

BFED Committee

From: Lesley Milner <Lesley.J.Milner@co.maui.hi.us>
Sent: Tuesday, August 20, 2024 9:14 AM
To: BFED Committee
Cc: Caleb Rowe; James Jensen
Subject: BFED-99
Attachments: WC1326 Primary.PDF; WC1326 Winning Bid] (1)_Redacted.pdf

Aloha,
Please see the attached draft contract and bid documents related to this item. Mahalo!
-Lesley

Lesley Milner
Budget Director
County of Maui
200 S. High Street
Wailuku, HI 96793
808-270-8239

CONTRACT NO. WC1326

CONTRACT FOR PROFESSIONAL SERVICES

Department: Water Supply – Engineering
Project Title: Buyer Side Due Diligence Services
RFP No.: DWSP 2024-25
Certification Requested from County: \$250,000.00

This CONTRACT is made and entered into by and between the COUNTY OF MAUI, a political subdivision of the State of Hawaii, whose business address is 200 South High Street, Wailuku, Maui, Hawaii 96793, hereinafter referred to as the “County”, and HUAYRA, LLC, a California limited liability company whose mailing address is 4487 Le Conte Circle, Antioch, California 94531, hereinafter referred to as the “Contractor”. County and Contractor shall hereinafter be referred to collectively as the “Parties”.

Source of Funds. The source(s) and availability of the funds for this Contract shall be as set forth in the Contract Certification signed by the Director of Finance of the County of Maui on or before the effective date of this Contract. Contract Certification shall be on file in the office of the Director of Finance of the County of Maui.

R E C I T A L S:

WHEREAS, the County desires to retain and engage the Contractor to provide the goods or services, or both, as those terms are defined in Section 103D-104, Hawaii Revised Statutes (“HRS”), as described in this Contract and its attachments, and the Contractor desires to provide such goods or services, or both, for, and on behalf of, the County;

WHEREAS, this Contract is for professional services as defined in Section 103D-104, Hawaii Revised Statutes (“HRS”), and Section 3-122-1, Hawaii Administrative Rules (“HAR”); and

WHEREAS, pursuant to Section 46-1.5(4), HRS, the County is authorized to enter into this Contract.

NOW, THEREFORE, in consideration of the following mutual promises and agreements set forth, the Parties agree as follows:

1. Scope of Work. The Contractor shall, in a proper and satisfactory manner as determined by the County, provide all goods or services, or both, in accordance with County’s Request for Proposals identified above, and any attachments thereto, and Contractor’s Proposal dated June 1, 2024, and any attachments thereto (hereinafter, collectively, “Contract Documents”). Contract Documents are on file in the office of the Director of Finance of the County of Maui, and are incorporated herein by reference and hereby made a part of this Contract.

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2. Time of Performance. The Contractor shall commence performance under this Contract upon issuance of the Notice to Proceed, and shall continue performance for a period of 180 calendar days therefrom, unless sooner completed, terminated, or extended in compliance with the terms of this Contract. Where the contract work is structured into phases or discrete work items, if the commencement of a phase or work item is triggered not by the completion of the prior phase or work item, but by some other event not under the control of the Contractor, the time between the completion of one phase or work item and the commencement of the next shall not count towards the time of performance within which the Contractor agreed to complete its performance under the Contract. The Contractor agrees to cooperate and coordinate with the County to accurately compute and document the time of performance.

3. Compensation and Payment Schedule. The Contractor shall be compensated for services rendered and costs incurred under this Contract for a total amount not to exceed the amount of certification requested as set forth above, subject to appropriation, and inclusive of all taxes. County will pay Contractor in accordance with the fee schedule set forth in the Contract Documents. Payments shall be made monthly in arrears, subject to the receipt of an original invoice by the Officer-in-Charge no later than on the fifth (5th) day of each month for services rendered during the previous calendar month. The original invoice shall specify the amount due, certify that services requested under this Contract have been performed by the Contractor according to the Contract, and also include any other information reasonably requested from time to time by the Officer in Charge, all in accordance with Section 17 of the General Conditions.

4. General Conditions. The Contractor shall comply with the General Conditions of this Contract (the "General Conditions"), which are attached hereto and are hereby made a part of this Contract.

5. Other Terms and Conditions. Any Special Conditions are attached hereto and made a part of this Contract. In the event of any inconsistencies or conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. Any general, miscellaneous, or other terms, conditions, or provisions that are found in any of the Contractor's proposals for this Contract or in any sub-contractor's proposals attached thereto shall be unenforceable as against the County, unless the subject of such terms, conditions, or provisions is addressed in the County's General Conditions, and such terms, conditions, or provisions are consistent with the County's General Conditions.

6. *[This paragraph is intentionally left blank]*

7. Conflict. In the event of any conflict between or among this Contract and other documents that are attached hereto or incorporated herein by reference or both, the terms of this Contract shall control first, the County's General Conditions second, other documents prepared by the County third, and documents prepared or submitted, or both, by the Contractor last.

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 required to be given to the County shall be sent to:

Procurement Officer

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Department of Finance
County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Notice to the Contractor shall be sent to the Contractor's address as indicated in this 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 County in writing of any change of address.

9. Officer in Charge. The Director of Water Supply, or an authorized representative, shall be the Officer-in-Charge for all services provided herein, and shall have the right to oversee the successful completion of contract requirements, including monitoring, coordinating and assessing Contractor's performance and approving completed work/services with verification of same for Contractor's invoices or requests for payment. The Officer-in-Charge also serves as the point of contact for the Contractor from award to contract completion.

10. Contractor's Standards of Conduct. The undersigned Contractor declares:

a. Contractor **is not** a County Council Member or an Employee or a business in which a County Council Member or an Employee has a substantial interest. "Employee" means any nominated, appointed, or elected officer or employee of the County, including members of boards, commissions, and committees, and employees under contract to the County, but excluding members of the County Council ("County Council Members"). "Substantial 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%);

b. Contractor has not been represented or assisted personally in the matter by an individual who has been an Employee of the County department awarding this Contract within the preceding year and who participated while so employed in the matter with which the Contract is directly concerned;

c. Contractor has not been assisted or represented by a County Council Member or Employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a County Council Member or Employee for a fee or other compensation in the performance of this Contract, if the County Council Member or Employee has been involved in the development or award of the Contract;

d. 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 Employee, or in the case of the County Council, a County Council Member, and participated while an Employee or a County Council Member on matters related to this Contract; and

e. Contractor understands that the Contract to which this document is attached is voidable on behalf of the County if this Contract was entered into in violation of any provision of Article 10 of the Revised Charter of the County of Maui ("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 County.

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11. Counterparts and Electronic Signatures. This Contract may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. The parties agree that they may utilize and shall be bound by their electronic signatures, pursuant to Chapter 489E, Hawaii Revised Statutes.

IN WITNESS WHEREOF, the Parties execute this Contract by their signatures, on the dates below, to be effective as of the date of the last signature hereto.

