

1 **ARTICLE II - STANDARD PROVISIONS FOR COMPETITIVE**
2 **SEALED BIDS AND AWARDS**

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4 **2.1 Purpose.** The provisions in this Article are standard provisions that are
5 deemed incorporated by reference into all invitations for competitive sealed bids.
6 If language in any invitation for competitive sealed bids varies from these
7 standard provisions, the language in the invitation shall control. These standard
8 provisions are intended to conform with all laws and regulations governing the
9 competitive sealed bid process. In the event of any variance between these
10 standard provisions and the procurement laws and the procurement regulations,
11 the laws and regulations shall control.

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13 **2.2 Contractor’s License.** Attention is directed to the provisions of Chapter
14 444, H.R.S., and related regulations in Title 16, Chapter 77, H.A.R., regarding the
15 licensing of contractors in the State. Holders of the General Engineering “A” and
16 General Building “B” licenses are deemed to hold the additional specialty
17 licenses specified therein.

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19 If a specialty contractor’s license is required by law for the performance of
20 the work which is called for in this bid and the bidder does not hold such a
21 required license, the bidder must list in the proposal the name of each joint
22 contractor and subcontractor that the bidder intends to engage to perform work
23 on the project that holds such required license. Each such required license must
24 be held by the named joint contractor or subcontractor at the time of bid opening
25 as stated in the invitation. For federal–aid projects, the bidder and all named
26 joint contractors and subcontractors must hold each such required license prior
27 to the award of contract. The bidder shall also describe, in the proposal, the
28 nature and scope of work to be performed by each such licensee.

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30 Construction bids that do not comply with this requirement are non-
31 responsive and shall be rejected. However, upon petition of a rejected bidder
32 and submission of any evidence requested by the Department, such a bid may

33 be accepted if acceptance is in the best interest of the State, as determined by
34 the Department, and the value of the work to be performed by the unnamed
35 specialty licensee is equal to or less than one percent of the total bid amount.

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37 **2.3 Qualification of Bidders.** In accordance with Section 103D-310,
38 H.R.S., the Department may require any bidder or prospective bidder (hereinafter
39 collectively referred to in this section as “bidder”) to submit answers to questions
40 contained in a qualification questionnaire for prospective bidders, on a form
41 furnished by the Department, properly executed and notarized, setting forth a
42 complete statement of the experience of such prospective bidder and its
43 organization in performing similar work and a statement of the equipment
44 proposed to be used, together with adequate proof of the availability of such
45 equipment. Whenever it appears to the Department, from answers to the
46 questionnaire or otherwise, that the bidder is not fully qualified and able to
47 perform the intended work, the Department will, after affording the bidder an
48 opportunity to be heard and if still of the opinion that the bidder is not fully
49 qualified to perform the work, make a written determination of non-responsibility
50 and refuse to consider any bid offered by the bidder. All information contained in
51 the answers to the questionnaire shall be kept confidential except disclosure may
52 be made to law enforcement agencies as provided in Chapter 92F, H.R.S.

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54 Failure to complete the qualification questionnaire will be sufficient cause
55 for the Department to disqualify a prospective bidder.

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57 The Department, in its sole discretion, may declare a bidder to be non-
58 responsible if (1) the bidder; (2) a corporation or other business entity owned
59 substantially by the bidder; (3) a substantial stockholder or an officer of the
60 bidder; or (4) a partner or substantial investor of the bidder is in arrears in
61 payments owed to the State of Hawaii or its political subdivisions, is in default as
62 a surety, or has failed or is failing to properly perform existing or previous
63 contracts with the State.

64

65 **2.4 Contents of Invitations for Bids.** The Department will make available
66 to prospective bidders an invitation for bids, which will state the location and
67 description of the contemplated work, an estimate of the various quantities and
68 items of work to be performed or materials to be furnished, and a proposal
69 schedule of items for which bid prices are required. The invitation for bids will
70 also state the time within which the work must be completed; the date, time, and
71 place of the bid opening; and the maximum time from bid opening in which the
72 Department may make the award.

73

74 The plans, specifications, and other documents designated or
75 incorporated by reference in the invitation for bids are also a part thereof,
76 whether attached or not.

