STATE OF HAWAII

CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of December 1, 2011, between Hawaii Public Housing Authority,
(Insert name of state department, agency, board or commission)
State of Hawaii ("STATE"), by its Executive Assistant,
(Insert title of person signing for State)
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")), whose address is 1002 North School Street, Honolulu, Hawaii 96817
_____ and _____
("CONTRACTOR"), a _____
(Insert corporation, partnership, joint venture, sole proprietorship. or other legal form of the Contractor)
under the laws of the State of _____, whose business address and federal and state taxpayer identification numbers are as follows: _____

_____

RECITALS

A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.

B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.

C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").

D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.

E. Pursuant to Section 356D-4, HRS, the STATE
(Legal authority to enter into this Contract)
is authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:

(1) n/a
(Identify state sources)
or (2) Low Income Public Housing Operating Subsidy
(Identify federal sources)
or both, in the following amounts: State $ -0-
Federal $ _____

NOW, THEREFORE, in consideration of the promises contained in this Contract, the STATE and the CONTRACTOR agree as follows:

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number PMB-2011-26 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), both of which, even if not physically attached to this Contract, are made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied

or services performed, or both, under this Contract in a total amount not to exceed _____ DOLLARS ($ _____), including approved costs incurred and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR ☐ is required to provide or ☒ is not required to provide: ☐ a performance bond, ☐ a payment bond, ☐ a performance and payment bond in the amount of n/a DOLLARS ($ 0.00).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments and addenda; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of n/a DOLLARS ($ 0.00) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any change of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

_____
(Signature)

Barbara E. Arashiro
(Print Name)

Executive Assistant
(Print Title)

_____
(Date)

CONTRACTOR

CORPORATE SEAL
(If available)

_____
(Name of Contractor)

_____
(Signature)

_____
(Print Name)

_____ *
(Print Title)

_____
(Date)

APPROVED AS TO FORM:

_____
Deputy Attorney General

* Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.

STATE OF HAWAII

CONTRACTOR'S ACKNOWLEDGMENT

STATE OF _____)
) **SS.**
_____ **COUNTY OF** _____)

On this _____ day of _____, _____ before me appeared _____ and _____, to me known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are _____ and _____ of _____, the CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said instrument as the free act and deed of the CONTRACTOR.

(Notary Stamp or Seal)

_____
(Signature)

_____
(Print Name)

Notary Public, State of _____

My commission expires: _____

Doc. Date: _____ # Pages: _____

Notary Name: _____ _____ Circuit

Doc. Description: _____

_____

_____

(Notary Stamp or Seal)

_____
Notary Signature Date

NOTARY CERTIFICATION

STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of _____, CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR ☐ is* ☐ is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

*Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of $10,000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive sealed proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By _____
(Signature)

Print Name _____

Print Title _____

Name of Contractor _____

_____

Date _____

STATE OF HAWAII

SCOPE OF SERVICES

Contractor: _____

Complex: **Palolo Valley Homes,** 2107 Ahe Street, Honolulu, HI 96816

1. It is understood and agreed that the following documents, and any amendments or addenda thereto, comprise the Contract between the parties and are fully a part of this Contract governing the work to be performed by the CONTRACTOR for Property Management, Maintenance and Resident Services as though attached hereto or set forth at length herein: (1) CONTRACTOR'S accepted proposal and clarifications dated _____, 2011; (2) Request for Proposals No. PMB 2011-26 and all addenda; (3) State General Conditions (AG-008 Rev. 4/15/2009); (5) Federal General Conditions for Non-Construction Contracts (Form 5370-C); and (6) this Contract including Attachments S1 – S5. These documents are collectively referred to as the "Contract Documents".

2. The CONTRACTOR shall, in a satisfactory and proper manner as determined by the STATE, and in strict accordance with the Contract Documents provide property management, maintenance and resident services at the federally funded low income public housing complexes located on the island of Oahu as listed above.

3. The CONTRACTOR shall furnish, in accordance with the Contract Documents, all labor and other means necessary to provide property management, maintenance and resident services as described in Request for Proposals PMB-2011-26 and the CONTRACTOR'S accepted proposal and clarifications. If there is a conflict between the CONTRACTOR'S accepted proposal and clarifications and this Contract, the Contract shall prevail.

