

Department of Hawaiian Home Lands


RELEASE DATE: DECEMBER 7, 2015

REQUEST FOR PROPOSALS
No. RFP-16-HHL-001

SEALED OFFERS
FOR
SINGLE FAMILY HOMES AT KAKAINA SUBDIVISION
STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

WILL BE RECEIVED UP TO 2:00 P.M. (HST) ON
FEBRUARY 1, 2016

AT HALE KALANIANAOLE, 91-5420 KAPOLEI PARKWAY, KAPOLEI, HAWAII 96707.
DIRECT QUESTIONS RELATING TO THIS SOLICITATION TO DARRELL ING,
PROJECT MANAGER, TELEPHONE (808) 620-9276, FACSIMILE (808) 620-9299; E-
MAIL AT darrell.h.ing@hawaii.gov.


JOBIE M. K. MASAGATANI
CHAIRMAN, HAWAIIAN HOMES COMMISSION
PROCUREMENT OFFICER

RFP-16-HHL-001

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SECTION ONE
INTRODUCTION, TERMS AND ACRONYMS, KEY DATES

1.1 INTRODUCTION

The State Department of Hawaiian Home Lands (DHHL) is issuing this Request for Proposals (RFP) for the design, construction, financing, and marketing of approximately 28 single-family houses in the Kakaina Subdivision, located in Waimanalo, Koolauapoko, Oahu. Kakaina Subdivision is 7.0 acres in size and is designed for 45 single-family residential lots. This RFP is specifically for the design and construction of 28 single-family developer-built homes. The remaining 17 lots are reserved for self-help and/or owner/builder houses. On-site and off-site improvements are currently being constructed under a separate contract and will be completed prior to the commencement of house construction. DHHL is specifically interested in design build concepts that are “green build” in nature and affordable to buyers in the 80-120% AMI categories. Proposals that bring these often conflicting concepts together will be viewed in a better light.

1.2 CANCELLATION

The Request for Proposals (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.

1.3 TERMS AND ACRONYMS USED THROUGHOUT THE SOLICITATION

ADA	=	Americans with Disabilities Act
AMI	=	Area Median Income
BAFO	=	Best and Final Offer
CPO	=	Chief Procurement Officer
DAGS	=	Department of Accounting and General Services
DCAB	=	Disability and Communication Access Board
DHHL	=	Department of Hawaiian Home Lands
FHA	=	Federal Housing Administration
GC	=	103D General Conditions, issued by the Department of the Attorney General
GET	=	General Excise Tax
HAR	=	Hawaii Administrative Rules
HRS	=	Hawaii Revised Statutes
HUD	=	Department of Housing and Urban Development.
NAHASDA	=	Native American Housing Assistance and Self Determination Act of 1996
RFP	=	Request for Proposals
UIA	=	Undivided Interest Awards Program
VA	=	Department of Veteran Affairs

Addendum – A written document which may be issued by the Chairman during the solicitation period establishing changes to the request for proposals.

Advertisement – A public announcement inviting proposals for work to be performed or materials to be furnished.

Area Median Income (AMI) – the median income for a County as defined by HUD, and as adjusted for family size.

Chairman – Chairman of the Hawaiian Homes Commission. The Chairman also serves as the Director of the Department of Hawaiian Home Lands and is the Procurement Officer for the department.

Commission – The Hawaiian Homes Commission (HHC).

Contact Person – The person designated by the Department to receive various communications in writing to the Department in conjunction with the project.

Department of Hawaiian Home Lands (DHHL or Department) – A public body responsible for administering the day-to-day operations of the Hawaiian Homes Commission Act of 1920, as amended.

Design-Build Contract – A contract in which the Offeror will both design and construct the proposed project.

Developer – The entity or person retained by the Department to design, construct, and market the residential dwellings.

Developer-Built Homes – Houses constructed by the developer (as opposed to self-help, owner-builder, etc.).

Federal Labor Standards – U.S. Department of Housing and Urban Development form HUD-4010, as may be amended from time to time.

Federal Rate Schedule – HUD General Decision HI150001 09/04/2015, as may be amended from time to time.

Green building – Design and construction practices that minimize environmental impact, maximize the quality of homes and reduce the cost of maintenance and operation.

HALE – The DHHL HALE Program aids beneficiaries with financial literacy services. Currently HALE offers two types of services for beneficiaries. They include Homebuyer Education classes and Foreclosure Prevention Management.

Hawaiian Home Lands Trust Fund – The trust fund created by Act 14, Special Session Laws of Hawaii, 1995, which established a trust fund within the State Treasury to which all specified appropriations from the State legislature shall be deposited therein.

Hawaiian Homes Commission Act of 1920 (HHCA) – The Act of July 9, 1921, c 42, 42 Stat. 108, which is now part of the Hawaii State Constitution, and is subject to amendment or repeal as prescribed in Article XII of the Hawaii State Constitution.

Housing Contractor ("Contractor") – For the purpose of this RFP, a company whose primary or a significant portion of business is the construction of residential dwellings.

Inspector – The person assigned to make detailed inspections of contract performance and services supplied.

Laws – All Federal, State, County laws, ordinances, rules and regulations including any amendments thereto effective as of the date of the solicitation for sealed proposals.

Native American Housing Assistance and Self Determination Act of 1996 (NAHASDA) – A program of block grant assistance to native Hawaiians administered by HUD.

native Hawaiian – Defined as any descendant of not less than one-half (50%) part of the blood races inhabiting the Hawaiian Islands previous to 1778 (a lower case "n" is commonly used in the phrase "native Hawaiian" when referring to Hawaiian Homes Commission Act beneficiaries. The upper case "N" is used when more generally describing persons with any percentage of Hawaiian ancestry).

Off-site Infrastructure – Physical facilities and improvements located outside the boundary of the Project, which provide access and support to the Project. Such physical facilities and improvements include, but are not limited to, roads and utility lines for water, sewer, electricity, drainage, telephone, and cable television.

Offeror – Any individual, partnership, firm, corporation, joint venture, or representative or agent, submitting an offer in response to this solicitation.

On-Site Infrastructure – Physical facilities and improvements located within the boundary of the Project, including, but not limited to, clearing and grubbing, mass grading of the property to building pad sub-grade elevation, local streets and utility lines for water, sewer, electricity, drainage, telephone, and cable television.

Project – Design and construction of 28 single-family houses (turnkey/complete), and related work, at the Kakaina Subdivision (see Section Two: Scope of Work, and Section Four: Contractor's Responsibilities)

Project Lots – Within the Kakaina Subdivision, the lots on which the selected developer shall construct houses.

Procurement Officer – The contracting officer for the State of Hawaii, Department of Hawaiian Home Lands.

Proposal – A document submitted by an Offeror in the prescribed manner in response to this RFP.

