



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
between Hawaii Public Housing Authority
State of Hawaii ("STATE"), by its Executive Director
(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
under the laws of the State of
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 is authorized to enter into this Contract.
F. Money is available to fund this Contract pursuant to:
(1) Identify state sources
or (2) Identify federal sources
or both, in the following amounts: State \$
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 FMO-2017-18 ("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- _____).

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- _____) 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)
Hakim Ouansafi

(Print Name)
Executive Director

(Print Title)

(Date)

CONTRACTOR

(Name of Contractor)

(Signature)

(Print Name)

(Print Title)

(Date)

CORPORATE SEAL
(If available)

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 _____

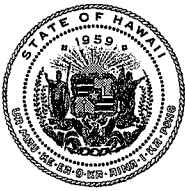
(Signature)

Print Name _____

Print Title _____

Name of Contractor _____

Date _____



STATE OF HAWAII
SCOPE OF SERVICES

Contractor:

Property: Kuhio Park Terrace, 1545 Kalakaua Ave., Honolulu, HI 96826
(AMP 52)

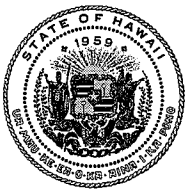
Services: Financial Review Services
IFB No. FMO-2017-18

1. It is understood and agreed that the following documents, and any amendments or addenda shall comprise the Contract between the parties and the work to be performed by the CONTRACTOR to furnish financial review services: (1) CONTRACTOR's accepted proposal dated June xx, 2017; (2) Requests for Proposals No. FMO 2017-18 and all addenda; (3) State General Conditions (AG-008 103D General Conditions); and (4) this Contract, Attachments S1, S2, S3, S4 and S5. These documents are collectively referred to as the "Contract Documents".

2. Financial Review

The CONTRACTOR shall:

- a. Conduct a compliance review of the ROA between The Michaels Development Group and the HPHA.
- b. Conduct a review of the financial statements of AMP 52 – Kuhio Park Terrace in accordance with *Government Auditing Standards*, and shall include sufficient testing of the financial data to provide the CONTRACTOR with a basis to report on the fairness of the financial statements, on the propriety of the expenditures and on the accuracy of the accounting of all revenues and other receipts, to which AMP 52 is entitled to have collected and accounted for in accordance with the laws, rules, and regulations, policies, and procedures of the State of Hawaii, and if applicable, the federal government. The financial review shall be for the: 1) federal low income public housing program; 2) section 8 project-based voucher program; 3) low income tax credit program covering the periods as follows:
 - i. July 1, 2011 to December 31, 2011;
 - ii. Calendar year ending December 31, 2012;
 - iii. Calendar year ending December 31, 2013;
 - iv. Calendar year ending December 31, 2014;
 - v. Calendar year ending December 31, 2015; and
 - vi. Calendar year ending December 31, 2016
- c. In connection with the financial review, the Successful Offeror will consider the internal controls over financial reporting as a basis for designing the CONTRACTOR's financial review procedures over accounting of revenues, expenditures, assets and liabilities. The CONTRACTOR shall report and make appropriate recommendations for improvements for any significant deficiencies and material weaknesses identified in AMP 52's financial accounting systems



STATE OF HAWAII
SCOPE OF SERVICES

and procedures.

- d. Ascertain and report on the adequacy of internal controls over compliance in providing assurance that federal programs are being managed in compliance with the applicable federal laws and regulations.

A. Financial Review Standards

To meet the requirements of these specifications, the financial review shall be performed in accordance with generally accepted auditing standards as prescribed by the American Institute of Certified Public Accountants (AICPA), and with those standards and procedures set forth in the AICPA Audit and Accounting Guide entitled *State and Local Governments*.

The CONTRACTOR shall also conduct the financial review in accordance with the standards set forth in the U.S. Government Accountability Office's *Government Auditing Standards*, and the provisions of the Office of Management and Budget's *Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations*, and OMB's *Circular A-133 Compliance Supplement*.