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78 **2.5 Estimated Quantities.** All quantities appearing in the proposal
79 schedule, for which unit prices must be entered by the bidder, are estimates.
80 The State does not expressly or impliedly warrant that the actual amount of work
81 will correspond with the estimated quantities. Payment to the Contractor will be
82 made only for the actual quantities of work performed and accepted or materials
83 furnished in accordance with the contract, and no change will be made in the
84 contract unit prices if overruns and underruns occur except as provided for in the
85 General Provisions for Construction Projects.

86

87 **2.6 Examination of Plans, Specifications, and Site of Work; Patent**
88 **Ambiguities; Requests for Clarification.**

89

90 (a) A bidder has an obligation to carefully review the plans, specs, and
91 other contract documents. If a bidder discovers a patent ambiguity, i.e.,
92 any discrepancy, omission, conflict, or other obvious error or ambiguity in
93 the contract documents that affects its ability to prepare a complete and
94 accurate bid, it must submit a written request for clarification as described
95 in the subsection below.

96

97 **(b)** The Department shall make the site of work available for inspection
98 by prospective bidders. However, the Department may limit the site
99 inspection to a one time only opportunity either in connection with a pre-
100 bid meeting and invitation for bids or at a time scheduled by the
101 Department. The submission of a bid is a warranty that the bidder is fully
102 aware of all conditions to be encountered in performing the work and of
103 the requirements in the invitation for bids.

104

105 The bidder shall have the sole responsibility of satisfying himself
106 concerning the nature and location of work and the general and local
107 conditions and particularly, but without limitation, with respect to the
108 following: those affecting transportation access; disposal, handling, and
109 storage of materials; availability and quality of labor, water, and electric
110 power; availability and condition of roads; climatic conditions and seasons;
111 physical conditions at the worksites and the project area as a whole;
112 topography and ground surface conditions; the nature and quantity of
113 surface and subsurface materials to be encountered as described in or
114 may reasonably be inferred from information contained in the invitation for
115 bids; equipment and facilities needed preliminary to and during
116 performance of the contract; and all other matters which can in any way
117 affect performance of the contract or the time and/or the cost associated
118 with such performance. The failure of the Contractor to acquaint himself
119 with any applicable condition will not relieve it from the responsibility for
120 properly estimating either the difficulties, the time, or the costs of
121 successfully performing the contract. If, as a result of its review and
122 consideration of the foregoing, the bidder discovers a patent ambiguity,
123 i.e., any discrepancy, omission, conflict or other obvious error or ambiguity
124 that affects its ability to prepare a complete and accurate bid, it must
125 submit a written request for clarification as described in the subsection
126 below.

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128 (c) A written request for clarification shall be submitted to the
129 Department for review at the earliest date possible; but, in any event, such
130 request must be received at the Project Manager's Office designated in
131 the invitation for bids not later than fourteen (14) calendar days before the
132 bid opening date, not including the bid opening date. It shall be titled
133 "Request for Clarification". All bidders on the Department's plan holders
134 list will be notified of all Departmental responses by an addendum to the
135 invitation for bids.

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137 If a patent ambiguity is not brought to the attention of the
138 Department within the timeframe specified herein, the Department
139 reserves the right to deny the successful bidder any adjustment in contract
140 price or time in order to meet contract requirements as determined by the
141 Department.

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143 **2.7 Request for Substitution of Specified Materials and Equipment**

144 **Before Bid Opening.** When the invitation for bids specify materials or
145 equipment by make and or model to indicate a quality, style, appearance, or
146 performance, the bidder will be assumed to have based its bid on one of the
147 specified products. Where a bidder intends to use a material or equipment of an
148 unspecified brand, make, or model, the bidder must submit a request to the
149 Department for review and approval at the earliest date possible; but, in any
150 event, such request must be received at the Project Manager's Office designated
151 in the invitation for bids not later than fourteen (14) calendar days before the bid
152 opening date, not including the bid opening date.

153

154 It shall be the responsibility of the bidder to submit, in quintuplicate,
155 sufficient evidence based upon which a determination can be made by the
156 Department that the alternate brand is a qualified equivalent. The bidder must
157 list in its submission all deviations and variances from the requirements of the
158 contract documents. The Department reserves the right to reject an approved
159 substitution during construction if it discovers unlisted deviations or variances

160 that result in noncompliance with the contract requirements. In the event of such
161 rejection, the bidder will not be entitled to any adjustment in contract price or time
162 in order to meet contract requirements.