Responsible Managerial Employee (RME) – The individual who is designated by the Developer to be responsible for all work of the project and is authorized by the Developer to receive and fulfill instructions and notices from the Department.

Selection Committee – A committee consisting of a maximum of four persons, appointed by the Chairman, which will evaluate proposals and recommend the Selected Housing Developer for this Project to the Chairman for approval.

Selected Housing Developer – The Offeror selected by the Selection Committee and approved by the Chairman.

State – The State of Hawaii acting through its authorized representative.

Subcontractor – An individual, partnership, firm, corporation, joint venture or other legal entity, as covered in Chapter 444, HRS, which enters into an agreement with the Contractor to perform a portion of the work for the Contractor.

Surety – The qualified individual, firm or corporation other than the Developer, which executes a bond for the benefit of the Developer and the Department to insure acceptable performance of the Construction Contract.

Undivided Interest Awards (UIA) Program – The DHHL program that provides an award to a group of individuals for a large parcel of land that is not subdivided. There are no financial pre-qualification requirements for the awardees/lessees. The large piece of property is subsequently subdivided and developed. During the infrastructure construction period, lessees work toward qualifying for their home mortgage loans, while having the rights and benefits under the homestead lease.

1.4 RFP SCHEDULE AND SIGNIFICANT DATES

The schedule set out herein represents the State's best estimate of the schedule that will be followed. All times indicated are Hawaii Standard Time (HST). If a component of this schedule, such as "Proposal Due" date is delayed, the rest of the schedule will likely be shifted by the same number of days. The approximate schedule is as follows:

Release of Request for Proposals.	12/7/15
Deadline for DHHL to receive written inquiries to be answered at the Pre-proposal Conference Location: DHHL, 91-5420 Kapolei Parkway, Kapolei, HI 96707	12/11/15
Pre-proposal Conference Location: Ka Ho'olina Na Kuhio Community Center, 41-253 Ilauhole Street, Waimanalo, Oahu 96795	9:00am, 12/14/15
Site Inspection Location: Construction baseyard near the intersection of Hihimanu Street and Mekia Street, Waimanalo, Oahu, Hawaii (following Pre-proposal Conference)	12/14/15
Final deadline for written inquiries	1/21/16
Deadline for DHHL to receive written Notice of Intent to submit offer Location: DHHL, 91-5420 Kapolei Parkway, Kapolei, HI 96707	1/22/16

DHHL's responses to offerors' written inquiries distributed	1/25/16
Proposals Due Location: DHHL, 91-5420 Kapolei Parkway, Kapolei, HI, 96707	2/1/16
Proposal Evaluations	2/11/16
Discussion with Priority Listed Offerors (if necessary)	2/18/16
Best and Final Offer (if necessary)	2/25/16
Notice of Award	3/10/16
Contract Start Date	5/5/16

Solicitation documents may be obtained at the Department of Hawaiian Home Lands Web site:

<http://dhhl.hawaii.gov/procurement/>

There is no fee assessment to download the RFP documents from the DHHL Web site. It is the responsibility of potential offerors to check the DHHL Web site for any addenda issued by DHHL.

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 any questions about this procurement. The pre-proposal conference is not mandatory, however, Offerors are encouraged to attend to gain a better understanding of the requirements of this RFP.

Offerors are advised that anything discussed at the pre-proposal conference does not change any part of this RFP. All changes and/or clarifications to this RFP shall be done in the form of an addendum.

The pre-proposal conference will be held as follows:

Date: December 14, 2016

Time: 9:00 am

Location: Ka Ho'olina Na Kuhio Community Center
41-253 Ilauhole Street
Waimanalo, Oahu 96795

A site visit will be conducted following the pre-proposal conference. Attendees will meet at the construction trailer near the intersection of Hihimanu Street and Mekia Street, Waimanalo. Note that this is an active construction site and appropriate safety attire is required. Attendance at the site visit is not mandatory but is highly recommended.

1.6 QUESTIONS AND ANSWERS PRIOR TO OPENING OF PROPOSALS

All questions shall be submitted by the due date specified in Section 1.4, *RFP Schedule and Significant Dates*, as amended.

The State will respond to questions through Addenda/Amendments by the date specified in Section 1.4, *RFP Schedule and Significant Dates*, as amended.

1.7 NOTICE OF INTENT TO SUBMIT OFFER

In accordance with Section 103D-310, Hawaii Revised Statutes, and Section 3-122-111, Hawaii Administrative Rules, a written notice of intention to submit an offer must be submitted to the Chairman, who is the officer charged with letting the contract. The notice may be faxed, hand carried, mailed or e-mailed to the office indicated in the Request for Proposals.

The written notice must be received by the office indicated in the Request for Proposals no later than 2:00 p.m. on the tenth calendar day prior to the day designated for receipt of proposals. If the tenth calendar day prior to the day designated for receipt of proposals is a Saturday, Sunday, or legal State holiday, then the written notice must be received by the Department no later than 2:00 p.m. on the last working day immediately prior to said Saturday, Sunday, or legal State holiday. The written notice will be time stamped when received. The time designated by the time stamping device in said office shall be official. If the written notice is hand carried, then the bearer is responsible to ensure that the notice is time stamped. If the notice is faxed, the time of receipt by the Department fax machine shall be official.

It is the responsibility of the prospective Offeror to ensure that the written notice of intention to bid is received in time and the Department assumes no responsibility for failure of timely delivery caused by the prospective Offeror or by any method of conveyance chosen by the prospective Offeror.

SECTION TWO

BACKGROUND AND SCOPE OF WORK

2.1 PROJECT OVERVIEW AND HISTORY

Kakaina Subdivision is a 7.3 acre site consisting of 45 single-family residential house lots with a minimum lot size of 5,000 square feet. Approximately 28 single-family houses will be constructed per this RFP. The remaining lots are reserved for either self-help or owner-builder programs. On-site and off-site improvements are currently being constructed and are scheduled for completion by December 2015.

The units shall be sold to native Hawaiian beneficiaries awarded undivided interest leases in the Kumuhau and Kakaina Subdivisions. Start of house construction is currently scheduled for June 2016.

The location of the Kakaina Subdivision housing project is shown in Exhibit G, Sheet 1. The site is located on Kakaina Street in Waimanalo, Oahu, approximately 700 feet *mauka* of Kalaniana'ole Highway. The lots to be constructed on per this RFP are numbered 1, 2, 4, and 22 through 48 on the Exhibit G, Sheet 7A

Site Conditions

Landowner: State of Hawaii, Department of Hawaiian Home Lands.

City and County of Honolulu Zoning: AG-1, Restricted Agriculture. The Department is not subject to County Zoning. DHHL has declared that the subdivision and homes will be designed and built in conformance with R-5, Residential zoning standards.