[EXECUTION PAGES TO FOLLOW]

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CONTRACTOR EXECUTION PAGE

I hereby represent and warrant that I have the legal right and authority to execute this Contract on behalf of the Contractor.

CONTRACTOR:

HUAYRA, LLC

By _____
(Signature)

(Print Name)

Its _____
(Title)

Date _____

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COUNTY EXECUTION PAGE

COUNTY OF MAUI:

By _____
MARCY MARTIN
Its Acting Director of Finance

Date _____

APPROVAL RECOMMENDED:

JOHN STUFFLEBEAN
Director of Water Supply

APPROVED AS TO FORM
AND LEGALITY:

CALEB P. ROWE
Deputy Corporation Counsel
LF2024-0981
2024-06-20 WC1326 Primary DRAFT.docx

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**COUNTY OF MAUI
GENERAL CONDITIONS
FOR PROFESSIONAL SERVICES CONTRACTS**

1. COORDINATION OF SERVICES BY THE COUNTY. The Officer-in-Charge shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in this Contract. The CONTRACTOR shall maintain communications with the Officer-in-Charge at all stages of the CONTRACTOR's work, and submit to the head of the purchasing agency for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any COUNTY department or division which is authorized to enter into contracts for the procurement of goods and services.

2. CONTRACTOR STATUS AND RESPONSIBILITIES, INCLUDING TAX RESPONSIBILITIES.

a. SUSPENSION AND DEBARMENT.

1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the CONTRACTOR is required to verify that none of the CONTRACTOR, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

2) The CONTRACTOR must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

3) This certification is a material representation of fact relied upon by the County. If it is later determined that the CONTRACTOR did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the County, the federal government may pursue available remedies, including but not limited to suspension and/or debarment.

4) The CONTRACTOR shall comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C throughout the term of this Contract, and further agrees to include a provision requiring such compliance in its lower tier covered transactions.

b. COMPLIANCE WITH THE CONTRACT WORK HOURS AND SAFETY STANDARDS ACT.

1) Overtime requirements. No CONTRACTOR or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section the CONTRACTOR and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such CONTRACTOR and subcontractor shall be liable to the United States, for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

3) Withholding for unpaid wages and liquidated damages. County shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the CONTRACTOR or subcontractor under any such contract or any other Federal contract with the same prime CONTRACTOR, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime CONTRACTOR, such sums as may be determined to be necessary to satisfy any liabilities of such CONTRACTOR or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

4) Subcontracts. The CONTRACTOR or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime CONTRACTOR shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

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c. **FRAUD AND FALSE OR FRAUDULENT OR RELATED ACTS.** The CONTRACTOR acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the CONTRACTOR's actions pertaining to this contract.

d. **INDEPENDENT CONTRACTOR.** In the performance of services required under this Contract, the CONTRACTOR is an "independent CONTRACTOR," with the authority and responsibility to control and direct the performance and details of the work and services required under this agreement; however, the COUNTY shall have a general right to inspect work in progress to determine whether, in the COUNTY's opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the COUNTY does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the COUNTY

e. The CONTRACTOR and the CONTRACTOR's employees and agents are not by reason of this Contract, agents or employees of the COUNTY for any purpose, and the CONTRACTOR and the CONTRACTOR's employees and agents shall not be entitled to claim or receive from the COUNTY any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to the COUNTY employees.

f. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.

g. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes and (iii) general excise taxes. Unless provided otherwise by agreement between the parties, the CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

h. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with Section 237-9, Hawaii Revised Statutes ("HRS"), and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under State law against the CONTRACTOR have been paid and submit the same to the COUNTY prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under Section 103-53, HRS and Paragraph 17 of these General Conditions.

i. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR's employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

j. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section 103D-310, HRS, and sections 3-122-112, Hawaii Administrative rules, ("HAR") that is current within six months of the date of issuance.

k. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

3. PERSONNEL REQUIREMENTS.

a. The CONTRACTOR shall secure, at the CONTRACTOR's own expense, all personnel required to perform this Contract

b. The CONTRACTOR shall ensure that the CONTRACTOR's employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under Federal, State or County law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. **NONDISCRIMINATION.** No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable Federal, State, or County law.

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

6. SUBCONTRACTS AND ASSIGNMENTS; CHANGE OF NAME.

a. No assignment without consent. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (1) the CONTRACTOR obtains the prior written consent of the COUNTY and (2) the CONTRACTOR'S assignee or subcontractor submits to the COUNTY a tax clearance certificate from the Director of Taxation, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under State law against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the COUNTY.

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

1) The Assignee assumes all of the CONTRACTOR'S obligations;
2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the COUNTY; and

3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

c. Change of name. When the CONTRACTOR asks to change the name under which it holds this Contract with the COUNTY, the contract officer of the purchasing agency shall, upon receipt of a document acceptable or satisfactory to said officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms or conditions of this Contract are thereby changed.

d. Reports. All assignment contracts and amendments to this Contract effecting changes of CONTRACTOR's name or novation hereunder shall be reported to the chief procurement officer as defined in section 103D-203(b), HRS, within 30 days of the date that the assignment contract or amendment becomes effective.

e. Actions affecting more than one purchasing agency. Notwithstanding the provisions of Subparagraphs b. through d. herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the COUNTY, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the County Department of Finance.

7. INDEMNIFICATION AND DEFENSE. Except as provided for in Section 103D-713, HRS, the CONTRACTOR shall defend, indemnify and hold harmless the COUNTY, the contracting department and their directors, employees and agents from and against all liability, loss, damage, cost and expense, including all attorneys' fees and costs, and all claims, suits and demands therefor, arising out of or in connection with any acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents or subcontractors under this Contract. The provisions of this Paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract for any reason.

8. COST OF LITIGATION. In case the COUNTY shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay any cost and expense incurred by or imposed on the COUNTY, including attorneys' fees.

9. LIQUIDATED DAMAGES. When the CONTRACTOR is given notice of delay or nonperformance as specified in Paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the COUNTY the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the COUNTY reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR's delay or nonperformance is excused under Subparagraph 13.d. (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR shall remain liable for damages caused other

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than by delay. This Paragraph is of no force and effect unless the amount of liquidated damages is specified in the Contract.

10. COUNTY'S RIGHT OF OFFSET. The COUNTY may offset against any monies or other obligations the COUNTY owes to the CONTRACTOR under this Contract, any amounts owed to the COUNTY by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the COUNTY by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The COUNTY will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this Paragraph, amounts owed to the COUNTY shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the COUNTY, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the COUNTY under such payment or other settlement plan.

11. ADMINISTRATIVE, CONTRACTUAL, OR LEGAL REMEDIES. CONTRACTOR agrees to be bound by the administrative, contractual, or legal remedies set forth in these General Terms and Conditions, and HRS Section 103D-701, et seq., which govern CONTRACTOR's violation or breach of contract terms and appropriate sanctions and penalties.