4. **Work Plan: Miscellaneous Employee Time**

   It is understood and agreed that the CONTRACTOR'S work plan, includes "Miscellaneous employee time" which is defined as vacation, holiday and sick leave. The CONTRACTOR shall not be allowed to accrue vacation or sick leave beyond the term of the Contract. All unused vacation and sick leave must be forfeited at the end of each calendar year for the Contract period and each Contract period thereafter.

5. **Management Requirements**

   A. The CONTRACTOR shall be responsible to maintain the overall physical appearance and condition of the properties, including maintenance and up-keep to the individual units.

   B. The CONTRACTOR shall be responsible for the timely submission of reports on performance or progress including without limitation:
      i. Vacant Unit Report;
      ii. Monthly Supervisor's File Review Log;
      iii. Monthly Income Discrepancy Report;
      iv. Monthly Pre-Rent Run Report;
      v. Quarterly Enterprise Identification Verification Users Authorization;

vi. Semi-Annual Crime Tracking Reports;
vii. Monthly Community Service Status Report;
viii. Monthly Annual Unit Inspection Work Order Log;
ix. Monthly General Ledger Report; and
x. Delinquency Account Report.

C. Upon full execution of this Contract, the CONTRACTOR shall submit a copy of its written policies on the following to the STATE:
   i. Drug Free Workplace;
   ii. Sexual Harassment Awareness Policy;
   iii. Non-violence in the Workplace Policy;
   iv. Standards of Conduct;
   v. Fair Housing Policy;
   vi. Procurement Policy;
   vii. Smoking Policy;
   viii. Safety Plan or Policies; and
   ix. Procurement Policy and Procedures.

6. **Accounting and Fiscal Services**

A. The CONTRACTOR shall submit an operating budget for each fiscal year (July through June) not later than two (2) months before the start of the fiscal year or upon request by the STATE. The CONTRACTOR shall submit the operating budget and any requests to amend the operating budget using the forms provided by the STATE.

B. It is understood and agreed that any purchases outside the approved operating Budget requires prior written approval from the STATE. The CONTRACTOR shall submit a request to make an unbudgeted purchase using the forms and instructions provided by the STATE.

C. It is understood and agreed that the CONTRACTOR shall process all purchase orders for payment of goods/services in a timely manner. Should the CONTRACTOR fail to do so, the CONTRACTOR shall be responsible for any and all fees and penalties charged by a vendor.

D. The CONTRACTOR agrees to comply with all State and Federal laws, regulations, rules, and policies regarding the procurement of goods, services and construction.

7. **Rent Collection**

The CONTRACTOR agrees to limit rent delinquencies to three percent (3%) for all complexes.

STATE OF HAWAII

SCOPE OF SERVICES

The CONTRACTOR shall utilize the STATE's work order system or a substitute system as approved by the STATE. The CONTRACTOR shall be responsible for ensuring that its staff are properly trained on the work order system, including the opening, input, coding, and closing of work orders.

B. The CONTRACTOR shall comply with all rules, regulations or subsequent revisions on the timeline for completion of work orders as instructed by the STATE.

C. The CONTRACTOR agrees to submit a written report on open work orders upon request by the STATE.

8. **Unit, Common Areas and Ground Maintenance**

A. The CONTRACTOR shall perform at least one (1) annual unit inspection as required by federal requirements and one (1) preventative maintenance inspection. The CONTRACTOR may conduct one (1) housekeeping inspection, and one (1) additional inspection prior to the federal inspection by the Real Estate Assessment Center.

B. The CONTRACTOR shall perform maintenance on the units, common areas, and grounds.

9. **Unit Turnover**

B. The CONTRACTOR shall be responsible for turning over vacant units within 20 days at each complex.

C. It is understood and agreed that there may be extenuating circumstances outside of the CONTRACTOR'S control that affect the CONTRACTOR'S ability to lease up a vacated unit within 20 days. The CONTRACTOR shall be responsible to accurately track unit turnaround and to provide a written report due to the STATE, as specified, on units that are not turned around within 20 days, including the reason for the delay and an anticipated date of completion.

10. **Vacancies**

A. The CONTRACTOR shall be responsible for maintaining a vacancy rate of no higher than three percent (3%) of the housing units available for lease at the complex. It is agreed and understood that the "housing units available for lease" does not include any unit that has been deprogrammed for non-housing purposes, referred to the STATE for major repairs and/or under construction, approved for demolition, or exempted by the STATE from the unit count.

