICITATION

Solicitation means an invitation for bids (“IFB”), used in the competitive sealed bidding process, a request for quotes (“RFQ”) used in the small purchases process, or a request for proposals (“RFP”), used in the competitive sealed proposal process for the purpose of obtaining quotes, bids or proposals to perform a State contract.

u. SPECIAL PROVISIONS

The terms and conditions pertaining to the specific solicitation in which they are contained and in addition to these General Provisions; including but not limited to terms and conditions describing the preparation of solicitations, evaluation of offers, determination of award, plus those applicable to performance by the Contractor.

Additions or revisions to the General Provisions, which shall be considered a part of the General Provisions, setting forth conditions or requirements applicable to the particular project or contract under consideration shall be included in the Special Provisions. Should any Special Provisions conflict with these General Provisions, said Special Provisions shall govern.

v. SPECIFICATIONS

A description of what the purchasing agency requires and, consequently, what an Offeror must offer to be considered for award.

w. STATE

State means the remaining departments of the executive branch and all governmental bodies administratively attached to it, excluding the judiciary, the legislature, the department of education, University of Hawai’i, the division of community hospitals, and the office of Hawaiian affairs, except where specifically included in any particular solicitation.

x. SURETY

The individual, firm, partnership, or corporation other than the Contractor, which executes a bond with and for the Contractor to ensure the Contractor’s acceptable performance of the contract.

y. WORK

The furnishing by the Contractor of all labor, services, materials, equipment, and other incidentals necessary for the satisfactory performance of the contract.

**2. COMPETENCY OF OFFEROR**

Prospective Offeror must be capable of performing the work for which offers are being called. Either before or after the deadline for an offer, the purchasing agency may require Offeror to submit answers to questions regarding facilities, equipment, experience, personnel, financial status, or any other factors relating to the ability of the Offeror to furnish satisfactorily the goods or services being solicited by the State. Any such inquiries shall be made and replied to in writing; replies shall be submitted over the signatures of the person who signs the offer. Any Offeror who refuses to answer such inquiries will be considered non-responsive.

The purchasing agency reserves the right to visit an Offeror's place of business to inspect its facilities and equipment and to observe its methods of operation in order to facilitate evaluation of performance capabilities.

**3. OFFER INCORPORATES SOLICITATION**

The solicitation, including the AG's General Conditions, Specifications, General Provisions and any Special Provisions, and other documents referenced in or attached to the solicitation shall be considered a part of the offer whether attached to the solicitation or not at the time of its submission. Such documents shall not be altered in any way when the proposal is submitted, and any alterations so made by the Offeror may be cause for rejection of the offer.

**4. PREPARATION OF OFFER**

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.

Competing subsidiary or jointly owned companies may submit bids or proposals and these may be accepted for evaluation and award if such companies submit with their bids or proposals a certificate of non-collusion, sworn to before a notary, which acknowledges that the offer is without collusion.

Unless otherwise specified in the solicitation, all prices shall include applicable Federal, State and local taxes. Any illegible or otherwise unrecognizable price offer shall cause automatic rejection of the offer.

Offers submitted in response to an IFB or RFP shall be signed in the space provided on the bid or proposal page by (1) the owner of a sole proprietorship, (2) one or more members of a partnership, (3) one or more members or officers of each firm representing a joint venture, (4) one or more officers of a corporation, or (5) an agent of the Offeror duly authorized to submit offers on the Offeror's behalf. Electronic signatures are acceptable.

**5. LATE OFFERS. LATE WITHDRAWALS. AND LATE MODIFICATIONS**

Offers are only submitted through HiePro. Late submissions will automatically not be accepted.

**6. DISQUALIFICATION OF OFFERORS**

An Offeror shall be disqualified, and his offer automatically rejected for any one of the following reasons: proof of collusion, in which case, all offers involved in the collusive action will be rejected and any participant to such collusion will be barred from future solicitations until reinstated; or Offeror's delivery of the offer after the deadline specified in the public notice calling for offers, or as amended.

**7. IRREGULAR OFFERS**

Offers will be considered irregular and shall be rejected for the following reasons including but not limited to the following: if the offer is unsigned by the Offeror, unless otherwise specified in the solicitation; if the required offer guaranty received separately from the offer is not

identifiable as guaranty for a specific offer, or is received after the date and time set for the opening; if the required offer guaranty is not in accordance with the solicitation; if the Offeror or surety fails to sign the surety bond submitted as offer guaranty; if Offeror fails to use the surety bond form furnished by the State or identical wording contained in the said form when submitting a surety bond as proposal guaranty; if the offer shows any non-compliance with applicable law or contains any unauthorized additions or deletions, conditioned, incomplete, or irregular or is in anyway making the proposal incomplete, indefinite, or ambiguous as to its meaning; or unbalanced offers in which the price for any item is obviously out of proportion to the prices for other items.