12. SUSPENSION OF AGREEMENT. The COUNTY reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.

a. Order to stop performance. The head of the purchasing agency may, by written order to the CONTRACTOR at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified period of time not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the head of the purchasing agency shall either:

- 1) Cancel the stop performance order; or
- 2) Terminate the performance covered by such order as provided in the termination for default

provision or the termination for convenience provision of this Contract.

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

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

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

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

13. TERMINATION FOR DEFAULT.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, or otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the head of the purchasing agency may notify the CONTRACTOR in writing of the delay or non-performance and if

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not cured in ten (10) days or any longer time specified in writing by the head of the purchasing agency, the head of the purchasing agency may terminate the CONTRACTOR's right to proceed with the Contract or such part of the Contract as to which there has been delay or failure to properly perform. In the event of termination in whole or in part the head of the purchasing agency may procure similar goods or services in a manner and upon the terms deemed appropriate by the head of the purchasing agency. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods and services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the head of the purchasing agency, the CONTRACTOR shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the CONTRACTOR in which the COUNTY has an interest.

c. Compensation. Payment for completed goods and services delivered and accepted by the COUNTY shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the head of the purchasing agency. If the parties fail to agree, the head of the purchasing agency shall set the amount subject to the CONTRACTOR's rights under chapter 3-126, HAR. The COUNTY may withhold from amounts due the CONTRACTOR such sums as the head of the purchasing agency deems to be necessary to protect the COUNTY against loss because of outstanding liens or claims of former lien holders and to reimburse the COUNTY for the excess costs incurred by the COUNTY in procuring similar goods and services.

d. Excuse for nonperformance or delayed performance. Except with respect to defaults of subcontractors, the CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, if the CONTRACTOR has notified the head of the purchasing agency within fifteen (15) days after the cause of the delay and the failure arises out of causes including acts of God; acts of the public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the head of the purchasing agency shall ascertain the facts and extent of the failure, and, if he or she determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule or the time of performance shall be revised accordingly, subject to the rights of the COUNTY under the clause entitled, in fixed-price contracts, "Termination for Convenience," and in cost-reimbursement contracts, "Termination." As used in this Paragraph the term "subcontractor" means subcontractor at any tier.

e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR's right to proceed under this Paragraph, it is determined for any reason that the CONTRACTOR was not in default under this Paragraph, or that the delay was excusable under the provisions of Subparagraph d., "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 14.

f. Additional rights and remedies. Additional rights and remedies. The rights and remedies provided in this Paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. TERMINATION FOR CONVENIENCE BY THE COUNTY.

a. Termination for convenience. The head of the purchasing agency may, when the interests of the COUNTY so require, terminate this Contract in whole or in part, for the convenience of the COUNTY. The head of the purchasing agency shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when such termination becomes effective.

b. CONTRACTOR's obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance, and on the date(s) set in the notice of termination the CONTRACTOR shall stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the County's approval. The head of the purchasing agency may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the COUNTY. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as are necessary to do so

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c. Right to goods and work product. Right to goods and work product. The head of the purchasing agency may require the CONTRACTOR to transfer title and deliver to the COUNTY in the manner and to the extent directed by the head of the purchasing agency:

1) Any completed goods or work product or both; and
2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract. The CONTRACTOR shall, upon direction of the head of the purchasing agency, protect and preserve property in the possession of the CONTRACTOR in which the COUNTY has an interest. If the head of the purchasing agency does not exercise this right, the CONTRACTOR shall use CONTRACTOR's best efforts to sell such goods and manufacturing materials. Use of this Paragraph in no way implies that the COUNTY has breached the Contract by exercise of the termination for convenience provision

d. Compensation.

1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience, together with cost or pricing data to the extent required by subchapter 15, chapter 3-122 of the HAR, bearing on the claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the head of the purchasing agency may pay the CONTRACTOR, if at all, an amount set in accordance with (d)(3) below.

2) The head of the purchasing agency and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted to the extent required by subchapter 15, chapter 3-122, HAR, and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the COUNTY, the proceeds of any sales of goods and manufacturing materials under Subparagraph c. of this Paragraph, and the Contract price of the performance not terminated.

3) Absent complete agreement under Subparagraph (d)(2) above, the head of the purchasing agency shall pay the CONTRACTOR the following amounts, provided payments agreed to under Subparagraph d.2) shall not duplicate payments under this Subparagraph for the following:

(A) Contract prices for goods or services or both accepted under the Contract;

(B) Costs incurred in preparing to perform and performing the terminated portion of the work or performance plus a five per cent markup on actual direct costs on the portion of the work or performance, the markup shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services or both; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have completed, no markup shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(C) Subject to the prior approval of the head of the purchasing agency, costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Subparagraph b. Subcontractors shall be entitled to a markup of no more than ten per cent on direct costs incurred to the date of termination. These costs must not include costs paid in accordance with Subparagraph (d)(3)(B);

(D) The total sum to be paid the CONTRACTOR under this Subparagraph shall not exceed the total Contract price reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph c.3) and the Contract price of performance not terminated.

4) Costs claimed, agreed to, or established under Subparagraphs d.2) and d.3) above shall be in accordance with Chapter 3-123, HAR

15. CLAIMS BASED ON THE HEAD OF THE PURCHASING AGENCY'S ACTIONS OR OMISSIONS.

a. Change in scope. If any action or omission on the part of the head of the purchasing agency (which term includes the designee of such person) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of proper officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages or extension of time for completion, provided:

1) The CONTRACTOR shall have given written notice to the head of the purchasing agency:

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

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

(C) Within such further time as may be allowed by the head of the purchasing agency in writing.

2) This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages or an extension of time. The head of the purchasing agency or his or her designee, upon receipt of such a notice, may rescind such action, remedy such omission or take such other steps as may be deemed advisable in the discretion of the head of the purchasing agency or his or her designee;

3) The notice required by Subparagraph a.1) of this Paragraph must describe as clearly as practicable, at the time, the reasons why the CONTRACTOR believes that additional compensation, damages or an extension of time may be remedies to which the CONTRACTOR is entitled; and

4) The CONTRACTOR must maintain and, upon request, make available to the head of the purchasing agency within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the COUNTY, of the claimed additional costs or an extension of time in connection with such changes.

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

c. Any adjustment in the price made pursuant to this Paragraph shall be determined in accordance with the price adjustment provisions of the Contract and these General Conditions.