B. The CONTRACTOR shall be responsible for accurately tracking unit vacancies and to provide a written report to the STATE, as specified, on units that are available for lease,

but have not been filled on a timely basis. The report shall include a projected timeline for the renting of the vacant unit, if appropriate.

11. **Work Order System**

A. The CONTRACTOR shall utilize the STATE's work order system or a substitute system as approved by the STATE. The CONTRACTOR shall be responsible for ensuring that its staff are properly trained on the work order system, including the opening, input, coding, and closing of work orders.

B. The CONTRACTOR shall comply with all rules, regulations or subsequent revisions on the timeline for completion of work orders as instructed by the STATE.

C. The CONTRACTOR agrees to submit a written report on open work orders upon request by the STATE.

12. **Routine and Preventative Maintenance**

A. The CONTRACTOR is required to establish and follow a schedule of regular preventative maintenance.

B. The CONTRACTOR shall conduct training session(s) for all newly placed tenants on how to properly maintain their units and appliances.

13. **Utilities**

A. The CONTRACTOR shall monitor electricity and water consumption at the complex for unusually high usage or irregular charges. Any irregularities shall be reported to the STATE on a timely basis.

B. The CONTRACTOR shall be responsible to work with the tenants to conserve water and electricity on a regular basis.

14. **Refuse Collection and Disposal**

A. It is understood and agreed that the STATE is responsible to contract for regular trash collection services. The CONTRACTOR shall be responsible for monitoring the performance of the trash collection agency and for submitting monthly written monitoring reports to the STATE.

B. The CONTRACTOR shall be responsible for maintaining the areas surrounding the trash bins and for the proper disposal of any excess or bulky materials. The disposal of excess refuse or bulky materials shall be paid on a reimbursement basis.

STATE OF HAWAII

SCOPE OF SERVICES

15. **Pest Control**

The CONTRACTOR may be responsible for the procurement and contracting of a pest control company. The CONTRACTOR may be required to obtain prior STATE written approval for pest control services.

16. **Street Sweeping**

The CONTRACTOR shall maintain the parking and common areas in generally neat and presentable condition. The CONTRACTOR shall be responsible to clean the parking lot areas at least once (1) at the beginning of each week, and when necessary.

17. **Capital Needs**

A. It is understood and agreed that the list of items in the Contractor's accepted proposal are for referral to the STATE for assessment and any repairs are subject to the availability of funds.

B. The CONTRACTOR shall provide assistance to the STATE with repairs, including without limitation, coordinating on-site inspections, mailing notifications to the tenants, monitoring of repair work and attending meetings.

18. **Environment, Safety and Health Plan**

The CONTRACTOR shall maintain a safety plan for complex staff and shall be responsible for ensuring that the staff are adequately trained and informed.

19. **Tenant Associations**

A. The CONTRACTOR shall be responsible for implementing the Community Service Requirement using the forms and instructions provided by the STATE.

B. The CONTRACTOR shall establish a system to maintain communication with the tenants at each complex.

C. The CONTRACTOR shall actively encourage the formation and maintenance of a tenant association at each complex. The CONTRACTOR shall attend tenant association meetings when requested, upon adequate notice by the tenant association.

20. **Procurement, Equipment and Supplies**

A. The CONTRACTOR shall ensure compliance with all State and Federal statutes, regulations, rules and policies on procurement, equipment inventory and disposal, and supply management.

B. The CONTRACTOR shall be responsible for procuring all goods and services below the STATE's small purchase threshold of less than $15,000 according to State and Federal statutes, regulations rules and policies. All procurements of $15,000 or more shall be the responsibility of the STATE.

C. The CONTRACTOR shall submit all requests to purchase goods, services, and construction using the forms and instructions prescribed by the State Procurement Office. It is understood and agreed that all procurements for light construction should be made only after consultation and review of the specifications by the STATE.