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164 If the evidence accompanying a request for substitution is insufficient to
165 qualify a particular brand, make, or model, the request shall be denied. All
166 bidders on the Department's plan holders list will be notified of all approved
167 substitution requests by an addendum to the invitation for bids.

168

169 **2.8 Preparation and Delivery of Bid.** The bidder shall submit the bid upon
170 the forms furnished by the Department or a facsimile thereof. The bidder shall
171 specify prices in numerals for each pay item as required on the proposal
172 schedule. The bidder shall also show in numerals the products of any unit prices
173 and their estimated quantities in the column provided for that purpose. The
174 bidder shall enter the total amount of the bid obtained by adding the amounts of
175 all pay items. All numerals shall be in ink or typed.

176

177 When an item in the bid contains a choice to be made by the bidder, the
178 bidder shall indicate its choice in accordance with the invitation for bids for that
179 particular item.

180

181 The bid must be signed with ink by the person or persons legally
182 authorized to submit a bid on behalf of the bidder.

183

184 When a bid is signed by an agent, proof of the authority to sign the bid for
185 the bidder must be on file with the State prior to the opening of bids or shall be
186 submitted with the bid; otherwise, the bid will be rejected as irregular and
187 unauthorized.

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189 The bidder shall submit the bid in a sealed envelope bearing on the
190 outside the identity of the project and the name of the bidder. A bid not received
191 at the place specified in the invitation for bids prior to the time set for the opening

192 of bids will be rejected and returned unopened.

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194 **2.9 Irregular Bids.** Bids will be considered irregular and may be rejected
195 for any of the following reasons:

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197 (1) If the bid is in a form other than that furnished by the
198 Department or if the form is altered or any part thereof is missing.

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200 (2) If there are additions or irregularities of any kind which make
201 the bid incomplete, indefinite, or ambiguous as to its meaning.

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203 (3) If the bid does not contain a bid price for each pay item
204 listed.

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206 (4) Unbalanced proposals in which the prices for some items
207 are out of proportion to the prices for other items.

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209 **2.10 Disqualification of Bidders.** Any of the following reasons shall result in
210 the disqualification of a bidder and the rejection of its bid(s).

211

212 (1) More than one bid for the same work from an individual, firm,
213 or corporation under the same or different name.

214

215 (2) Evidence of collusion among bidders.

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217 (3) Evidence of assistance from a person who has been an
218 employee of the Department within the preceding two years and
219 who participated while in State office or employment in the matter
220 with which the contract is directly concerned, pursuant to Section
221 84-15, H.R.S.

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223 (4) Lack of bid security.

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(5) Unsigned bid that is not correctable or waivable.

(6) Any provisions added reserving the right to accept or reject an award or to enter into a contract pursuant to an award.

2.11 Bid Security.

(a) Unless directed otherwise in the invitation for bids, each bid shall be accompanied by bid security which is intended to protect the Department against the failure or refusal of a bidder to execute the contract for the work bid or to supply the required performance and payment bonds. Bid security shall be in an amount equal to at least five percent of the base bid and additive alternates.

Bid security shall be in one of the following forms:

(1) A deposit of legal tender;

(2) A valid surety bid bond, underwritten by a company licensed to issue bonds in the State of Hawaii; or

(3) A 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 a bank, savings institution, or credit union insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) and payable at sight or unconditionally assigned to the Department. These instruments may be utilized only to a maximum of one hundred thousand dollars (\$100,000.00). If the required amount totals over one hundred thousand dollars (\$100,000.00), more than one instrument not exceeding one hundred thousand dollars

256 (\$100,000.00) each and issued by different financial institutions
257 shall be accepted.

258

259 **(b)** If a bidder fails to accompany its bid with the bid security, the bid
260 shall be deemed nonresponsive, unless the failure to comply is
261 determined by the Department to be nonsubstantial where:

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263 **(1)** Only one bid is received, and there is not sufficient time to
264 resolicit the contract;

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266 **(2)** The amount of the bid security submitted, though less than
267 the amount required by the solicitation, is equal to or greater than
268 the difference in the price stated in the next higher acceptable bid
269 plus an amount to cover reasonable administrative costs and
270 expenses, including the cost of rebidding the project, resulting from
271 the failure of the bonded bidder to enter into a contract for the work
272 bid; or

273

274 **(3)** The bid security becomes inadequate as a result of the
275 correction of a mistake in the bid or bid modification, if the bidder
276 increases the amount of security to required limits within the time
277 established by the Department.