B. Financial Review Activities

1. In determining whether AMP 52's financial statements are free of material misstatement and financial transactions are in compliance with applicable laws, rules, regulations, administrative directives, policies and procedures, the CONTRACTOR shall, at a minimum, become sufficiently knowledgeable with the applicable sections of the following reference documents:
 - a. Constitution of the State of Hawaii.
 - b. Hawaii Revised Statutes.
2. For single and federal compliance reports:
 - a. Federal laws relating to each major federal program of AMP 52.
 - b. Applicable titles of the Code of Federal Regulations promulgated to implement the provisions of the above federal laws.
 - c. Federal circulars, including:
 - i. Office of Management and Budget Circular A-87.
 - ii. Office of Management and Budget Circular A-102 and Common Rule for Uniform Administrative requirements for Grants and Cooperative Agreements with State and Local Governments.



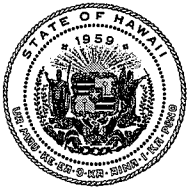
STATE OF HAWAII

SCOPE OF SERVICES

- iii. Office of Management and Budget Circular A-133.
 - iv. Office of Management and Budget 2CFR Chapter 1, and Chapter II, Parts 200, 215, 220, 225, and 230 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, when applicable.
3. Compliance Workpapers. The CONTRACTOR shall, at any time during and subsequent to the completion of the financial review, submit to the HPHA the following workpapers developed during the financial review, including but not limited to the following:
- a. Engagement letter;
 - b. Entrance conference agenda;
 - c. Pre-planning communication letter;
 - d. Financial Review planning memo;
 - e. Materiality schedule;
 - f. Risk assessment;
 - g. Fraud inquiry;
 - h. Federal major program determination work paper, if applicable;
 - i. Post-engagement communication letter;
 - j. Management representation letter; and
 - k. Exit conference agenda, if held.

The workpapers shall not be disclosed to others except by mutual consent of the HPHA and the CONTRACTOR, or as otherwise provided in the Engagement Letter or Special Conditions, or as required by law or legal process. The workpapers shall be retained for a minimum of five (5) years from the date of the financial review report, unless the CONTRACTOR is notified in writing by the HPHA to extend the retention period.

4. Discovery of Unusual Condition. If at any time during the financial review, the CONTRACTOR discovers a material weakness or significant deficiency in internal control, or a financial transaction that, in the professional judgment of the CONTRACTOR, is highly unusual or of such a nature as to require immediate correction or of such a character that to complete the financial review a significant amount of time or resources beyond that initially contemplated by the parties to the Contract would be required, the CONTRACTOR shall immediately notify the HPHA of its finding in writing. If the deficiency or transaction is of such a character requiring the expenditure of a significant amount of time or resources, the CONTRACTOR shall include in the notification an estimate of the additional time and cost that would be required and shall proceed to complete the financial review provided the additional scope of work to be performed and the additional compensation to be paid amending this Contract is reduced in writing and signed by both



STATE OF HAWAII

SCOPE OF SERVICES

parties.

5. Progress Reports. The CONTRACTOR shall submit in writing semi-monthly progress reports to the HPHA commencing with fieldwork and continuing through issuance of the final report. Progress reports shall include detailed descriptions in the following areas:

- i. Project Phase,
- ii. Tasks Accomplished,
- iii. Problems/Issues,
- iv. Remaining Tasks,
- v. Preliminary Findings, and
- vi. Adherence to Schedule.

C. Financial Review Reports

1. Preliminary Draft of the Financial Review Reports and Management Letters.

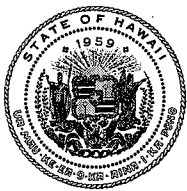
The CONTRACTOR shall prepare and submit to the HPHA a preliminary draft of the financial review reports of the financial statements and management letter as provided in the Contract. Preliminary drafts shall be submitted to the HPHA for review, comment and discussion. The CONTRACTOR shall make the changes which are necessary to clarify or correct the findings and statements made in the preliminary drafts. Upon request, the CONTRACTOR shall meet with the HPHA to discuss the preliminary drafts.

2. Final Financial Review Reports and Management Letter.

The CONTRACTOR shall deliver copies of the final financial reports on the financial statements and management letter to the HPHA as provided in the Contract. The CONTRACTOR shall be considered to have completed all of the work required under this Contract only upon delivery to and final acceptance by the HPHA of the final reports and management letter.