**8. STANDARDS OF CONDUCT**

All Offerors should be certain that their offer is not in violation of HRS §84-15. This section provides as follows:

a. A state agency shall not enter into any contract to procure or dispose of goods or services, or for construction, with a legislator, an employee, or a business in which a legislator or an employee has a controlling interest, involving services or property of a value in excess of \$10,000 unless:

- (1) The contract is awarded by competitive sealed bidding pursuant to Section 103D-302;
- (2) The contract is awarded by competitive sealed proposal pursuant to Section 103D-303; or
- (3) The agency posts a notice of its intent to award the contract and files a copy of the notice with the State ethics commission at least ten days before the contract is awarded.

b. A State agency shall not enter into a contract with any person or business which is represented or assisted personally in the matter by a person who has been an employee of the agency within the preceding two years and who participated while in State office or employment in the matter with which the contract is directly concerned.

**9. CAMPAIGN CONTRIBUTIONS BY STATE AND COUNTY CONTRACTORS**

Unless otherwise specified in the solicitation, a legislative body has appropriated the funds for this contract.

Therefore, if awarded a contract in response to this solicitation, Offeror agrees to comply with Section 11-205.5, HRS, which states that campaign contributions are prohibited from a State and county government Contractor during the term of the contract if the Contractor is paid with funds appropriated by a legislative body.

**10. ACCEPTANCE OF OFFER**

a. Acceptance of offer, if any, will be made within one-hundred twenty calendar days after the opening of offers, and the prices quoted by the Offeror shall remain firm for the one-hundred twenty-day period. Unless otherwise provided, each individual item or group of items will be awarded to the responsive and responsible Offeror whose offer complies with all the solicitation requirements. In determining the responsive and responsible Offeror, offers will be evaluated not only on the amounts thereof, but on all factors relating to the satisfactory performance of the contract. Products or servicing capabilities must be of a quality and nature

that will meet the needs and purposes of the intended use and must conform to all requirements prescribed in the specifications. The Offeror must have the ability to perform as called for in the contract terms. The State shall be the sole judge of product or vendor capability. The successful vendor will be notified by letter that the offer has been accepted and that the vendor is being awarded the contract.

b. If the offer is rejected or if the vendor to whom the contract was awarded fails to enter into the contract and furnish satisfactory security, if applicable, the purchasing agency may, at their discretion, award the contract to the next lowest or remaining responsible Offeror or may publish another call for offers; provided in the case of only one remaining responsible Offeror, the head of a purchasing agency may negotiate with such bidder to reduce the scope of work, if available funds are exceeded, and to award the contract at a price which reflects the reduction in the scope of work.

c. The head of a purchasing agency further reserves the right to cancel the contract award at any time prior to execution of said contract by all parties, without any liability to the awardee and to any other Offeror.

## **11. EXECUTION OF CONTRACT**

The following subsections shall not apply to any contract in which the total amount payable to the Contractor cannot be accurately estimated at the time the contract is to be awarded:

a. In cases where the contract award equals or exceeds the dollar level specified in Section 103D-305, HRS, the State shall forward a formal contract to the successful Offeror for execution. The contract shall be signed by the successful vendor and returned, together with a satisfactory contract bond if required, and other supporting documents, within ten days after receipt by the vendor or within such further time as the Procurement Officer may allow.

b. No such contract shall be considered binding upon the State until the contract has been fully and properly executed by all the parties thereto and the State Comptroller has, in accordance with Section 103D-309, HRS, endorsed thereon a certificate that there is an appropriation or balance of an appropriation over and above all outstanding contracts, sufficient to cover the amount required by the contract; with the exception of a multi-term contract, whereby, the State Comptroller shall only be required to certify that there is an appropriation or balance of an appropriation over and above all outstanding contracts, that is sufficient to cover the amount required to be paid under the contract during the fiscal year or remaining portion of the fiscal year of each term of the multi-term contract.

c. Pursuant to the Attorney General's General Conditions (AG-008, as revised), Section 18, in any contract involving not only State but supplemental funds from the Federal government, this section shall be applicable only to that portion of the contract price as is payable out of State. As to the portion of the contract price as is expressed in the contract to be payable out of Federal funds, the contract shall be construed to be an agreement to pay the portion to the Contractor, only out of Federal funds to be received from the Federal government. This subsection shall be liberally construed so as not to hinder or impede the State in contracting for any project involving financial aid from the Federal government.