Current Use of the Site: Construction of the on-site and off-site improvements is currently in progress. Access to the subdivision will be from Kakaina Street or Hihimanu Street.

Surrounding Uses: Adjacent to the site, there are privately-owned residential lots on the north, multi-family residential complexes to the east, and agricultural uses to the south and west. Note that some of the existing residents abutting the lots on the northern boundary have expressed concern for their privacy because the DHHL lots are at a higher elevation than the neighboring lots.

Soils: Refer to Exhibit H, Geotechnical Exploration Report. Lots have been mass graded per Exhibit G. Prior to mass grading, soil samples were tested by the Department of Health, Hazard Evaluation and Emergency Response Office. The samples were analyzed for arsenic and dioxin, the two most commonly found contaminants associated with former sugar cane operations. Both contaminants were detected below DOH unrestricted Environmental Action Levels.

On-Site and Off-Site Infrastructure: (See Exhibit G)

- 1) **WATER:** A new on-site 8-inch waterline is being constructed and will provide domestic water service and fire protection for the Kakaina Subdivision. Individual water service laterals are being installed for each lot. The new on-

site waterline is being connected to the existing 12-inch waterline along Kakaina Street.

- 2) **WASTEWATER SYSTEM:** New on-site 8-inch sewer lines are being constructed and will provide sewer service for the Kakaina Subdivision. Individual sewer laterals are being installed for each lot. The new on-site sewerlines are being connected to the existing 12-inch sewer line along Kakaina Street.
- 3) **DRAINAGE:** New on-site catch basins, drain lines, and an underground detention system to discharge into Waimanalo Stream are being constructed and will control the on-site storm runoff from the Kakaina Subdivision. On-site drainage ditches are being constructed along the northern boundary which to connect to the existing drainage system under Poalima and Mekia Streets and discharge into Kahawai Stream.
- 4) **TRANSPORTATION:** Kakaina Street is being improved to accommodate the additional traffic from the Kakaina Subdivision. Kaulukanu Street is being extended into the subdivision.
- 5) **OTHER UTILITIES:** Existing electric system is adequate to service the Kakaina Subdivision. New on-site underground electrical, telephone, and cable television systems are being constructed and will provide electrical, telephone, and cable television service for the Kakaina Subdivision. Individual service connections are being installed for each lot. Telephone service will be provided by Sandwich Isles Communication (SIC). No gas distribution lines have been installed within the subdivision.

2.2 SCOPE OF WORK

All services and for whom services are to be provided for shall be in accordance with this RFP, including its attachments and any addenda.

2.2.1 DHHL Project Objectives

This Request for Proposals (“RFP”) is being issued by the Department of Hawaiian Home Lands (“DHHL”) for the purpose of soliciting proposals from interested house developers who meet the qualifications described herein to develop single-family homes on the Project Lots in the Kakaina Subdivision. Proposals shall meet DHHL’s overall objectives for this Project, which are summarized below:

- To design, finance, construct, and market houses as specified in this RFP.
- To provide affordable homes to meet the needs of undivided interest lessees.
- To incorporate green building practices (minimum two-star rating, Hawaii BuiltGreen™ Home Builder Checklist) into the construction of the proposed house models in order to achieve a lower cost of ownership by minimizing energy use. DHHL is interested in new concepts that take into consideration and embrace green-build concepts both within and outside the house.

2.2.2 Work Product

Offerors shall provide proposed prices for each model type with the understanding that approximately 28 single-family houses will be built, but that the quantity of each model of house to be constructed and the various options will not be known in advance of the proposal submission. The actual number of houses to be constructed will depend on the number of financially pre-qualified beneficiaries who execute sales contracts at lot selection. Prices shall reflect hard and soft costs related to house development only. The land shall be conveyed to the home buyers by lease pursuant the HHCA, as amended.

The four house models to be proposed are:

Model	Number of Bedrooms	Approximate Living Area (Square Feet)	Desired Price Range (\$)
A	Two	750	\$150,000 – 175,000
B	Two	900	\$200,000 – 250,000
C	Three	1,000	\$225,000 – 275,000
D	Four	1,200	\$250,000 – 300,000

The designs must include specifications to meet at least the minimum FHA requirements and standards, including but not limited to the following:

- Garbage Disposal (1/2 HP Minimum)
- Carpeting (Living Area)
- Sheet Vinyl or Vinyl Tile (Kitchen and Bathrooms)
- Roofing (minimum 25-Year Warranty)
- Free-Standing Range with Oven
- Range Hood with Ventilation Fan
- Solar Water Heater
- Conduits and junction box for the future installation of an electrical outlet suitable for charging electric vehicles (not an FHA requirement)
- Concrete driveway (minimum 18 feet wide, by 20 feet long) and carport
- All appliances must be Energy Star rated.

The design and features of Model A should meet only the minimum requirements. The intent is to offer a house at the lowest possible price. The design should allow relatively easy expansion to meet future needs and financial resources of the homeowner.

The proration of soft costs (consultants, overhead, marketing, etc.) and profits, among the house models should be balanced appropriately. House prices and/or developer compensation will not be revised due to changes in the mix of models.

House designs and plot plans must conform to the Design Guidelines. Refer to Exhibit M. (Note: Plans and designs submitted in response to this RFP are not subject to review by the Design Committee.)

The Disability and Communication Access Board has determined that a surcharge may not be placed on a beneficiary with a disability (or a beneficiary with an expected occupant

who has a disability) for accessibility features that comply with the minimum requirements of the 2010 ADA Standards or UFAS, whichever is more stringent.

2.2.3 Proposed Development Schedule

Execute Development Agreement	March 2016
Lessees Select Lots, Contract for Houses	May 2016
House Construction Starts.....	June 2016
First Occupancy	December 2016
Last House Complete	March 2017

2.2.4 Developer's Responsibilities

The Developer shall be responsible for, but not limited to, the following. Cost of these items shall be incidental to and included in the house price.

- 1) Assemble and coordinate a development team for the Project. Identify the Responsible Managerial Employee who shall be the authorized representative for the entire project. Identify consultants and subcontractors to be employed in the Project.
- 2) Provide house plans, which meet or exceed the quality of the DHHL requirements for the single-family homes, and site the houses on the Project Lots that are shown on the subdivision plans for the Project. All homes shall be designed to meet all County code requirements on all lots designated for this RFP. Every house model should fit on every lot (please indicate exceptions). House designs shall take into account the soil engineer's recommendations.
- 3) Provide house designs and specifications to support implementation of the Project Green Building Strategy. Particularly, the designs and specifications for each house shall achieve or exceed the minimum two star Hawaii BuiltGreen certification level.
- 4) Prepare Composite Plot Plans for the Project Lots. The Plot Plan shall show the location of the house and driveway relative to the property lines, finish elevation of the house, and fine grading, including individual lot swales around each house.
- 5) Obtain all permits (e.g., Building and Grading Permits) and approvals required for the construction of the homes, in accordance with the requirements of the County and other agencies having jurisdiction over the Project. Including a Fine Grading Permit for installation of the imported top soil on the Project Lots.
- 6) Perform site inspection and accept all existing improvements within the subdivision and lots, including house pads, prior to start of construction. Proposed prices shall include any site work needed to construct the houses. Developer shall be responsible and repair all damages caused to existing improvements within the subdivision and lots.