21. **Maintenance Manager**

The maintenance manager will be responsible for the following:

a. Day-to-day on-site general maintenance of Palolo Valley Homes;

b. Perform variety of semi-scheduled maintenance repair work;

c. Upkeep of buildings, dwelling units, and grounds as well as assists tenants in emergency situations;

d. Provide area manager with reports, oral or written concerning violations of the Rental Agreement and/or Project Rules as well as maintenance issues; and

e. Assists police, fire and emergency medical service personnel as needed.

f. The STATE shall provide a dwelling unit at Palolo Valley Homes at no cost to the CONTRACTOR.

22. **Contract Monitoring**

It is understood that the STATE, its auditors, HUD, and other designated representative may monitor performance under this Contract. Based on monitoring findings, the CONTRACTOR may be requested to provide additional information or reports not previously requested or required, including a corrective action plan. The STATE also reserves the right to make periodic inspections of, scheduled and unscheduled complexes visits.

STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

Contractor: _____

Complex: **Palolo Valley Homes,** 2107 Ahe Street, Honolulu, HI 96816

1. Subject to the receipt of Federal funds under the Annual Contributions Contract and Section 161 of the Housing & Community Development Act of 1992 (HCDA 1992), Public Law 102-550, approved October 28, 1992 and CONTRACTOR's completion of all contractual obligations, the STATE agrees to pay the CONTRACTOR, for services satisfactorily performed under this CONTRACT, a sum of money not to exceed _____**and no/100 dollars ($**_____**)** for the Contract period.

2. Federal funds are subject to appropriation by the U.S. Congress and allocation by the U.S. Department of Housing and Urban Development (HUD). Funding and period of availability may change upon notice by HUD to the STATE. If there should be insufficient funds for any portion of the remainder of the Contract period beyond the initial 12-month period ending September30, 2012, 12:00 p.m., the STATE may terminate the Contract or revise the amount/quantity of services required without penalty.

3. The CONTRACT shall be reimbursed on a cost reimbursement pricing structure according to the approved Budget. Said compensation consists of a (i) Management Fee and (ii) Reimbursements for Expenses such as administrative salaries, administrative medical benefits, administrative payroll taxes, maintenance salaries, maintenance medical benefits, maintenance payroll taxes, staff training, liability insurance, postage, telephone, copying and other office expenses as set forth on the attached Price Proposal dated _____, attached hereto as Exhibit A and incorporated by reference.

4. The CONTRACTOR shall be paid a management fee on an earned fee basis for property management, maintenance and resident services satisfactorily performed at $_____ per month for the initial 12-month period of the Contract.

5. The CONTRACTOR's management fee shall be calculated at no greater than $30.00 per occupied unit a month for each complex under AMP 50. The CONTRACTOR's management fee shall be calculated on the following:

   i. Units occupied for the entire reporting month;
   ii. Units partially occupied for the reporting month;
   iii. Vacant units slated by the STATE for modernization and approved by HUD;
   iv. Vacant units referred by the CONTRACTOR to the STATE for repair and approved by HUD; and
   v. Vacant units approved by HUD for special purposes.

STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

6. The cost allocation of the management fee for the purpose of withholding a portion of the CONTRACTOR's management fee in the event that the CONTRACTOR fails to comply with a particular item (items i - vi) of the CONTRACTOR's management work plan shall be calculated as follows:.

   i. Administrative Requirements - _____%;
   ii. Re-examination, Rent Collection, and Tenant Account Receivables - _____%;
   iii. Unit, Common Area & Grounds Maintenance -_____%;
   iv. Unit Turnover -_____%;
   v. Work Order System - _____%; and
   vi. Routine and Preventive Maintenance - _____%.

7. Upon execution of this Contract, payments shall be paid in accordance with and subject to the following:

   a. The CONTRACTOR shall submit a monthly invoice, one (1) original for services rendered to:

      Hawaii Public Housing Authority
      Property Management and Maintenance Services Branch
      P.O. Box 17907
      Honolulu, HI 96817

   b. Section 103-10, HRS, provides that the STATE shall have thirty calendar days after receipt of invoice or satisfactory delivery of goods or performance of the services to make payment. The date of the invoice shall be the date received by the STATE.

   c. All invoices shall reference the Contract number assigned to this Contract. Payment shall be in accordance with Section 103-10, HRS, upon certification by the Contract Administrator that the CONTRACTOR has satisfactorily performed the services specified.