## **12. CONTRACT BOND**

a. The requirement for contract performance and payment bonds, if any, shall be stated in the Special Provisions of the solicitation.

b. When required by the Special Provisions, a performance bond and a payment bond shall be delivered by the Contractor to the State at the same time the executed contract is delivered. Each amount of the performance and payment bonds shall not exceed fifty per cent of the amount of the contract price; provided, for contracts where contract price cannot be determined at the time of award, the amounts of the bonds shall be as stated in the solicitation.

c. The acceptable performance and payment bonds are the same as the acceptable bid or proposal security deposit specified in the solicitation. If a surety bond is submitted for either the performance or payment bond, in addition to the form prescribed, a power of attorney for the surety's attorney-in-fact executing the bond shall be provided.

**13. FAILURE TO EXECUTE CONTRACT**

If the Offeror to whom a contract is awarded shall fail or neglect to enter into the contract, and to furnish satisfactory security as required by Section 12 within ten days after such award or within such further time as the Procurement Officer may allow, the purchasing agency shall pay the amount of Offeror's proposal guaranty, as required in the solicitation, into the State Treasury as a realization of the State. The Procurement Officer may thereupon award the contract to the next lowest responsible Offeror or may call for new offers, whichever method he may deem is in the best interest of the State.

**14. RETURN OF OFFER GUARANTIES**

All offer guaranties submitted as required by subchapter 24, chapter 3-122, HAR, shall be retained until the successful Offeror enters into contract and furnishes satisfactory security or if the contract is not awarded or entered into, until the Procurement Officer's determination is made to cancel the solicitation. At such time, all offer guaranties, except surety bonds, will be returned.

**15. PAYMENT**

Section 103-10, HRS, provides that the State shall have thirty (30) calendar days after receipt of invoice or satisfactory completion of contract to make payment. For this reason, the State will reject any bid submitted with a condition requiring payment within a shorter period. Further, the State will reject any bid submitted with a condition requiring interest payments greater than that allowed by §103-10, HRS, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period or interest payment not in conformance with statute.

**16. DELIVERY EXTENSIONS**

In the case of contracts for the purchase of goods, the delivery date or the maximum number of days for delivery will be specified by the State in its solicitation requirements, and all goods must be delivered with the time specified. However, the Contractor will not be held responsible for delay due to fire, flood, riot, labor disturbances, war, shortage of transportation, act of God or other reason beyond his control, provided that he notifies the State of such delay and the reason therefore as soon as practicable after its occurrence and requests extension prior to the specified date of delivery. Requests for extension of time shall be accompanied by documents such as the Contractor's purchase order, manufacturer's acknowledgement, shipping manifest, and any other documents substantiating that the causes for delay were beyond the control of the

Contractor. The State shall be the sole judge of whether such delay is truly beyond the control of the Contractor and whether extension will be granted. The State reserves the right to terminate the contract or to assess liquidated damages, if provided for in the contract, for delays not covered by specific authorized extension.

**17. PERSONAL LIABILITY OF PUBLIC OFFICIALS**

In carrying out any of the provisions of the contract or in exercising any power or authority granted to them by the contract, there shall be no liability upon the Procurement Officer or his authorized representatives, either personally or as officials of the State, it being understood that in such matters, they act solely as agents and representatives of the State.

**EXHIBIT F**

**General Conditions for 103D**

HAWAI'I REVISED STATUTES (HRS) CHAPTER 103D

(Updated July 2017)

Attached are the General Conditions, dated July 2017 which are made a part of all offers in response to the solicitation for goods and services. These provisions are in addition to the special provisions provided in the individual solicitations. Offerors are cautioned to read and understand all the terms and conditions contained in the General Provisions as these provisions will also be made part of the contract for goods and services.



# GENERAL CONDITIONS

## Table of Contents

	<u>Page(s)</u>
1. Coordination of Services by the STATE.....	2
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.....	2
3. Personnel Requirements .....	3
4. Nondiscrimination .....	3
5. Conflicts of Interest .....	3
6. Subcontracts and Assignments .....	3
7. Indemnification and Defense .....	4
8. Cost of Litigation.....	4
9. Liquidated Damages .....	4
10. STATE'S Right of Offset.....	4
11. Disputes .....	4
12. Suspension of Contract.....	4
13. Termination for Default.....	5
14. Termination for Convenience.....	6
15. Claims Based on the Agency Procurement Officer's Actions or Omissions.....	8
16. Costs and Expenses .....	8
17. Payment Procedures; Final Payment; Tax Clearance .....	9
18. Federal Funds .....	9
19. Modifications of Contract.....	9
20. Change Order.....	10
21. Price Adjustment .....	11
22. Variation in Quantity for Definite Quantity Contracts .....	11
23. Changes in Cost-Reimbursement Contract.....	11
24. Confidentiality of Material .....	12
25. Publicity.....	12
26. Ownership Rights and Copyright .....	12
27. Liens and Warranties .....	12
28. Audit of Books and Records of the CONTRACTOR.....	13
29. Cost or Pricing Data .....	13
30. Audit of Cost or Pricing Data .....	13
31. Records Retention.....	13
32. Antitrust Claims.....	13
33. Patented Articles.....	13
34. Governing Law .....	14
35. Compliance with Laws .....	14
36. Conflict between General Conditions and Procurement Rules .....	14
37. Entire Contract.....	14
38. Severability.....	14
39. Waiver .....	14
40. Pollution Control .....	14
41. Campaign Contributions.....	14
42. Confidentiality of Personal Information.....	14