- 7) Construct houses per DHHL and County approved house plans and specifications and according to applicable Codes.
- 8) Install water meter for each lot. Cost of water meter shall be included in house price.
- 9) Provide geotechnical inspections and compaction tests prior to concrete pours for the driveways and house foundations. Written reports and compaction test results shall be provided to DHHL.
- 10) Construct concrete driveways for the Project Lots. Driveways shall be a minimum of 18 feet in width and 20 feet in length. Lots 4, 22, 23, 27, 28, 31, 32, and 34 will require extended driveways. The cost of the addition length shall be added to the price of the house and paid for by the homebuyer. The cost per lineal foot shall be stated in the proposal.
- 11) Upon completion of each house, the Developer shall import and install top soil and grass all exposed areas around the house. Developer shall maintain all common area grassing within the subdivision until the all houses are accepted by DHHL and lessees. Grassing and vegetation on each lot shall be cut just prior to homeowner move-in.
- 12) The Developer shall maintain existing swales between lots. See typical swale section Exhibit G, Sheets 13 and 14.
- 13) Take into account infrastructure systems constructed by DHHL and others, and connect the houses to the appropriate utilities, including Sandwich Isles Communications.
- 14) Provide construction management and coordinate all inspections with architect, structural engineer, City, State and federal agencies. Provide weekly written reports to the Department. Submit appropriate written documents for FHA/VA acceptance.
- 15) Install dust screens along the perimeter of the subdivision for the duration of house construction. Remove and dispose of the dust screens upon completion of the house construction.
- 16) Install 6-ft. high chain link fencing (with vinyl privacy slats) for houses on Hihimanu Street and Kakaina Street side of the subdivision (sitework contractor is installing fences along boundary with existing residential lots). Privacy fences at rear yards required; fences at sideyards are recommended, but not required. Cost of fencing shall be pro-rated among prices for all houses.
- 17) Be responsible for dust control, noise control, erosion control and related damages.
- 18) Close all permits (e.g., Building and Grading Permits), including an existing Grading Permit that will be transferred to DHHL from the sitework contractor.

- 19) Submit a certified copy of each weekly payrolls to the Department within seven calendar days after the end of each weekly payroll period. Failure to do so on a timely basis shall be cause for withholding of payments, termination of the contract, and/or debarment. The Developer shall be responsible for the timely submission of certified copies of payrolls of all subcontractors. The certification shall affirm that payrolls are correct and complete, that the wage rates contained therein are not less than the applicable rates contained in the wage determination decision, any amendments thereto during the period of the contract, and that the classifications set forth for each laborer and mechanic conform with the work they performed.
- 20) Maintain payroll records for all laborers and mechanics working at the site of the work during the course of the work and preserve for a period of four (4) years thereafter.
- 21) Provide any other services or functions that are necessary for successful completion of the proposed construction, including, but not limited to, final inspection of each house, turnover of each house to DHHL/Buyer, preparation and submittal of final Warranty Packages for each house to DHHL/Buyer, and any unique circumstances of their proposal.
- 22) Prepare and issue to each buyer a Homeowner's Manual consisting of warranty information (including claim filing procedures), important telephone numbers, recommendations for periodic maintenance, and community association information.
- 23) Formulate a financial plan to address costs and sources of construction financing in accordance with the contract. Arrange sources and funds for all design and construction capital necessary to complete the homes in accordance with the contract. Explore alternative funding mechanisms including, affordable housing tax credits, and grants or loans from other public agencies or private sources.
- 24) Market and sell all dwelling units, including applicant notification and conducting information/orientation meetings. The contractor will be required to maintain and protect each house until sale and loan closing, and turnover of the home to a lessee takes place.
- 25) Provide sufficient warranties to ensure correction of construction defects during the warranty period.
- 26) Allow DHHL access for inspections and other purposes.

2.2.5 House Buyer Eligibility and Qualification Requirements.

Beneficiaries who apply to purchase Homes must also satisfy the following requirements or conditions:

- 1) Each applicant will complete, sign and deliver to DHHL an "Application for Homestead Lease".

- 2) Each beneficiary must be a “native Hawaiian” as that term is defined under HHCA, section 201 (a) (5).
- 3) The selection of beneficiaries to purchase Homes and the specific Home which each beneficiary may purchase will be accomplished through DHHL’s homestead award program procedures and will be administered and determined solely by DHHL in accordance with this Agreement.
- 4) Beneficiaries will be required to attend and successfully pass a homeownership counseling course if and to the extent that such a program is required by any lender lending monies to the applicable beneficiary for the applicable Home purchase.
- 5) Beneficiaries must use their Homes purchased from Developer as their principal dwellings.
- 6) The Homes will be sold subject to the provisions of HHCA and DHHL Administrative Rules.
- 7) Each beneficiary must meet such other qualifications as established by HHCA or rules adopted by DHHL.

2.3 DEPARTMENT OF HAWAIIAN HOME LANDS RESPONSIBILITIES

DHHL shall be responsible for the following:

- 1) Grant right-of-entry to the Developer for the construction of the houses.
- 2) Provide for the completion of site construction and infrastructure in accordance with civil engineering plans as prepared by Akinaka and Associates, Ltd. DHHL shall be responsible for the planning, design, funding, and construction of on- and off-site infrastructure for the Kakaina Subdivision Housing Project, and related common areas.
- 3) Pay water facility and sewer charges.
- 4) Establish the mix of houses based on market analysis prior to the lot selection meeting.
- 5) Interim Loan fund. The department may provide zero-interest interim construction loan funds to qualified developers to fund the construction of the turn-key housing units. Said loans will require no monthly re-payments; loan will be paid down from the proceeds of the sales of turn-key homes through escrow to the department. These funds may be made available and utilized in lieu of developer financing from a commercial lending institution provided that the developer offers a reduction of the sales price for houses constructed utilizing the interim loan fund. Term of loan shall be for a period of eighteen (18) months from the recordation of Contract of Loan.
- 6) Affordable Housing Credits will not be available to the Developer.

- 7) Confirm eligibility of buyers pursuant to the HCCA.
- 8) Provide beneficiaries with financial counseling and other homeowner related assistance through the DHHL HALE Program.
- 9) Conduct lot selection meeting.
- 10) Convert Undivided Interest Leases to DHHL homestead leases.
- 11) Record leases, mortgages and other documents necessary for the conveyance of any home by Developer to a beneficiary, and shall do so in a timely manner in accordance with applicable contracts.
- 12) Monitor house construction for compliance with approved plans and specifications.