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

a. Reimbursement for air transportation shall be for actual cost or coach class airfare, whichever is less.

b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.

c. Unless prior written approval of the head of the purchasing agency is obtained, reimbursement for subsistence allowable allowance (i.e., hotel and meals) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel for County officers and employees in the executive branch who are excluded from collective bargaining coverage. No other travel or living expense (e.g., tips, entertainment, alcohol, etc.) shall be reimbursed by the COUNTY, other than those items listed in Subparagraphs a. and b. of this Paragraph. Invoices shall document the days of travel by including the name of the traveler, itinerary, airfare receipt, hotel receipt, and ground transportation receipts. All travel must be pre-approved by the COUNTY Officer-in-Charge.

d. CONTRACTORS with an office located on the same island as the site of the services to be provided pursuant to this Contract are not entitled to per diem or transportation expense reimbursement unless expressly specified in the Contract

17. PAYMENT PROCEDURES; FINAL PAYMENT; TAX CLEARANCE.

a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.

b. Subject to available funds. Such payments are subject to availability of funds, and all payments shall be made in accordance with and subject to Article 9 of the County of Maui Charter.

c. Payment only for work under contract. The COUNTY is not responsible to pay for work performed by CONTRACTOR or its subcontractors that is not in this Contract and any amendments or change orders thereto. CONTRACTOR must follow Paragraph 19, Contract Modifications, or Paragraph 20, Change Orders, and must have proper authorization before performing work outside the original Contract.

d. Compensation retained.

1) Pursuant to §103-32.1(a), HRS, the County may retain a portion of the amount due under the contract to the CONTRACTOR to ensure proper performance of the contract, provided that the sum withheld shall not exceed five percent (5%) of the amount due the CONTRACTOR and that after fifty percent (50%) of the contract is completed and progress is satisfactory, no additional sum shall be withheld; provided further that if progress is not satisfactory, the Procurement Officer may continue to withhold as compensation retained sums not exceeding five

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percent (5%) of the amount due the CONTRACTOR; provided further that the compensation retained shall not include sums deducted and withheld separately as liquidated damages from moneys due or that may become due the CONTRACTOR under the contract.

2) The County may enter into an agreement with the CONTRACTOR which will allow the CONTRACTOR to withdraw from time to time the whole or any portion of the sum retained under sub-paragraph (a) upon depositing with the County any general obligation bond of the State or its political subdivisions with a market value not less than the sum to be withdrawn; provided that the County may require that the total market value of such bond be greater than the sum to be withdrawn.

e. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section

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

19. CONTRACT MODIFICATIONS.

a. Modification in writing; no verbal modification. At any time, and without notice to any surety, the head of the purchasing agency, subject to mutual agreement of the parties to the Contract in writing and all appropriate adjustments, may make modifications within the general scope of this Contract to include any one or more of the following:

- 1) Drawings, designs, or specifications, for the goods to be furnished or services to be performed;
- 2) Method of shipment or packing;
- 3) Place of delivery;
- 4) Description of services to be performed;
- 5) Time of performance (i.e. hours of the day, days of the week, etc.);
- 6) Place of performance of the services; or
- 7) Other provisions of the contract accomplished by mutual action of the parties to the contract.

b. No verbal modification. No verbal modification, alteration, amendment, change or extension of any term, provision or condition of this Contract shall be permitted or acknowledged.

c. Adjustment of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.

d. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be **allowed** if the claim is not received by the head of the purchasing agency prior to final payment under this Contract.

e. Other claims not barred. In the absence of a written modification to the Contract, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.

f. Professional Services Contract. If this is a professional services contract awarded pursuant to Section 103D-304, HRS, any modification, alteration, amendment, change or extension of any term, provision or extension of this Contract which increases the amount payable to the CONTRACTOR by at least \$25,000.00 and ten per cent (10%) or more of the initial Contract price must receive the prior approval of the County Director of Finance.

g. Tax clearance. The COUNTY may, at its discretion, require the CONTRACTOR to submit to the COUNTY, prior to the COUNTY'S approval of any modification, alteration, amendment, change or extension of any term, provision or condition of the Contract, a tax clearance from the Director of Taxation, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued against the CONTRACTOR have been paid.

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h. Sole source agreements. Amendments to sole source agreements that would change the original scope of the agreement, or increase the original contract price by ten percent or more, may only be made with the approval of the Chief Procurement Officer. Annual renewal of a sole source agreement for services shall not be submitted as an amendment.

20. CHANGE ORDERS. A change order is a written order signed by the head of the purchasing agency, directing the CONTRACTOR to make changes which the “changes clause” described below authorizes the head of the purchasing agency to order without the consent of the CONTRACTOR.

a. Changes Clause Generally. By written order, at any time, and without notice to any surety, the head of the purchasing agency may, unilaterally, order of the CONTRACTOR:

- 1) Changes in the work within the scope of the Contract; and
- 2) Changes in the time of performance of the Contract that do not alter the scope of the

contract work.

b. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR’S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment in contract price shall be resolved in accordance with Subparagraph a.5) of Paragraph 21 on Price Adjustment. Failure of the parties to agree to an adjustment in time shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the head of the purchasing agency, within fourteen days after the changed work commences, makes the provisional adjustments in time as the head of the purchasing agency deems reasonable. The right of the CONTRACTOR to dispute the contract price or time required for performance or both shall not be waived by its performing the work, provided however, that it follows the written notice requirements for disputes and claims established by the Contract.

c. Time period for claim. Except as may be provided otherwise by section 103D-501(b), HRS, the CONTRACTOR must file a written claim disputing the contract price or time provided in a change order within ten days after receipt of a written change order, unless such period for filing is extended by the head of the purchasing agency in writing. The requirement for filing a timely written claim cannot be waived and shall be a condition precedent to the assertion of a claim.

1) Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if the claim is not received by the head of the purchasing agency prior to final payment under this Contract

2) Other claims not barred. In the absence of such a change order, nothing in this clause shall be deemed to restrict the CONTRACTOR’S right to pursue a claim under the Contract or for breach of contract

21. PRICE ADJUSTMENT.

a. Price adjustment. Any adjustment in the Contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:

1) By agreement on a fixed price adjustment before commencement of the pertinent performance;

2) By unit prices specified in the Contract or subsequently agreed upon before commencement of the pertinent performance;

3) By the costs attributable to the events or situations covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon before commencement of the pertinent performance;

4) In such other manner as the parties may mutually agree upon before commencement of the pertinent performance; or

5) In the absence of agreement between the parties, the adjustment shall be made pursuant to 103D-501(b)(5), HRS.

b. Submission of cost or pricing data. The CONTRACTOR shall be required to submit cost or pricing data for any price adjustment subject to the provisions of subchapter 15, chapter 3-122, HAR. A fully executed change order or other document permitting billing for the adjustment in price under any method listed in Subparagraph (a)(1) through (a)(4) of this Paragraph shall be issued within ten days after agreement on the method of adjustment.

22. VARIATIONS IN QUANTITY FOR ANY DEFINITE QUANTITY CONTRACT. If this is a definite quantity goods or services contract, upon the agreement of the COUNTY and the CONTRACTOR, the quantity of

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goods or services, or both, specified in this Contract, may be increased by a maximum of ten per cent (10%), provided (1) the unit prices will remain the same except for any price adjustments otherwise applicable; and (2) the head of the purchasing agency makes a written determination that such an increase will either be more economical than awarding another Contract or that it would not be practical to award another agreement.