278

279 **(c)** The Department will be damaged in the event of the failure or
280 refusal of a bidder to execute the contract for the work bid or to supply the
281 required performance and payment bonds. Such damages will be equal
282 to the difference between the defaulting bidder's bid and the price stated
283 in the next higher acceptable bid, plus an amount to cover reasonable
284 administrative and legal costs and expenses, including the cost of
285 rebidding the project. If the amount of bid security is greater than the
286 Department's damages, only an amount equal to the damages shall be
287 recovered from the bid security. If the amount of bid security is insufficient

288 to cover the Department's damages, the Department shall have the right
289 to recover the balance of the damages from the defaulting bidder.

290

291 **2.12 Pre-Opening Modification or Withdrawal of Bids.** Bids may be
292 modified or withdrawn prior to the due date and time established for bid opening
293 by the following documents:

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295 **(a) Modification of bids.**

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297 **(1)** A written notice accompanying the actual modified bid
298 proposal, in its entirety, conforming to all the requirements of an
299 original bid proposal, delivered and received in the same manner
300 as the original bid proposal designated in the invitation for bids, and
301 stating that a modification to the bid is submitted; or

302

303 **(2)** A facsimile or electronic notice accompanying the actual
304 modification submitted either by facsimile machine, electronic mail,
305 or an electronic procurement system, pursuant to Section 3-122-9,
306 H.A.R., to the office designated in the invitation for bids; provided if
307 other than through an electronic system, the bidder submits the
308 actual written notice and the modified bid proposal, in its entirety,
309 conforming to all the requirements of an original bid proposal,
310 delivered and received in the same manner as the original bid
311 proposal within two working days of receipt of the facsimile or the
312 electronic transmittal.

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314 **(b) Withdrawal of bids.**

315

316 **(1)** A written notice received in the office designated in the
317 invitation for bids; or

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319 **(2)** A notice by facsimile machine or other electronic method,

320 pursuant to Section 3-122-9, H.A.R., to the office designated in the
321 invitation for bids.

322

323 **2.13 Cancellation of Invitation for Bids Before Bid Opening.** An invitation
324 for bids may be cancelled prior to bid opening for reasons including, but not
325 limited to, the following:

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327 (1) The Department no longer requires the construction;

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329 (2) The Department no longer can reasonably expect to fund the
330 construction;

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332 (3) Proposed amendments to the invitation for bids would be of
333 a magnitude that a new invitation for bids is desirable; or

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335 (4) A determination by the Department that a cancellation is in
336 the public interest.

337

338 **2.14 Public Opening of Bids.** Bids will be opened and the name of the
339 bidder, the bid price, and such other information deemed necessary by the
340 Department shall be read aloud publicly in the presence of one or more
341 witnesses at the date, time, and place(s) indicated in the invitation for bids.
342 Bidders, their authorized agents, and other interested parties are invited to be
343 present.

344

345 **2.15 Acceptance of Bids; Correction of Mistakes.**

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347 (a) Bids shall be unconditionally accepted without alteration or
348 correction, except as allowed in Subsection 2.12(a) Modification of Bids.

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350 (b) A bid containing a mistake discovered after the deadline for receipt
351 of bids but prior to award may be:

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(1) Corrected or the mistake waived under the following conditions:

(A) If the mistake is attributable to an arithmetical error, the Department shall so correct the mistake with or without a request or concurrence by the affected bidder. In case of error in the extension of the bid price, the unit price shall govern;

(B) If the mistake is a minor informality which shall not affect price, quantity, quality, delivery, or contractual conditions, the Department may waive the informalities or allow the bidder to request correction by submitting documentation that demonstrates a mistake was made. Examples of mistakes include:

(i) Typographical errors;

(ii) Transposition errors;

(iii) Failure of a bidder to sign the bid or provide an original signature, but only if the unsigned bid or photocopy is accompanied by other material indicating the bidder's intent to be bound; or

(C) The Department may correct or waive the mistake if it is not allowable under subparagraphs (A) and (B) but is an obvious mistake that if allowed to be corrected or waived is in the best interest of the Department and is fair to other bidders.

384 **(2)** Withdrawn, if the mistake is attributable to an obvious error
385 that shall affect price, quantity, quality, delivery, or contractual
386 conditions, provided:

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388 **(A)** The bidder requests withdrawal by submitting
389 documentation that demonstrates a mistake was made; and

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391 **(B)** The Department prepares a written approval or denial
392 in response to this request.