3. Form and Content of Management Letter. The Management Letter, if applicable, shall be addressed to the HPHA and shall disclose findings and recommendations and disposition of prior comments.

4. Data Collection Form. The CONTRACTOR and the HPHA shall prepare, certify and file a data collection.



STATE OF HAWAII
SCOPE OF SERVICES

5. **Completion Date.** Preliminary draft and final reports shall be submitted by the CONTRACTOR to the HPHA based on the following target dates:

Preliminary Draft	7/1/2011 – 12/31/2011	CY2012	CY2013
Financial Review Reports on Financial Statements	October 1, 2017	October 1, 2017	October 1, 2017
Management Letter, if applicable	October 1, 2017	October 1, 2017	October 1, 2017

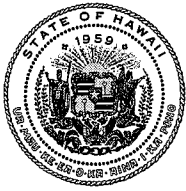
Preliminary Draft	CY2014	CY2015	CY2016
Financial Review Reports on Financial Statements	October 1, 2017	October 1, 2017	October 1, 2017
Management Letter, if applicable	October 1, 2017	October 1, 2017	October 1, 2017

Final Reports	7/1/2011 – 12/31/2011	CY2012	CY2013
Financial Review Reports on Financial Statements	November 1, 2017	November 1, 2017	November 1, 2017
Management Letter, if applicable	November 1, 2017	November 1, 2017	November 1, 2017

Final Reports	CY2014	CY2015	CY2016
Financial Review Reports on Financial Statements	November 1, 2017	November 1, 2017	November 1, 2017
Management Letter, if applicable	November 1, 2017	November 1, 2017	November 1, 2017

6. **Delivery of final reports.** The final reports shall be submitted by the CONTRACTOR to the HPHA in the following form and number:

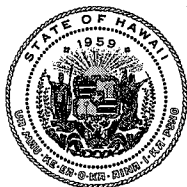
Report	Number/Form
Financial Review Reports on	. 4 bound



STATE OF HAWAII
SCOPE OF SERVICES

Financial Statements, and Compliance Review Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on a Review of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	<ul style="list-style-type: none">• 1 unbound• 1 electronic PDF version
Management Letter, if applicable	<ul style="list-style-type: none">• 4 bound• 1 unbound• 1 electronic PDF version

2. In a satisfactory and proper manner as determined by the STATE, and in strict accordance with the terms and conditions of the Contract Documents, the CONTRACTOR shall furnish financial review services for Asset Management Project 52 – Kuhio Park Terrace located on Oahu.
3. The STATE shall provide a suitable location with adequate space and utilities to include gas, electric and water at no additional cost to the CONTRACTOR.
4. The CONTRACTOR shall furnish, install and maintain at its own expense, new washing machines and new dryers (hereafter collectively “appliances”) in such numbers as agreed upon in this Contract. The STATE shall determine at any time during this Contract that any of said appliances are surplus to its requirements. Such surplus appliances shall be promptly removed by the CONTRACTOR’s sole expense.



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

Contractor:

Property: Kuhio Park Terrace, 1475 Linapuni St., Honolulu, HI 96819
(AMP 52)

Services: Financial Review Services
IFB No. FMO-2017-18

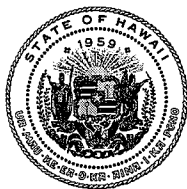
1. The STATE agrees, subject to the availability and receipt of funds to pay the CONTRACTOR, for services satisfactorily performed under this Contract, a sum of money not to exceed _____ and xx/100 Dollars (\$_____).
2. The CONTRACTOR shall be reimbursed on a cost reimbursement pricing structure as set forth in the attached Price Proposal dated May xx, 2017, attached hereto as Exhibit A and incorporated by reference.

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 original for services rendered to:

Hawaii Public Housing Authority
Fiscal Management Office
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 aging date of the invoice shall be the latter of the two: 1) date of invoice or 2) postmark of original invoice received via United States Postal Service or other method of delivery.
- 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. 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 HPHA 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.