   d. Once a month the Contract Administrator will submit a report to the CONTRACTOR listing any discrepancies or Contract violation(s) that need correction. These discrepancies or Contract violation(s) must be corrected by the next reporting period for payment adjustment purposes.

   e. For final payment, the CONTRACTOR must submit a valid original tax clearance certificate "Certification of Compliance for Final Payment" (SPO Form-22). If the CONTRACTOR fails to provide a valid tax clearance certificate within six months of the termination date of this Contract, the STATE shall assign the final payment in an amount not to exceed the tax liability to the Department of Taxation or the Internal Revenue Service; provided that the debt owed to the Department of Taxation shall be offset first. a valid original tax clearance certificate "Certification of Compliance for Final Payment" (SPO Form-22).

STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

8. The STATE shall consider requests for increases as a result of an increase to public officers and employees during the Contract period or any option period. It is the sole responsibility of the CONTRACTOR to comply with Section 103-55, HRS.

STATE OF HAWAII

TIME OF PERFORMANCE

Contractor: _____
Complex: **Palolo Valley Homes,** 2107 Ahe Street, Honolulu, HI 96816

1. The term of this Contract for Furnishing Property Management and Maintenance Services at Asset Management Project 50 on the island of Oahu shall be for a 12-month period beginning on December 1, 2011, 12:01 p.m. and ending on December 1, 2012, 12:00 p.m.

2. No services shall be performed on this Contract prior to December 1, 2011, 12:01 p.m.

3. The option to extend the Contract will be at the sole discretion of the STATE. The Contract may be extended, without the necessity of rebidding, at the same rates as proposed in the original proposal, unless price adjustments are made and approved as provided herein:

Initial term of Contract:	12 months starting December 1, 2011, 12:01 p.m. to December 1, 2012, 12:00 p.m.
Length of each extension:	Up to 12 months; may be less than 12 months
Maximum length of Contract:	60 months

4. The initial period shall commence on the Contract start date. The following conditions must be met for an extension:
   a. The CONTRACTOR experienced cost savings and has unexpended funds available that can be used to provide additional services; or
   b. The STATE determines there is an ongoing need for the services and has funds to pay for the extension of contracted services, not to exceed 12-months for any extension period. Contract extensions shall be awarded at the same or comparable rates as the Primary Contract; and
   c. A Supplemental Contract must be executed prior to expiration of the Primary Contract; and
   d. The CONTRACTOR must obtain HPHA approval in writing and a notice to proceed with the extension; and
   e. The STATE has determined that the CONTRACTOR has satisfactorily provided services over the current Contract term and
   f. The STATE may be required to obtain HUD approval in writing of the extension prior to execution of a Supplemental Contract.

Attachment – S4

STATE OF HAWAII

CERTIFICATE OF EXEMPTION FROM CIVIL SERVICE

1. By Heads of Departments Delegated by the Director of the Department of Human Resources Development ("DHRD").*

Pursuant to a delegation of the authority by the Director of DHRD, I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to § 76-16, Hawaii Revised Statutes (HRS).

(Signature) (Date)

Denise M. Wise
(Print Name)

Executive Director
(Print Title)

* This part of the form may be used by all department heads and the heads of attached agencies to whom the Director of DHRD expressly has delegated authority to certify § 76-16, HRS, civil service exemptions. The specific paragraph(s) of § 76-16, HRS, upon which an exemption is based should be noted in the contract file. If an exemption is based on § 76-16(b)(15), the contract must meet the following conditions:

(1) It involves the delivery of completed work or product by or during a specific time;
(2) There is no employee-employer relationship; and
(3) The authorized funding for the service is from other than the "A" or personal services cost element.

NOTE: Not all attached agencies have received a delegation under § 76-16(b)(15). If in doubt, attached agencies should check with the Director of DHRD prior to certifying an exemption under § 76-16(b)(15). Authority to certify exemptions under §§76-16(b)(2), and 76-16(b)(12), HRS, has not been delegated; only the Director of DHRD may certify §§ 76-16(b)(2), and 76-16(b)(12) exemptions.

2. By the Director of DHRD, State of Hawaii.

I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, HRS.