2.4 TERM OF CONTRACT

The contract shall be for a period of one year beginning approximately May 2016 and ending April 2017.

Unless terminated, the State may extend the term of the contract for an additional period of up to one year or portions thereof without the necessity of re-bidding, upon mutual agreement in writing at least sixty (60) days prior to the expiration of the contract. The house prices for the extended period shall remain the same as described in the offer.

When interests of the State so require, the State may terminate the contract for convenience by providing six (6) weeks prior written notice to the Developer.

2.5 CONTRACT ADMINISTRATOR

For the purposes of this contract, Norman Sakamoto, Acting Land Development Division Administrator, (808) 620-9271, or authorized representative, is designated the Contract Administrator.

2.6 OFFEROR QUALIFICATIONS

Minimum Qualifications for Offerors, at the time the proposal is submitted:

- 1) A principal member of the Offeror's company must have at least five (5) years of residential housing development experience in the State of Hawaii.
- 2) The Offeror shall name the Responsible Managerial Employee (RME) who will be responsible for day-to-day operations and oversight throughout the design and construction of the Project. The RME shall have had substantial responsibility, or been materially involved in the development of at least three (3) separate residential housing projects with at least one project consisting of twenty (20) or more units in the State of Hawaii.

- 3) The Offeror shall show evidence of credit worthiness and financial resources to complete the design and construction of the Project lien-free;
- 4) At the time of the submittal of the proposal, the Offeror must be authorized to do business in the State of Hawaii and have all licenses necessary to carry out the housing design and construction of the Project. All persons and entities to be used on the design and construction shall possess all required professional and other licenses issued by the State of Hawaii including, but not limited to, architects, engineers, contractors, subcontractors, lenders, and others.
- 5) At the time of submittal of the proposal, the Offeror shall not be in default or have failed to perform under any contract, agreement, development or design-build agreement, or lease with the State of Hawaii, and not have any outstanding judgments.
- 6) The Offeror shall provide its two (2) most recent audited annual financial statements, a statement of financial net worth, or statement of bonding capacity.

2.7 DISQUALIFICATION OF OFFERORS

Any one or more of the following causes will be considered as sufficient for the disqualification of an Offeror and the rejection of its proposal or proposals:

- 1) Non-compliance with Section 103D-310 HRS.
- 2) Evidence of collusion among Offerors.
- 3) More than one proposal for the same work from an individual, firm, partnership, corporation or joint venture under the same or different name.
- 4) Delivery of proposals after the deadline specified in the advertisement calling for proposals.
- 5) Debarment or suspension pursuant to Section 103D-702, HRS.

SECTION THREE

PROPOSAL FORMAT AND CONTENT

3.1 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 shall resolve that question prior to submitting an offer.

3.2 REQUIRED REVIEW

3.2.1 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.

3.2.2 Should Offeror find defects and questionable or objectionable items in the RFP, Offeror shall notify the Department of Hawaiian Home Lands in writing prior to the deadline for written questions as stated in the RFP *Schedule and Significant Dates*, as amended. This will allow the issuance of any necessary corrections and/or amendments to the RFP by addendum, and mitigate reliance of a defective solicitation and exposure of proposal(s) upon which award could not be made.

3.3 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.

3.4 TAX LIABILITY

3.4.1 State GET Exemption – It is intended that gross income derived from the construction of all housing units will be certified for exemption from Hawaii General Excise Taxes pursuant to Section 201G-116 HRS. The proposed house prices shall not include any provision for GET.

3.4.2 Federal I.D. Number and Hawaii General Excise Tax License I.D. Offeror shall submit its current Federal I.D. No. and Hawaii General Excise Tax License I.D. number in the space provided on Offer Form, page OF-1, thereby attesting that the Offeror is doing business in the State and that Offeror will pay such taxes on all sales made to the State.

3.5 PROPERTY OF STATE

All proposals become the property of the State of Hawaii.

3.6 CONFIDENTIAL INFORMATION

- 3.6.1 If an Offeror believes that any portion of a proposal, offer, specification, protest, or correspondence contains information that should be withheld from disclosure as confidential, then the Offeror shall inform the Procurement Officer named on the cover of this RFP in writing and provided with justification to support the Offeror's confidentiality claim. Price is not considered confidential and will not be withheld.
- 3.6.2 An Offeror shall request in writing nondisclosure of information such as designated trade secrets or other proprietary data Offeror considers to be confidential. Such requests for nondisclosure shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.

3.7 EXCEPTIONS

Should Offeror take any exception to the terms, conditions, specifications, or other requirements listed in the RFP, Offeror shall list such exceptions in this section of the Offeror's proposal. Offeror shall reference the RFP section where exception is taken, a description of the exception taken, and the proposed alternative, if any. The State reserves the right to accept or not accept any exceptions.

No exceptions to statutory requirements of the AG General Conditions shall be considered.

3.8 PROPOSAL OBJECTIVES

- 3.8.1 One of the objectives of this RFP is to make proposal preparation easy and efficient, while giving Offerors ample opportunity to highlight their proposals. The evaluation process must also be manageable and effective.
- 3.8.2 Proposals shall be prepared in a straightforward and concise manner, in a format that is reasonably consistent and appropriate for the purpose. Emphasis will be on completeness and clarity and content.
- 3.8.3 When an Offeror submits a proposal, it shall be considered a complete plan for accomplishing the tasks described in this RFP and any supplemental tasks the Offeror has identified as necessary to successfully complete the obligations outlined in this RFP.
- 3.8.4 The proposal shall describe in detail the Offeror's ability and availability of services to meet the goals and objectives of this RFP as stated in Section 2.2 SCOPE OF WORK.
- 3.8.5 Offeror shall submit a proposal that includes an overall strategy, timeline and plan for the work proposed as well as expected results and possible shortfalls.

3.9 PROPOSAL FORMS

3.9.1 To be considered responsive, the Offeror's proposal shall respond to and include all items specified in this RFP and any subsequent addendum. Any proposal offering any other set of terms and conditions that conflict with the terms and conditions providing in the RFP or in any subsequent addendum may be rejected without further consideration.

3.9.2 Offer Form, Page OF-1. Offer Form, OF-1 is required to be completed using Offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable, in the appropriate space on Offer Form, OF-1 (SECTION SEVEN, Attachment 1). Failure to do so may delay proper execution of the Contract.

The Offeror's authorized signature on the Offer Form, OF-1 shall be an original signature in ink, which shall be required before an award, if any, can be made. The submission of the proposal shall indicate Offeror's intent to be bound.