23. CHANGES IN COST REIMBURSEMENT CONTRACT. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

a. The head of the purchasing agency may at any time by written order, and without notice to the sureties, in any, make changes within the general scope of the Contract in any one or more of the following:

- 1) Description of performance;
- 2) Time of performance (i.e., hours of the day, days of the week, etc.);
- 3) Place of performance of services;
- 4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the COUNTY in accordance with the drawings, designs, or specifications;
- 5) Method of shipment or packing of supplies; or
- 6) Place of delivery.

b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the head of the purchasing agency shall make an equitable adjustment in the 1) estimated cost, deliver or completion schedule, or both; 2) amount of any fixed fee; and 3) other affected terms and shall modify the Contract accordingly.

c. The CONTRACTOR must assert the CONTRACTOR's rights to an adjustment under this provision within 30 days from the day of receipt of the written order. However, if the head of the purchasing agency decides that the facts justify it, the head of the purchasing agency may receive and act upon a proposal submitted before final payment under the Contract.

d. Failure to agree to any adjustment shall be a dispute under the provision on Dispute herein. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed

e. Notwithstanding the terms and conditions of Subparagraphs a. and b. of this Paragraph, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if the contract is incrementally funded, the new amount allotted to the contract.

24. PROMPT PAYMENT OF SUBCONTRACTORS.

a. Generally. Any money paid to a CONTRACTOR shall be disbursed to subcontractors within ten days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes on which the procurement agency has withheld payment.

b. Final payment. Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.

c. Penalty. The procurement officer or the CONTRACTOR, as applicable, will be subject to a penalty of one and one-half per cent per month upon outstanding amounts due that were not timely paid by the responsible party under the following conditions. Where a subcontractor has provided evidence to the CONTRACTOR of satisfactorily completing all work under their subcontract and has provided a properly documented final payment request as described in Subparagraph d. of this Paragraph, and:

- 1) Has provided to the CONTRACTOR an acceptable performance and payment bond for the project executed by a surety company authorized to do business in the State, as provided in section 103-32.1, HRS; or
- 2) The following has occurred:

(A) A period of ninety days after the day on which the last of the labor was done or performed and the last of the material was furnished or supplied has elapsed without written notice of a claim given to CONTRACTOR and the surety, as provided for in section 103D-324, HRS; and

(B) The subcontractor has provided to the CONTRACTOR, an acceptable release of retainage bond, executed by a surety company authorized to do business in the State, in an amount of not more than two times the amount being retained or withheld by the CONTRACTOR; any other bond acceptable to the CONTRACTOR; or any other form of mutually acceptable collateral, then, all sums retained or withheld from a

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subcontractor and otherwise due to the subcontractor for satisfactory performance under the subcontract shall be paid by the procurement officer to the CONTRACTOR and subsequently, upon receipt from the procurement officer, by the CONTRACTOR to the subcontractor within the applicable time periods specified in Subparagraph b. of this Paragraph and section 103-10, HRS. The penalty may be withheld from future payment due to the CONTRACTOR, if the CONTRACTOR was the responsible party. If a CONTRACTOR has violated Subparagraph b. three or more times within two years of the first violation, the CONTRACTOR shall be referred by the procurement officer to the CONTRACTOR's license board for appropriate action, including action under section 444-17(14), HRS.

d. A properly documented final payment request from a subcontractor, as required by Subparagraph c., shall include:

- 1) Substantiation of the amounts requested;
- 2) A certification by the subcontractor, to the best of the subcontractor's knowledge and

belief, that:

(A) The amounts requested are only for performance in accordance with the specifications, terms, and conditions of the subcontract;

(B) The subcontractor has made payments due to its subcontractors and suppliers from previous payments received under the subcontract and will make timely payments from the proceeds of the payment covered by the certification, in accordance with their subcontract agreements and the requirements of this section; and

(C) The payment request does not include any amount that the subcontractor intends to withhold or retain from a subcontractor or supplier in accordance with the terms and conditions of their subcontract; and

3) The submission of documentation confirming that all other terms and conditions required under the subcontract agreement have been fully satisfied.

e. This section shall not be construed to impair the right of a CONTRACTOR or a subcontractor at any tier to negotiate and to include in their respective subcontracts provisions that provide for additional terms and conditions that are requested to be met before the subcontractor shall be entitled to receive final payment under Subparagraph c. of this Paragraph; provided that any such payments withheld shall be withheld by the procurement officer.

25. ACCEPTANCE OF GOODS AND SERVICES. The COUNTY shall accept goods and services or give CONTRACTOR notice of rejection within a reasonable time, notwithstanding any payment, prior test, or inspection. No inspection, test, delay or failure to inspect or test, or failure to discover any defect or other nonconformance with the specifications, shall relieve CONTRACTOR of any obligations under this Contract or impair any rights or remedies of the COUNTY.

26. OBSOLETE PARTS/LONG TERM PARTS AVAILABILITY. CONTRACTOR shall timely report on the status of end of life (EOL) hardware that has been procured for the purchased or leased product. EOL hardware includes the following: electronic components/piece parts and mechanical hardware. CONTRACTOR shall provide advanced notification in writing to the Officer-in-Charge of any changes to tooling, facilities, materials, availability of parts, or processes that could affect the contracted product. This includes but is not limited to fabrication, assembly, handling, inspection, acceptance, testing, facility relocation, or introduction of a new manufacturer. CONTRACTOR shall notify the COUNTY of any pending or contemplated future action to discontinue articles purchased or replacement parts for the articles purchased pursuant to this Contract and shall work with the COUNTY to determine the need to stockpile any parts for the likely life of the product and offer those parts to the COUNTY prior to the actual discontinuance. CONTRACTOR shall extend opportunities to the COUNTY to place last time buys of such articles with deliveries not to exceed twelve months after the last time buy date.

27. CONFIDENTIALITY OF MATERIAL.

a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the COUNTY.

b. All information, data, or other material provided by the CONTRACTOR to the COUNTY is subject to the Uniform Information Practices Act, chapter 92F, HRS.

28. PUBLICITY AND USE OF COUNTY, STATE, OR FEDERAL SEAL, LOGO, AND FLAGS. The CONTRACTOR shall not refer to the COUNTY or any office, agency, or officer thereof, or any COUNTY employee, including the head of the purchasing agency, the County procurement officers, the County council members, or

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members or directors of any County board or commission, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR's brochures, advertisements, or other publicity of the CONTRACTOR without the explicit written consent of the COUNTY. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the head of the purchasing agency.

The CONTRACTOR shall not use federal, state, or County seal(s), logos, crests, or reproductions of flags or likenesses of any agency official without specific pre-approval in writing.

29. OWNERSHIP RIGHTS AND COPYRIGHT. The COUNTY shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled or conceived by the CONTRACTOR pursuant to this Contract and all such material shall be considered "works for hire." All such materials shall be delivered to the COUNTY upon expiration or termination of this Contract. The COUNTY, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled or conceived by the CONTRACTOR pursuant to this Contract.