## GENERAL CONDITIONS

1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.
  - a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.
  - b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.
  - c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.
  - d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.
  - e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.
  - f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

- g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

- a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.
- b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

- (1) The Assignee assumes all of the CONTRACTOR'S obligations;
- (2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and
- (3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

- c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.
  - d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.
7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.
  8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.
  9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.
  10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.
  11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.
  12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.
    - a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

- (1) Cancel the stop performance order; or
- (2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

- (1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and
- (2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

### 13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

- c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.
- d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.
- e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.
- f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

#### 14. Termination for Convenience.

- a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.
- b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

- c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

- (1) Any completed goods or work product; and
- (2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

- d. Compensation.

- (1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.
- (2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.
- (3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:
  - (A) Contract prices for goods or services accepted under the Contract;
  - (B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;
  - (C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);
  - (D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

- (4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

- (1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

- (A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

- (B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

- (C) Within such further time as may be allowed by the Agency procurement officer in writing.

- (2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

- (3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

- (4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:



- a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.
- b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.
- c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

- a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.
- b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.
- c. Prompt payment.
  - (1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and
  - (2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.
- d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

- a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.
- b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

- c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:
    - (A) Changes in the work within the scope of the Contract; and
    - (B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.
  - d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.
  - e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.
  - f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.
  - g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least \$25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.
  - h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.
  - i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.
20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:
- (1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;
  - (2) Method of delivery; or
  - (3) Place of delivery.
- a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

- b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.
- c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.
- d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

- a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:
  - (1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
  - (2) By unit prices specified in the Contract or subsequently agreed upon;
  - (3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;
  - (4) In such other manner as the parties may mutually agree; or
  - (5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.
- b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

- a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:
  - (1) Description of performance (Attachment 1);
  - (2) Time of performance (i.e., hours of the day, days of the week, etc.);
  - (3) Place of performance of services;

- (4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;
  - (5) Method of shipment or packing of supplies; or
  - (6) Place of delivery.
- b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.
  - c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.
  - d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.
  - e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.
24. Confidentiality of Material.
- a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.
  - b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.
25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.
26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.
27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:
- a. The cost or pricing data, and
  - b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over \$100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

- (1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
- (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.
35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.
36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.
37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.
38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.
39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.
40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.
41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.
42. Confidentiality of Personal Information.
- a. Definitions.
- "Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:
- (1) Social security number;
  - (2) Driver's license number or Hawaii identification card number; or

- (3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

- (1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.
- (2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.
- (3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.
- (4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.
- (5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.
- (6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

- (1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.
- (2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:
  - (A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;
  - (B) Access to the personal information will be allowed only as necessary to perform the Contract; and
  - (C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

- (1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or
- (2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

- (1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
- (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.



**STATE OF HAWAII**  
**CERTIFICATE OF CURRENT COST OR PRICING DATA**

This is to certify that, to the best of my knowledge and belief, cost or pricing data as defined in section 3-122-122 and submitted pursuant to section 3-122-125; either actually or by specific identification in writing to the procurement officer in support of \_\_\_\_\_\*, are accurate, complete, and current as of \_\_\_\_\_\*\*”.  
(month, date, year)

This certification includes the cost or pricing data supporting any advance agreement(s) between the offeror and the (State) which are part of the proposal. Please type or print:

Vendor / Firm:	Date of Execution: ***
----------------	------------------------

Name:	Title
-------	-------

\_\_\_\_\_  
(Signature)

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

\_\_\_\_\_  
(Date)

(End of Certificate)

\* Describe the proposal, quotation, request for price adjustment or other submission involved, giving appropriate identifying number (e.g. RFP Number).

\*\* The effective date shall be a mutually determined date prior to but as close to the date when price negotiations were concluded and the contract price was agreed to as possible. The responsibility of the offeror or contractor is not limited by the personal knowledge of the offeror’s or contractor’s negotiator if the offeror or contractor had information reasonably available at the time of the agreement, showing that the negotiated price is not based on accurate, complete, and current data.

\*\*\* This date should be as soon after the date when the price negotiations were concluded and the contract price was agreed to as practical.