(Signature) (Date)

(Print Name)

(Print Title, if designee of the Director of DHRD)

STATE OF HAWAII

SPECIAL CONDITIONS

Contractor: _____

Complex: **Palolo Valley Homes,** 2107 Ahe Street, Honolulu, HI 96816

1. The CONTRACTOR shall maintain insurance acceptable to the STATE in full force and effect throughout the term of this Contract. The policies of insurance maintained by the CONTRACTOR shall provide the following coverages:

Coverage	Limit
General Liability Insurance (occurrence form)	$2,000,000.00 combined single limit per occurrence for bodily injury and property damage.
Automobile Insurance covering all owned, non-owned and hired automobiles.	Bodily injury liability limits of $1,000,000.00 each person and $1,000,000.00 per accident and property damage liability limits of $1,000,000.00 per accident OR $2,000,000.00 combined single limit.
Workers' Compensation as required by laws of the State of Hawaii.	Insurance to include Employer's Liability. Both such coverages shall apply to all employees of the CONTRACTOR and to all employees of sub-contractors in case any sub-contractor fails to provide adequate similar protection for all his employees.

a. The State of Hawaii, the Hawaii Public Housing Authority (HPHA), its elected and appointed officials, and employees shall be designated as additional insured with respect to operations performed under this Contract. The CONTRACTOR agrees to provide the STATE before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the STATE that the CONTRACTOR is in compliance with the insurance provisions of this Contract and to keep such insurance in effect and the certificate(s) therefore on deposit with the STATE during the entire term of this Contract. The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire term of the Contract, including Supplemental Contracts. Upon request by the STATE, the CONTRACTOR shall furnish a copy of the policy or policies.

b. Failure of the CONTRACTOR to provide and keep in force such insurance shall be regarded as material default under this Contract and shall entitle the STATE to exercise any or all of the remedies provided in this Contract for default of the CONTRACTOR.

c. The procuring of such required policy or policies of insurance shall not be construed to limit the CONTRACTOR's liability hereunder or to fulfill the indemnification provisions and requirements of this Contract. Notwithstanding said policy or policies of insurance,

the CONTRACTOR shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this Contract.

d. The CONTRACTOR shall notify the STATE in writing of any cancellation or change in provisions thirty calendar days prior to the effective date of such cancellation or change.

e. The STATE is a self insured State agency. The CONTRACTOR's insurance shall be primary. Any insurance maintained by the State of Hawaii shall apply in excess of, and shall not contribute with, insurance provided by the CONTRACTOR.

2. The CONTRACTOR shall obtain and maintain, during the entire duration of this Contract, a fidelity bond at a minimum of $500,000.00, or the minimum amount required by the applicable program, such bond shall cover all officers, employees, and agents of the CONTRACTOR. The bond shall protect the CONTRACTOR against loss by reason of, including but not limited to, fraud, dishonesty, forgery, theft, larceny, embezzlement, wrongful abstraction or misappropriation or any other dishonest criminal or fraudulent act, wherever committed and whether committed directly or with others. The CONTRACTOR shall furnish at no cost or expense to the STATE a certificate of such coverage within thirty days from the award of the Contract.

3. The work to be performed under this Contract is subject to the requirement of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

4. The STATE shall monitor the performance of work an ongoing basis through desk monitoring, site inspection and/or other appropriate methods.

5. Should the CONTRACTOR fail to comply with the requirements of the Contract, the STATE reserves the right to engage the services of another company to perform the services, to remedy the defect or failure and to deduct such costs from monies due to the CONTRACTOR or to directly assess the CONTRACTOR.

6. In the event the CONTRACTOR fails, refuses, or neglects to perform the services in accordance with the Contract, the STATE reserves the right to purchase in the open market, a corresponding quantity of services, and to deduct the cost of procuring such services from the CONTRACTOR this cost and from any monies due or that may thereafter become due the CONTRACTOR. In case money due to the CONTRACTOR is insufficient for the purpose, the CONTRACTOR shall pay the difference upon demand by the STATE. The STATE may also utilize all other remedies provided under the Contract and by law and rules.

STATE OF HAWAII

SPECIAL CONDITIONS

7. The CONTRACTOR shall employ a principle broker on staff and shall provide proof of said employment. This Contract is contingent upon the CONTRACTOR's satisfaction of this provision.

8. In the there is a conflict between the general conditions from HUD 5370-C (05/2006) and general conditions AG-008 (5/15/2009) both of which are attached hereto, the more restrictive of the two shall apply.