393

394 **(c)** A mistake in a bid discovered after award of contract may be
395 corrected or withdrawn if the Department makes a written determination
396 that it would be unreasonable not to allow the mistake to be remedied or
397 withdrawn.

398

399 **(d)** Any determination required by this section shall be final and
400 conclusive unless clearly erroneous, arbitrary, capricious, or contrary to
401 law.

402

403 **2.16 Preferences.** Unless otherwise stated in the invitation for bids, all
404 preferences applicable to any invitation for bids shall be considered solely for the
405 comparison of bids to determine the low bidder. The contract amount will be at
406 the bid price exclusive of any preferences.

407

408 **2.17 Certification for Safety and Health Program for Bids in Excess of**
409 **\$100,000.** In accordance with Sections 103D-327 and 396-18, H.R.S., the
410 bidder or offeror, by signing and submitting a bid, certifies that a written safety
411 and health plan for this project will be available and implemented by the notice to
412 proceed date for this project. Details of the requirements of this plan may be
413 obtained from said Statute or the Department of Labor and Industrial Relations,
414 Occupational Safety and Health Division (HIOSH).

415

416 **2.18 Certification of Employment of State of Hawaii Residents.** The
417 bidder, by signing and submitting a bid, certifies that if awarded the contract, it
418 will ensure that State of Hawaii residents will compose not less than 80% of the
419 workforce employed by the bidder to perform the contract and all subcontracts of
420 \$50,000 or more as calculated by the method described in 7.2(a).

421

422 **2.19 Cancellation of Invitation for Bids After Bid Opening.** An invitation
423 for bids may be cancelled after bid opening but prior to award for reasons
424 including, but not limited to, the following:

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426 (1) The construction being procured is no longer required;

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428 (2) Ambiguous or otherwise inadequate specifications were part
429 of the invitation for bids;

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431 (3) The invitation for bids did not provide for consideration of all
432 factors of significance to the Department;

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434 (4) Prices exceed available funds and it would not be
435 appropriate to adjust project scope to come within available funds;

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437 (5) All otherwise acceptable offers received are at clearly
438 unreasonable prices;

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440 (6) There is reason to believe that the bids may not have been
441 independently arrived at in open competition, may have been
442 collusive, or may have been submitted in bad faith; or

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444 (7) A determination by the Department that a cancellation is in
445 the public interest.

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447 **2.20 Bid Evaluation and Award.**

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(a) The award shall be made to the lowest, responsive, responsible bidder within 60 days after bid opening and shall be based on the criteria set forth in the invitation for bids. The Department may request the bidders to allow the Department to consider the bids for the issuance of an award beyond the 60 day period. Agreement to such an extension must be made by a bidder in writing. Only bidders who have agreed to such an extension will be eligible for the award.

(b) No bid shall be withdrawn or corrected for a period of 60 days after bid opening except for a mistake as described in this article; however, a bidder may withdraw a bid without penalty anytime prior to award of the contract if it finds it is unable to comply with the provisions regarding the employment of State of Hawaii residents as described in Section 7.2 and 103B-3, H.R.S.

(c) As a condition for award, the apparent low bidder shall submit copies of the following documents as proof of compliance with the requirements with Section 103D-310(c), H.R.S.:

(1) A tax clearance certificate from the Department of Taxation and the Internal Revenue Service, subject to Section 103D-328, H.R.S., current within six months of issuance date;

(2) A certificate of compliance for Chapters 383, 386, 392, and 393, H.R.S., from the Department of Labor and Industrial Relations, current within six months of issuance date; and

(3) A certificate of good standing from the business registration division of the Department of Commerce and Consumer Affairs, current within six months of issuance date.

480 In lieu of the certificates referenced in subsection (c), the bidder
481 may make available proof of compliance through the Hawaii Compliance
482 Express or any other designated certification process. Bidders may apply
483 and register at the "Hawaii Compliance Express" website:
484 <https://vendors.ehawaii.gov/hce/splash/welcome.html>.

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486 The documents shall be submitted to the Department within 14
487 days after bid opening unless otherwise specified in the invitation for bids
488 or an extension is granted in writing by the Department.

489
490 If the required documents are not submitted on a timely basis, the
491 Department may disqualify the bidder.

492
493 **(d)** The successful bidder will be notified by letter mailed to the address
494 shown in its bid that is has been awarded the contract.