STATE OF HAWAII
TIME OF PERFORMANCE

Contractor:

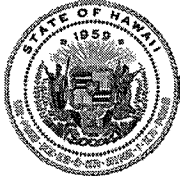
Property: Kuhio Park Terrace, 1475 Linapuni St., Honolulu, HI 96819
(AMP 52)

Services: Financial Review Services
IFB No. FMO-2017-18

1. The term of this Contract for furnishing financial review services for Asset Management Project 52 (AMP 52) – Kuhio Park Terrace on Oahu shall be for a 3-month period upon issuance of the Notice to Proceed.
2. No services shall be performed on this Contract prior to the issuance of the Notice to Proceed.
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 re-procuring, at the same rates as accepted in the original or amended proposal, unless price adjustments are made and approved as provided in the Request for Proposals (RFP) No. PMB-2017-18 or this Contract:

Initial term of Contract:	3 months
Length of each extension:	Up to 3 months
Maximum length of Contract:	6 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 extend services of up to 55 months with no extension to exceed a 12-month period. The Contract extension(s) shall be awarded at the same or comparable rates as the Primary Contract. Exceptions shall be granted upon satisfactory justification such as increase in cost of services or cost of living increase as provided herein; and
 - c. A Supplemental Contract must be executed prior to expiration of the primary Contract; and
 - d. The CONTRACTOR must obtain written approval and a Notice to Proceed by the STATE with the extension; and
 - e. The STATE has determined that the CONTRACTOR has satisfactorily provided services over the current contract term.
 - f. Necessary State and/or Federal funds are appropriated and allotted for an extension.



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)

Hakim Ouansafi

(Print Name)

Executive Director

(Print Title)

(Date)

* 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.

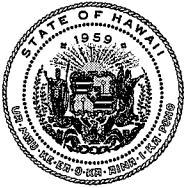
I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, HRS.

(Signature)

(Date)

(Print Name)

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



STATE OF HAWAII
SPECIAL CONDITIONS

Contractor:

Property: Kuhio Park Terrace, 1475 Linapuni St., Honolulu, HI 96819
(AMP 52)

Services: Financial Review Services
IFB No. FMO-2017-18

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 coverage.

<u>Coverage</u>	<u>Limit</u>
General Liability Insurance (occurrence form)	<u>\$2,000,000.00</u> 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 <u>\$1,000,000.00</u> each person and <u>\$1,000,000.00</u> per accident and property damage liability limits of <u>\$1,000,000.00</u> per accident OR combined single limit of <u>\$2,000,000.00</u> .
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 its employees).

- a. The State of Hawaii, the Hawaii Public Housing Authority, its elected and appointed officials, officers and employees shall be named as additional insured, except for Professional Liability Insurance and Workers Compensation Insurance, as respects to operations performed for the State of Hawaii 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 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. 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 a material default under this Contract. The STATE shall be entitled to exercise any or all of the remedies provided in this Contract and by law for default by 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



STATE OF HAWAII
SPECIAL CONDITIONS

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 HPHA in writing of any cancellation or change in provisions 30 calendar days prior to the effective date of such cancellation or change.
 - e. The HPHA 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.
 - f. To satisfy the minimum coverage limits required by this Contract, the CONTRACTOR may use an umbrella policy in addition to the mandatory insurance policies (i.e., General Liability Insurance, Automobile Insurance, and Workers' Compensation) provided that the HPHA approves, and the umbrella policy follows the underlying coverage forms.
2. The CONTRACTOR shall have a permanent office in the State of Hawaii from where it conducts business and where it will be accessible to telephone calls for complaints or requests that need immediate attention. An answering service is not acceptable.
 3. The STATE shall monitor the performance of work on an ongoing basis through desk monitoring, site inspection and/or other appropriate methods.
 4. Smoking of tobacco or any other plant material is strictly prohibited on HPHA properties. The CONTRACTOR agrees and shall adhere to this no-smoking prohibition while on HPHA property. Such violation may be considered a breach of this Contract and result in suspension or termination.
 5. In the event the CONTRACTOR fails, refuses, or neglects to perform the services in accordance with the requirements of the Requests for Proposals (RFP) No. FMO-2017-18 or the Contract, the STATE reserves the right to purchase in the open market a corresponding quantity of services, and to deduct the cost of such services from any monies due or may 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, by law and rules.