30. INSURANCE. During the term of this Contract, CONTRACTOR shall maintain at all times or cause to be maintained general and professional liability insurance coverage for CONTRACTOR and its employees rendering services to the COUNTY under this Contract. The insurance policies shall be issued by a company or companies authorized to do business in Hawaii and approved by the COUNTY, with combined single limits of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence and TWO MILLION DOLLARS (\$2,000,000) in the aggregate for Contracts with a total certified amount of \$1,000,000 or less, and THREE MILLION DOLLARS (\$3,000,000) in the aggregate for Contracts with a total certified amount of \$1,000,001 or more, or such greater amount as may be required from time to time by the COUNTY. CONTRACTOR shall also carry workers' compensation insurance for CONTRACTOR'S employees in the amounts required by applicable law. CONTRACTOR shall provide COUNTY not less than thirty (30) days' notice prior to any cancellation or material change or reduction in coverage. No such material change or reduction may be made without approval from the COUNTY. The COUNTY shall be listed as an additional insured on all policies, with the exception of professional liability and workers' compensation policies. Prior to the commencement of this Contract, CONTRACTOR shall provide the COUNTY with a certificate of insurance. Thereafter, prior to the expiration of each policy period, the insurance carriers for CONTRACTOR shall provide the COUNTY with certificates of insurance evidencing the foregoing coverage and provisions. The COUNTY reserves the right to request and receive a certified copy of the policies. Failure to maintain the necessary insurance in accordance with the provisions set forth herein shall constitute a material breach of this Contract and the COUNTY shall thereafter have the options of pursuing remedies for such breach and/or immediate termination of this Contract.

31. LIENS AND WARRANTIES.

a. Liens. All products provided under this Contract shall be free of all liens and encumbrances.
b. Warranties for products and services. In the event this Contract is for the provision of products (goods or equipment), CONTRACTOR warrants that it has all rights, title and interest in and to all products sold, leased or licensed to the COUNTY. CONTRACTOR also warrants that the products shall substantially conform to all descriptions, specifications, statements of work and representations set forth in the Contract, schedules, publications of CONTRACTOR and/or any order(s) and will be free from defects in materials, performance, workmanship and design. CONTRACTOR further warrants that it will perform any services required with promptness, diligence and in accordance with prevailing standards in the industry to the reasonable satisfaction of the COUNTY. The Warranty period shall commence after Acceptance, as defined in this Contract. Any specific warranty periods shall be as set forth in the proposals, schedules, orders or Special Conditions pertaining to this Contract but in any event such warranty period shall not be less than one (1) year.

32. ACCESS TO AND AUDIT OF BOOKS AND RECORDS OF THE CONTRACTOR. The COUNTY may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective CONTRACTOR, subcontractor, or prospective subcontractor which are related to:

a. The cost or pricing data.
b. Subcontracts, other than those related to a firm fixed-price Contract.
c. The following access to records requirements additionally apply to any Contract funded in whole or in part by the state or federal government:

1) The CONTRACTOR agrees to provide the County, State of Hawaii, Federal Emergency Management Agency or other federal agency, the Comptroller General of the United States, or any of their authorized

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representatives access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

2) The CONTRACTOR agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

3) The CONTRACTOR agrees to provide access to construction or other work sites pertaining to the work being completed under the contract.

33. COST OR PRICING DATA.

a. Cost or pricing data must be submitted to the head of the purchasing agency and timely certified as accurate for contracts over \$100,000 unless the contract is for a multiple-term or as otherwise specified by the head of the purchasing agency.

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

34. RECORDS RETENTION.

a. Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the COUNTY.

b. The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the COUNTY, and any cost or pricing data, for at least three years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three year or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS, or returned to the County at the request of the County.

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

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

37. **POLLUTION CONTROL.** If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the COUNTY and all other appropriate state, county, or federal agencies as required by law. The CONTRACTOR shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the COUNTY determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.

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CONTRACTOR further agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, 42 U.S.C. § 7401-7671 et seq., and the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251-1387, and will report violations to the County, Federal Emergency Management Agency, and the regional office of the Environmental Protection Agency. The CONTRACTOR agrees to include these requirements in each subcontract.

38. RECOVERED AND RECYCLED MATERIALS. To the extent applicable to this contract, CONTRACTOR agrees to comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. Section 6002 requires CONTRACTOR to use only items, designated in guidelines of the Environmental Protection Agency at 40 C.F.R. part 247, that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000.

a. In the performance of this contract, the CONTRACTOR shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired (i) Competitively within a timeframe providing for compliance with the contract performance schedule; (ii) Meeting contract performance requirements; or (iii) At a reasonable price.

b. Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

39. ENERGY EFFICIENCY. To the extent applicable to this Contract, CONTRACTOR agrees to comply with all applicable mandatory standards and policies relating to energy efficiency of the State of Hawaii or County.

40. CONFIDENTIALITY OF PERSONAL INFORMATION.

a. Definitions.

"Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:

- 1) Social security number;
- 2) Driver's license number or Hawaii identification card number; or
- 3) Account number, credit or debit card number, access code, or password that would permit

access to an individual's financial information.

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

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

b. Confidentiality of Material.

1) All material given to or made available to the CONTRACTOR by the COUNTY by virtue of this Contract which is identified as personal information shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the COUNTY.

2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.

3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the COUNTY to reduce the risk of unauthorized access to personal information.

4) CONTRACTOR shall report to the COUNTY in a prompt and complete manner any security breaches involving personal information.

5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this Paragraph.

6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the COUNTY, or personal information created or received by CONTRACTOR on behalf of the COUNTY.

c. Security awareness training and confidentiality agreements.

1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.

2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:

CONTRACT NO. WC1326

(A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;

(B) Access to the personal information will be allowed only as necessary to perform the Contract; and

(C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

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

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

41. GOVERNING LAW. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a State court of competent jurisdiction in Wailuku, Maui, Hawaii.

42. COMPLIANCE WITH LAWS. This is an acknowledgement that state or federal financial assistance may be used to fund the contract only. The CONTRACTOR shall comply with all federal, State, and county laws, ordinances, codes, rules, regulations, executive orders, and agency policies, procedures, and directives, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract. This specifically includes, without limitation, Sections 103-55 and 103-55.5, HRS, dealing with wages, hours and working conditions of employees of contractors providing services or construction.

The state and federal government are not party to this contract and is not subject to any obligations or liabilities to the County, CONTRACTOR, or any other party pertaining to any matter resulting from the contract.

43. CONFLICT BETWEEN GENERAL CONDITIONS AND PROCUREMENT RULES. In the event of a conflict between the General Conditions and the procurement rules in the HAR, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

44. ELECTION-RELATED CONTRIBUTIONS BY COUNTY CONTRACTORS. CONTRACTOR acknowledges and shall comply with Section 11-355, HRS.