3.9.3 Offer Form, Page OF-2. Pricing shall be submitted on Offer Form OF-2 (SECTION SEVEN, Attachment 3). The price shall be the all-inclusive cost, excluding the GET, to the State. No other costs will be honored. Any unit prices shall be inclusive.

3.9.4 Handwritten offers are not acceptable.

3.10 PROPOSAL CONTENTS

Proposals must:

3.10.1 Include a transmittal letter to confirm that the Offeror shall comply with the requirements, provisions, terms, and conditions specified in this RFP.

3.10.2 Include a signed Offer Form OF-1 with the complete name and address of Offeror's firm and the name, mailing address, telephone number, e-mail address, and fax number of the person the State should contact regarding the Offeror's proposal.

3.10.3 If subcontractor(s) will be used, append a statement to the transmittal letter from each subcontractor, signed by an individual authorized to legally bind the subcontractor and stating:

- a. The general scope of work to be performed by the subcontractor;
- b. The subcontractor's willingness to perform for the indicated.

3.10.4 Provide all of the information requested in this RFP in the order specified.

3.10.5 Be organized into sections, following the exact format using all titles, subtitles, and numbering, with tabs separating each section described below. Each section must be addressed individually and pages must be numbered.

- a. Transmittal Letter

- b. Offer Form, OF-1
- c. Offer Form OF-1A, Experience and Capabilities. .
- d. Offer Form OF-2, Proposal, Strategy and Projected Timetable.

3.11 RECEIPT AND REGISTER OF PROPOALS

Proposals will be received and receipt verified by two or more procurement officials on or after the date and time specified in Section One, or as amended.

The register of proposals and proposals of the Offeror(s) shall be open to public inspection upon posting of award pursuant to section 103D-701, HRS.

3.12 BEST AND FINAL OFFER (BAFO)

If the State determines a BAFO is necessary, it shall request one from the Offeror. The Offeror shall submit its BAFO and any BAFO received after the deadline or not received shall not be considered.

3.13 MODIFICATION PRIOR TO SUBMITTAL DEADLINE OR WITHDRAWAL OF OFFERS

3.13.1 The Offeror may modify or withdraw a proposal before the proposal due date and time.

3.13.2 Any change, addition, deletion of attachment(s) or data entry of an Offer may be made prior to the deadline for submittal of offers.

3.14 MISTAKES IN PROPOSALS

3.14.1 Mistakes shall not be corrected after award of contract.

3.14.2 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 mistake, the proposal may be corrected or withdrawn pursuant to this section.

3.14.3 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.

3.14.4 If discussions are not held, or if the best and final offers upon which award will be made have been received, mistakes shall be corrected to the intended correct offer whenever the mistake and the intended correct offer are clearly evident on the face of the proposal, in which event the proposal may not be withdrawn.

- 3.14.5 If discussions are not held, or if the best and final offers upon which award will be made have been received, an Offeror alleging a material mistake of fact which makes a proposal non-responsive may be permitted to withdraw the proposal if: the mistake is clearly evident on the face of the proposal but the intended correct offer is not; or the Offeror submits evidence which clearly and convincingly demonstrates that a mistake was made.

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 the failure of an Offeror to: return the number of signed proposals required by the request for proposals; 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 an amendment to the request for proposal, but only if it is clear from the proposal that the Offeror received the amendment and intended to be bound by its terms; or the amendment involved had no effect on price, quality or quantity.

3.15 RESPONSIBILITY FOR EXPENSES IN PREPARING PROPOSALS

Offerors that respond to this RFP shall be solely responsible for all costs and expenses incurred in connection with responding to this RFP. The Selected Housing Contractor shall be responsible for whatever costs they may incur up to the time of execution of the Construction Contract.

SECTION FOUR

EVALUATION CRITERIA AND CONTRACTOR SELECTION

The 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 listed in this section. **The total number of points used to score this contract is 100.** Evaluation of submitted proposals will be based on the following point distribution.

<i>Criteria Description</i>		<i>Points</i>
1.	Offeror's qualifications, experience, financial strength, creativity, and track record in house construction projects of a similar nature.	20
2.	Proposed house prices (including adjustments for preferences as applicable).	20
3.	Proposed housing designs.	20
4.	Proposed outline specifications.	15
5.	Green building features.	10
6.	Proposed financing	10
7.	Proposed project schedule.	5
	Unusual or unacceptable terms and conditions (potential penalty of up to 10 points).	
	TOTAL POSSIBLE POINTS	100

SECTION FIVE

CONTRACTOR SELECTION AND CONTRACT AWARD

5.1 EVALUATION OF PROPOSALS

The Procurement Officer, or an evaluation committee of at least three (3) qualified State employees selected by the Procurement Officer, shall evaluate proposals. The evaluation will be based solely on the evaluation criteria set out in Section Four of this RFP.

Prior to holding any discussion, a priority list shall be generated consisting of offers determined to be acceptable or potentially acceptable. However, proposals may be accepted without such discussions.

If numerous acceptable and potentially acceptable proposals are submitted, the evaluation committee may limit the priority list to the three highest ranked, responsible Offerors.

5.2 DISCUSSION WITH PRIORITY LISTED OFFERORS

The State may invite priority listed Offerors to discuss with their proposals to ensure thorough, mutual understanding. The State in its sole discretion shall schedule the time and location for these discussions, generally within the timeframe indicated in *RFP Schedule and Significant Dates*. The State may also conduct discussions with priority listed Offerors to clarify issues regarding the proposals before requesting Best and Final Offers, if necessary.

5.3 AWARD OF CONTRACT

Method of Award. 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.

5.4 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, Hawaii Employment Security Law;
3. Chapter 386, Worker's Compensation Law;
4. Chapter 392, Temporary Disability Insurance;
5. Chapter 393, Prepaid Health Care Act; and
6. §103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

The State will verify compliance on Hawaii Compliance Express (HCE).

Hawaii Compliance Express. The HCE is an electronic system 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 should 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 contract and final payment.

Timely Registration on HCE. Vendors/contractors/service providers are advised to register on HCE soon as possible. If a vendor/contractor/service provider is not compliant on HCE at the time of award, an Offeror will not receive the award.

5.5 PROPOSAL AS PART OF THE CONTRACT

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

5.6 PUBLIC EXAMINATION OF PROPOSALS

Except for confidential portions, the proposals shall be made available for public inspection upon posting of award pursuant to HRS §103D-701.

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-42(12).

5.7 DEBRIEFING

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 designee shall hold the debriefing within seven (7) working days to the extent practicable from the receipt date of written request.

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

5.8 PROTEST PROCEDURES

Pursuant to HRS §103D-701 and HAR §3-126-3, an 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 to the Procurement Officer at:

Honorable Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission

Department of Hawaiian Home Lands
91-5420 Kapolei Parkway
Kapolei, Hawaii 96707

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. Further provided 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 PO's debriefing was completed.