495
496 **2.21 Waiver to Competitive Sealed Bid.** If, for a given invitation for bids,
497 there is only one responsive, responsible bidder:

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499 **(1)** An award may be made to the single bidder, provided:

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501 **(A)** The Department determines in writing that the price
502 submitted is fair and reasonable, and that either:

503
504 **(i)** Other prospective bidders had reasonable
505 opportunity to respond; or

506
507 **(ii)** There is not adequate time for resolicitation; or

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509 **(B)** The bid exceeds available funds as certified by the
510 Department and the price is negotiated, pursuant to Section
511 103D-302(h), H.R.S.;

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(2) The bid may be rejected and new bids or offers may be solicited if the Conditions in paragraph (1) are not met;

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(3) The proposed procurement may be cancelled at the discretion of the Department; or

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(4) An alternative procurement method may be conducted to include, but not be limited to, direct negotiations with the sole bidder first and then with any contractor should negotiations with the sole bidder fail, provided the Department determines in writing that the need for the construction continues but that the price of the one bid is not fair and reasonable and either that:

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(A) There is no time for resolicitation, or

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(B) Resolicitation would likely be futile.

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2.22 Cancellation of Award. The State reserves the right to cancel the award of a contract at any time before the execution of said contract by all parties without any liability to the successful bidder or any other bidder.

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2.23 Return of Bid Security. All bid securities, except those of the lowest two bidders, will be returned immediately following the opening and checking of the proposals. The bid security of the second lowest bidder, if not a bid bond, will be returned within ten (10) calendar days following the execution of a contract. The successful bidder's bid security, if not a bid bond, will be returned after a satisfactory contract bond has been furnished and the contract has been executed.

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2.24 Requirements of Contract Bonds.

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544 **(a)** A contract performance bond indemnifies the State against loss
545 resulting from the failure of the contractor to perform a contract, including
546 the Contractor’s warranty obligations, in accordance with the plans,
547 specifications, and other contract documents.

548

549 **(b)** A contract payment bond guarantees payment and protection for
550 those furnishing labor and materials to the contractor or its subcontractors
551 for the work bonded.

552

553 **(c)** Prior to execution of the contract, the successful bidder shall file a
554 good and sufficient performance bond and payment bond on the forms
555 furnished by the Department, each in the amount equal to 100% of the
556 contract price plus the amount estimated by the Department required for
557 overruns in estimated quantities and change orders.

558

559 **(d)** Acceptable contract performance and payment bonds, pursuant to
560 Sections 103D-323 and 103D-324, H.R.S., shall be limited to:

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562 **(1)** Surety bond underwritten by a company licensed to issue
563 bonds in this State;

564

565 **(2)** Legal tender; or

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567 **(3)** A certificate of deposit; credit union share certificate; or
568 cashier’s, treasurer’s, teller’s, or official check drawn by or a
569 certified check accepted by a bank, a savings institution, or credit
570 union insured by the Federal Deposit Insurance Corporation or the
571 National Credit Union Administration, and payable at sight or
572 unconditionally assigned to the Department advertising for bids.
573 These instruments may be utilized only to a maximum of \$100,000.
574 If the required amount totals over \$100,000, more than one

575 instrument not exceeding \$100,000 each and issued by different
576 financial institutions shall be accepted.

577

578 (e) All documentation provided to the Department shall contain the
579 original signatures signed in ink.

580

581 **2.25 Execution of Contract.** The contract shall be executed by the
582 successful bidder and returned within ten (10) days after the award of the
583 contract or within such further time as the Department may allow after the bidder
584 has received the contract for execution, along with the required bonds and
585 Chapter 104, H.R.S., Compliance Certificate. The contract shall not bind the
586 State in any way unless said contract has been fully and properly executed by all
587 the parties thereto, the Comptroller has endorsed thereon its certificate that there
588 is available an unexpended appropriation over and above all outstanding
589 contracts, sufficient to cover the amount required by the contract, and the fully
590 executed contract is received by the Contractor. If the Contractor fails to execute
591 the contract and file acceptable bond(s) within ten (10) days after the award of
592 the contract, or within such further time as the Department may allow, the
593 Department may cancel the award and award the contract to the next lowest,
594 responsive and responsible bidder. The Department may recover its damages
595 against the bid security as described in Subsection 2.11(c) herein.

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END OF ARTICLE II