45. BYRD ANTI-LOBBYING AMENDMENT. If this contract is for an award of \$100,000 or more, CONTRACTOR shall file a written declaration with the County certifying that CONTRACTOR has not and will not use federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any federal agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 U.S.C. § 1352. Included within the written declaration shall be the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on behalf of CONTRACTOR with respect to this contract. CONTRACTOR also agrees to disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award.

46. EXCLUDED PARTIES LIST SYSTEM. Contractor understands and agrees that if Contractor is listed on the government-wide Excluded Parties List System in the System for Award Management at www.SAM.gov as suspended or debarred, or has been suspended or disbarred pursuant to Section 103D-702, HRS, Contractor cannot be awarded this contract.

47. FEDERAL EMERGENCY MANAGEMENT REQUIREMENTS. All contracts relying in whole or in part on Federal Emergency Management Agency Public Assistance Program shall comply with 2 C.F.R. §§200.318-200.326.

CONTRACT NO. WC1326

48. DRAFTING. No provision of this Contract shall be interpreted for or against any party on the basis that such party was the draftsman of such provision, and no presumption of burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Contract.

49. CAPTIONS. The captions contained herein are used solely for convenience and shall not be deemed to define or limit the provisions of this Agreement.

50. COUNTERPARTS. This Contract may be executed in any number of counterparts with the same effect as if all of the parties had signed the same document. Such executions may be transmitted to the parties by facsimile or electronically and such facsimile or electronic execution and transmission shall have the full force and effect of an original signature. All fully executed counterparts, whether original executions or facsimile or electronic executions or a combination thereof shall be construed together and shall constitute one and the same Contract.

51. SEVERABILITY. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or non-enforceability shall not affect the validity or enforceability of the remaining Contract terms.

52. WAIVER. The failure of the COUNTY to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the COUNTY's right to enforce the same in accordance with this Contract. The fact that the COUNTY specifically refers to one provision of the law, and does not include other provisions shall not constitute a waiver or relinquishment of the COUNTY's rights or the CONTRACTOR's obligations under the law.

53. ENTIRE AGREEMENT. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the COUNTY and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the COUNTY and the CONTRACTOR other than as set forth or as referred to herein.

[END OF GENERAL CONDITIONS FOR PROFESSIONAL SERVICES]



HUAYRA INC
650 California St. Floor 7
San Francisco, CA 94108
www.huayrainc.com

PROPOSAL

Buy Side Due Diligence Services, Legal and Business Analysis for The Department of Water Supply and The East Maui Regional Community Board

RFP NO. DWSP 2024-25

June 1, 2024

The County of Maui
East Maui Regional Community Board
Water Resources & Planning Division
200 South High Street
Wailuku, Hawai'i 95793

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**ATTACHMENT A
PROPOSAL SUMMARY AND STATEMENT OF RESPONSIBILITY
(SIGNATURE PAGE)**

County of Maui
Department of Water Supply

RFP No. DWSP 2024-25
Buy-Side Due Diligence Services

RFP No. DWSP 2024-25
RFP Issue Date: May 6, 2024
RFP Submission Deadline: June 5, 2024

Proposals must be an electronic file, in PDF format, entitled "Maui County RFP No. DWSP 2024-25_FIRMNAME", saved onto a portable USB drive and delivered by 4:00 p.m. June 5, 2024 to:

**County of Maui
East Maui Regional Community Board
c/o Department of Water Supply, Engineering Division
200 South High Street, Fifth Floor
Wailuku, Hawai'i 96793**

This Proposal Summary and Statement of Responsibility (Signature Page) must be included with your submittal in order to validate your proposal. Proposals submitted without this page will be deemed non-responsive.

Proposer Authorized Representative

Company Name: Huayra LLC

Date: 06/01/2024

Representative: Ana Guanzon

Title: Managing Partner

Phone: [REDACTED] Fax: _____

Address: 650 California St. Floor 7 San Francisco, CA 94108

Federal Tax ID No.: 92-2961692

Email: [REDACTED]

RFP Contact Information (if different than above)

Contact Person _____ Title: _____

Phone: _____ Fax: _____

Address: _____ Email: _____

Certifications:

1. Do you agree to comply with specifications, RFP instructions, draft contract requirements and other pertinent references contained in this RFP?

YES NO

2. Do you agree that the proposal will stand firm and will not be withdrawn for a period of 90 days after the proposal is opened?

YES NO

3. Do you certify that all statements in the proposal are true? This shall constitute a warranty, the falsity of which shall entitle the County to pursue any remedy authorized by law, and shall include the right, at the option of the County, of declaring any contract made as a result thereof to be void.

YES NO

4. Do you agree to provide the County with any other information the County determines is necessary for accurate determination of your qualifications to provide services?

YES NO

5. Do you agree that the proposal amount includes all costs incident to the proposed contract?

YES NO

6. Do you agree to be an ePayable as described in Attachment G- Sample Maui County Contract?

YES NO

To the best of my knowledge and belief, the information provided in this initial determination of responsibilities is true and correct.

Authorized Representative: Ana Guanzon
(Printed name)

Signature: 

Date: 06/01/2024

**ATTACHMENT B
PROPOSAL CHECK LIST/TABLE OF CONTENTS**

This proposal checklist identifies the various components that must be submitted with your proposal. This form is to be completed and included in the proposal and must be located directly behind Attachment A.

Follow this sequence in presenting your proposal with the checklist serving as your table of contents.

Proposal Check List/Table of Contents	Page No.
Signature Page, signed by authorized representative (RFP Attachment A)	3
Proposal Check List/Table of Contents (RFP Attachment B)	6
Project Understanding	9
Scope of Work Narratives	10
Key Personnel	11
Schedule	12
Reference Projects	14
Fee Proposal	15
Exceptions to the RFP (RFP Attachment C)	19
References (minimum of two (2)) (RFP Attachment D)	20 & 21
Certificate of Non-Collusion, signed by authorized representative (RFP Attachment E)	22

COVER LETTER

June 1, 2024

Dear Department of Water Supply and East Maui Regional Community Board,

It is with great passion and a deep sense of connection that I submit Huayra's proposal for buy-side due diligence services and legal and business analysis for the potential acquisition of East Maui Irrigation (EMI). As a multigenerational Hawaiian, this project holds profound personal significance for me, and I am committed to leveraging my expertise and cultural understanding to support the enhancement of water resource management for the people of Maui.

I witnessed firsthand the vital role that water plays in our communities, not just as a resource but as a fundamental element of our cultural heritage. The stories of my elders taught me the importance of responsible stewardship and the delicate balance between development and preservation. These lessons, combined with my professional experience in finance and economics, have instilled in me a unique perspective that I believe will be invaluable in navigating the complexities of the EMI acquisition.

At Huayra, we have assembled a team of dedicated professionals who share my passion for Hawaii and my commitment to delivering a thorough, data-driven analysis. Our rigorous approach to due diligence goes beyond mere financial analysis, delving into the operational, strategic, and market positioning aspects of the target company. We understand that the success of this project relies not only on technical expertise but also on a deep understanding of the local context and the needs of the community.