The notice of award, if any, resulting from this solicitation shall be posted on the Procurement Awards, Notices and Solicitations (PANS), which is available on the SPO website: <http://www.hawaii.gov/spo2/source/>.

5.9 APPROVALS

Any agreement arising out of this offer 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.

5.10 CONTRACT EXECUTION

Successful Offeror receiving award shall enter into a formal written contract in the form as in Exhibit B. Performance and payment bond are required for this contract.

No work is to be undertaken by the Contractor prior to the effective date of contract. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the official starting date.

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

5.11 INSURANCE

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

<u>Insurance Coverage</u>	<u>Minimum Policy Limits</u>
General Liability	\$2,000,000.00 in the aggregate for property damage; \$1,000,000.00 per occurrence for injuries to or death of any one person in any accident in the aggregate
Workers' Compensation	As required by Hawaii laws

Fire and extended coverage	100% replacement value
Builder's risk covering the general contractor and all subcontractors	100% replacement value
Malicious mischief	100% replacement value
Flood insurance (if required)	Maximum coverage available

The insurance policies shall be in a form and substance including amounts of coverage, acceptable to DHHL.

Developer shall furnish DHHL with insurance policies and/or certificates, which shall name DHHL as an additional insured. Such insurance policies shall provide that the insurance company shall give DHHL no less than thirty (30) days prior written notice of any termination or cancellation of such insurance policies.

Developer acknowledges notice that it is free to procure all required insurance policies, from any insurance company authorized to do business in the state of Hawaii, pursuant to chapter 479, Hawaii revised statutes.

- 5.11.2 The Developer shall deposit with the DHHL, on or before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the DHHL 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 DHHL during the entire term of the Contract. Upon request by the DHHL, the Developer shall furnish a copy of the policy or policies.
- 5.11.3 The Developer will immediately provide written notice to the DHHL should any of the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed upon expiration.
- 5.11.4 The certificates of insurance shall contain the following clauses:
 - 1. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
 - 2. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."
- 5.11.5. Failure of the Developer 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 Developer's liability hereunder, or to fulfill the indemnification provisions of the Contract. Notwithstanding said policy or policies of insurance, the Developer 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.

5.12 REQUIREMENTS FOR PERFORMANCE AND PAYMENT BONDS

Pursuant to HAR §3-122-224, before any contract is entered into, the Developer shall provide performance and payment bonds to the State. The bonds shall each be in the penal sum of one hundred percent (100%) of the amount of the contract awarded.

If the option to extend for an additional period is mutually agreed upon, the Developer shall provide a new performance bond with the Supplemental Contract.

5.13 PAYMENT

Developer shall be paid from the proceeds of the sales of turn-key homes through escrow.

If DHHL interim financing is utilized, the Developer will be allowed loan draws on a monthly basis. The monthly draw shall be based on the items of work satisfactorily completed and the value thereof at unit prices and/or lump sum prices set forth in the contract as determined by the Project Manager

5.14 CONTRACT INVALIDATION

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

5.15 NO ASSIGNMENTS

The Developer may not assign the Contract without DHHL's written consent. If the Developer desires to assign the Contract, the assignee must submit a "Contractor's Application and Qualification Form," meet all requirements imposed by DHHL, and must be acceptable to DHHL. If DHHL shall consent to an assignment of the Contract, DHHL shall not be required to release the Developer, including any guarantor nor security which secures the payment and performance of the Developer's obligations under the Contract.

5.16 RELATIONSHIP BETWEEN THE DEVELOPER AND DHHL

There will be no partnership, joint venture, employer and employee, master and servant, or other agency relationship between DHHL and Developer. The Developer, inclusive of any person acting by, through, under, or for the benefit of the Developer, such as, for example, any real estate broker or sales person, will not represent or hold itself out as being a partner, joint venture, employee, servant, or agent of DHHL, nor will the Developer, inclusive of any person acting by, through, under, or for the benefit of Developer, have any authority to bind, act for, or represent DHHL in any respect. The Developer will be constructing the Project in the Developer's own behalf and will release, indemnify, defend, and hold DHHL harmless from all claims, demands, lawsuits, judgments deficiencies, damages (whether paid by DHHL as part of a settlement or as a result of a judgment), and expense, including attorney's fees, and all costs of suit, made against DHHL or incurred or paid by DHHL arising out of or in connection with Developer's design and construction of the Project and of the dwelling units therein.

SECTION SIX

SPECIAL PROVISIONS

6.1 OFFER GUARANTY

A proposal security deposit is required for this RFP. Subject to the exceptions in Section 3-122-223(d) HAR, proposals that are not accompanied by proposal security are non-responsive.

Proposal security shall be one of the following:

- a. Surety bid bond underwritten by a company licensed to issue bonds in this State which shall be substantially in the form of the Surety Bid Bond (Exhibit A on Exhibit F, BOND FORMS); or
- b. Legal Tender; or
- c. Certificate of Deposit; credit union share certificate; or cashier's, treasurer's, teller's or official check drawn by, or a certified check accepted by, and payable on demand to the State by a bank, a savings institution, or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.
 - (a) These instruments may be utilized only to a maximum of \$100,000 (one hundred thousand dollars).
 - (b) If the required security or bond amount totals over \$100,000 (one hundred thousand dollars), more than one instrument not exceeding \$100,000 (one hundred thousand dollars) each and issued by different financial institutions shall be accepted.
 - (c) CAUTION - Offerors are cautioned that certificates of deposit or share certificates with an early withdrawal penalty must have a face value sufficient to cover the maximum penalty amount in addition to the proposal guaranty requirement. If the certificate is made out to two names, the certificate must be assigned unconditionally to the Chairman.

Since the mix of houses models has not been determined, the proposal security shall be in an amount equal to at least five percent (5%) of an estimated average cost per house of \$275,000:

$$\begin{aligned} \$275,000 \times 28 \text{ houses} &= \$7,700,000 \\ \times 5\% &= \$385,000 \text{ Minimum Proposal Security Amount} \end{aligned}$$

If the Offeror is a corporation, evidence in the form of a corporate resolution, authorizing the corporate representative to execute the bond must be submitted with the proposal. (See sample in Appendix.) If the Offeror is a partnership, all partners must sign the bond or evidence in the form of a partnership agreement must be submitted showing the authority of the partner.

If the Offeror is a joint-venture, all parties to the joint-venture must sign the bond; provided, that one party to the joint-venture may sign on behalf of the joint-venture if evidence in the form of a joint-venture agreement or power of attorney, is submitted showing the authority of the signatory to sign the bond on behalf of the joint-venture.

6.2 PREFERENCES

a. Hawaii Products Preference.

In accordance with HRS §103D-1002, the Hawaii products preference is applicable to this solicitation. Hawaii Products may be available for various materials used in this project. The Hawaii products list is available on the SPO webpage at <http://hawaii.gov/spo>, click on *Procurement of Goods, Services, and Construction-Chapter 103D, HRS*; under *Procurement* click on *Preferences, Hawaii Products*, and select *Hawaii Products List* to view. Offeror submitting a Hawaii Product (HP) shall identify the HP on the solicitation offer page(s). Any person desiring a Hawaii product preference shall have the product(s) certified and qualified if not currently on the Hawaii products list, prior to the deadline for receipt of offer(s) specified in the procurement notice and solicitation. The responsibility for certification and qualification shall rest upon the person requesting the preference.

Persons desiring to qualify their product(s) not currently on the Hawaii product list shall complete form SPO-038, *Certification for Hawaii Product Preference* and submit to the Procurement Officer issuing the solicitation (IFB or RFP), and provide all additional information required by the Procurement Officer. For each product, one form shall be completed and submitted (i.e. 3 products should have 3 separate forms completed). Form SPO-038 is available on the SPO webpage at <http://hawaii.gov/spo> under the 'Quicklinks' menu; click on 'Forms for Vendors, Contractors, and Service Providers'.

When a solicitation contains both HP and non-HP, then for the purpose of selecting the lowest bid or purchase price only, the price offered for a HP item shall be decreased by subtracting 10% for the class I or 15% for the class II HP items offered, respectively. The lowest total offer, taking the preference into consideration, shall be awarded the contract unless the offer provides for additional award criteria. The contract amount of any contract awarded, however, shall be the amount of the price offered, exclusive of the preferences.

Change in Availability of Hawaii product. In the event of any change that materially alters the offeror's ability to supply Hawaii products, the offeror shall notify the procurement officer in writing no later than five working days from when the offeror knows of the change and the parties shall enter into discussions for the purposes of revising the contract or terminating the contract for convenience.

b. Apprenticeship Agreement Preference.

Hawaii Revised Statutes §103-55.6 (ACT 17, SLH 2009) provides for a Hawai'i Apprenticeship Preference for public works contracts having an estimated value of \$250,000.00 or more. The preference shall be in the form of a 5% cost adjustment applied to the offeror's amount for offerors that are parties to apprenticeship agreements. The estimated value of this public works contract is \$250,000.00 or more and the apprenticeship agreement preference shall apply.

To be eligible for the preference, the offeror shall:

1. Be a party to an apprenticeship agreement registered with the DLIR at the time the offer is made for each apprenticeable trade the offeror will employ to construct the public works project for which the offer is being made.
 - a. The apprenticeship agreement shall be registered and conform to the requirements of HRS Chapter 372.
 - b. Subcontractors do not have to be a party to an apprenticeship agreement for the bidder to obtain the preference.
 - c. The offeror is not required to have apprentices in its employ at the time the offer is submitted to qualify for the preference.
 - d. If a offeror's employee is multi-skilled and able to perform work in more than one trade (for example, a project requires a carpenter and a laborer, and the employee is a carpenter, but is also able to perform the work of a laborer), the offeror need only be a party to the carpenter's apprenticeship agreement and does not need to be a party to the laborer's apprenticeship agreement in order to qualify for the preference. The offeror is not "employing" a laborer, only a carpenter, and so only needs to be a party to the carpenter's apprenticeship agreement.
 - e. Qualification for the preference is given on a project-by-project basis and depends upon the specific offer for a specific project. A offeror's employees may vary from project to project and may qualify for the preference on one project but may not qualify on another project. For example, on one project, if the offeror only employs carpenters to perform work in the carpentry and labor trades, then the offeror only needs to be a party to the carpenter's apprenticeship agreement in order to qualify for the preference. However, on another project if the same offeror employs both carpenters and laborers, then the offeror will not qualify for the preference if the offeror is only a party to the carpenter's apprenticeship agreement and not the laborer's apprenticeship agreement.
2. State the trades the offeror will employ to perform the work;
3. For each trade to be employed to perform the work, the offeror shall submit a completed signed original *CERTIFICATION OF BIDDER'S PARTICIPATION*

IN APPROVED APPRENTICESHIP PROGRAM UNDER ACT 17 (Certification Form 1) verifying the participation in an apprenticeship program registered with the State Department of Labor and Industrial Relations (DLIR);

4. The *Certification Form 1* shall be authorized by an apprenticeship sponsor of the DLIR list of registered apprenticeship programs. The authorization shall be an original signature by an authorized official of the apprenticeship sponsor; and
5. The completed *Certification Form 1* for each trade must be submitted by the offeror with the offer. A facsimile or copy is acceptable to be submitted with the offer; however, the completed **signed original** must be submitted within five (5) working days of the due date of the offer. If the signed original is not received within this timeframe, the preference may be denied. Previous certifications shall not apply.

Failure to comply with ALL of the conditions noted above, without exception, shall disqualify the offeror from qualifying for, and thus receiving, benefit of the Hawai'i Apprenticeship Preference.

The *Certification Form 1* and the List of Construction Trades in Registered Apprenticeship Programs is available on the DLIR website at: <http://hawaii.gov/labor/wdd>

Upon receiving *Certification Form 1*, the DHHL will verify with DLIR that the apprenticeship program is on the list of apprenticeship programs registered with the DLIR. If the program(s) are not confirmed by the DLIR, the offeror will not qualify for the preference.

If the offeror is certified to participate in an apprenticeship program for each trade which will be employed by the bidder for the project, a preference will be applied to decrease the offeror's total proposal amount by five per cent (5%) for evaluation purposes.

Should the offeror qualify for other preferences (for example, Hawaii Products Preference), all applicable preferences shall be applied to the offer amount.

While preference for Hawai'i Apprenticeship will be taken into consideration to determine the low offeror, the contract awarded shall be the original offer amount, exclusive of any preferences. The preference is only for evaluation purposes.

SECTION SEVEN

ATTACHMENTS AND EXHIBITS

ATTACHMENT 1 OFFER FORM, OF-1
ATTACHMENT 2 OFFER FORM, OF-1A
ATTACHMENT 3 OFFER FORM, OF-2
ATTACHMENT 4 NOTICE OF INTENT

EXHIBIT A GENERAL PROVISIONS
EXHIBIT B SAMPLE CONTRACT
EXHIBIT C AG 103D GENERAL CONDITIONS
EXHIBIT D OVERVIEW OF THE RFP PROCESS
EXHIBIT E DHHL CONSTRUCTION GENERAL CONDITIONS
EXHIBIT F BOND FORMS
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EXHIBIT I WAGE RATE SCHEDULE BULLETIN NO. 485
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EXHIBIT K GENERAL DECISION NUMBER HI150001 09/04/2015
EXHIBIT L GREEN BUILDING
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