Our objective is to work hand in hand with the County of Maui to develop a comprehensive understanding of the EMI Water Collection and Control System. By identifying potential risks and opportunities, we aim to provide a clear, data-driven analysis and valuation model that empowers the board to make informed decisions. Decisions that not only promote sustainable water management but also align with the values and aspirations of the Maui community.

As someone who is still grieving the loss of family from the Lahaina Fires, I am personally and deeply invested in the outcome of this project. I understand the gravity of the responsibility that comes with shaping the future of our island's water resources. My team and I are committed to approaching this project with the utmost respect for the local community and its unique cultural heritage. We believe that by combining our technical expertise with a profound understanding of Hawaii's cultural landscape, we can deliver a result that benefits not only the County of Maui but also the people who call this island home.

Thank you for considering Huayra for this critical project. We look forward to the opportunity to collaborate with the Department of Water Supply and the East Maui Regional Community Board to ensure a successful acquisition of EMI, one that honors the past while paving the way for a sustainable future.

Me ke aloha pumehana,



Managing Partner
Huayra, Inc.



ABOUT HUAYRA

Huayra Inc. is a diverse team of subject matter experts dedicated to optimizing organizational performance to meet the rapidly evolving, intricate, and frequently ambiguous demands of modern business. Our firm combines financial acumen and data-driven strategies to deliver practical solutions tailored to our clients' unique needs.

With a proven track record of success, Huayra Inc. has developed over 100 strategic plans with an 85% execution success rate. We have achieved 25%+ efficiency gains for our clients by streamlining workflows and optimizing resource utilization. More than 50% of our project solutions incorporate tailored, out-of-the-box strategies for sustainable growth. Our team has identified over \$500M in expansion opportunities, designing initiatives focused on innovation, operational enhancement, and market development.

Huayra Inc.'s executive team brings Fortune 500 experience from the tech, investment banking, and financial services industries. This wealth of knowledge and expertise allows us to provide innovative, customized solutions that drive sustainable growth for organizations across various sectors.

We offer a comprehensive suite of services spanning three key areas:

Financial Services: Our team provides expert accounting services, bookkeeping, tracking, and reporting. We develop and implement financial systems, conduct financial planning and analysis, and offer investment and risk management guidance, including performing investment and M&A due diligence. We assess industry benchmarks and compare the company's performance against them. Additionally, we support our clients with audit and compliance services.

Data Analytics: We employ mixed methods research to gather and analyze data, enabling us to create data profiles and warehouses. Our team designs efficient processes and systems, develops forecast models, conducts cost analysis and savings assessments, and performs in-depth market research to support informed decision-making.

Consulting: Our consultants offer project management, operations management, and business development services. We assist with the implementation of strategies and initiatives, help define and refine mission, vision, and purpose, and develop comprehensive strategies for sustainable growth.



PROJECT UNDERSTANDING

Huayra Inc. recognizes the complexity and importance of the potential acquisition of the East Maui Irrigation Company, Ltd (EMI) surface water collection and conveyance system (WCCS) by the County of Maui. EMI has a rich history dating back to the 1800s, and its extensive infrastructure boasts a capacity of 455 million gallons per day. However, water scarcity issues and complexities surrounding water rights have emerged in recent years. More specifically, the recent wildfires have left many Lahaina residents in urgent need of housing, and the Pulelehua development stands as a crucial project to help rebuild the community. We understand the urgency to purchase EMI WCCS in order to secure water supply not only to the Pulelehua development as well as all of the rebuilding efforts after the Lahaina Fires.

In response to these challenges and the strategic importance of EMI to the region, the County of Maui is considering the acquisition of EMI. Our due diligence will encompass a comprehensive analysis of EMI's financials, operations, customer base, legal standings, and the WCCS. We will assess the existing infrastructure, determine necessary modifications, and estimate associated costs to optimize service delivery. Additionally, we will explore the broader impact on Maui County, considering economic factors, market conditions, and conducting a SWOT analysis.

As a firm with a diverse team of subject matter experts, we are well-equipped to support the County of Maui in this endeavor. Our team has decades of experience performing buy-side due diligence, with results including purchasing organizations at a discount, uncovering inflated sales, and identifying potential risks linked to loan contracts.



SCOPE OF WORK

Huayra Inc. proposes a comprehensive scope of work that draws upon our core competencies in financial services, data analytics, and consulting to conduct a thorough buy-side due diligence for the acquisition of EMI WCCS. Our approach will encompass a detailed review and analysis of EMI's financial information, business structure and operations, contracts, human resources, and other pertinent data, allowing us to provide the EMRCB with a clear understanding of the company's operations, assets, liabilities, and potential risks.

Financial Review: Our team will analyze audited financial statements, tax returns, income statements, balance sheets, and other financial documents to verify EMI's financial health. We will leverage our expertise in accounting services, bookkeeping, tracking, reporting, and financial systems to ensure a comprehensive review.

Business Structure and Operations: We will review incorporation documents, bylaws, investor information, products and services, regulatory compliance, and customer data. Our experience in process and system design, as well as market research, will enable us to identify potential areas for optimization and growth.

Contract Review: We will examine all material contracts, agreements, loans, leases, and other legal documents related to EMI's operations. Our team's background in corporate law and compliance will ensure a thorough review of all legal aspects.

Human Resources: We will review employee information, contracts, payroll data, and HR compliance. Our experience in operations management and business development will allow us to assess EMI's human capital and identify potential areas for improvement.

Other Information: We will verify customer databases, legal representation, pending litigation, insurance coverage, and professional licenses. Our expertise in data profiling and warehousing, as well as our understanding of legal and regulatory requirements, will ensure a comprehensive review of all relevant information.

We will adhere to appraisal standards, perform qualitative and quantitative analysis, assess current conditions and opportunity costs, and identify land title or easement issues. Our team will develop valuation models considering condition, capacity, and potential for future growth, while evaluating the infrastructure and estimating upgrade costs. We will assess the opportunity cost to provide insights into the acquisition's potential benefits and drawbacks. With our experience, we will provide valuable insights and recommendations.



KEY PERSONNEL

Huayra Inc. has assembled a highly skilled and experienced project team for the buy-side due diligence of the potential EMI WCCS acquisition. Our team consists of professionals with diverse backgrounds in finance, law, audit, business, and public water systems, ensuring a well-rounded approach. Our key personnel for your project will include:

Ana Guanzon, Finance Expert, M&A Lead

Finance expert with over 17 years of experience in finance and investments, including leading six buy-side due diligence projects within the last 3 years. She began her specialization in due diligence in 2015 and holds a Master of Science in Finance and Economics.

Nikolay Borisov, Organization and Operations Expert

Strategic business builder and operational leader leveraging 13 years driving triple digit growth, multi-million dollar scale, talent development and business analytics adoption across commercial construction, cannabis, emerging tech and government partners.

SUBCONTRACTORS

Clifford Abihai, Municipal Water Expert

Municipal water expert with over 17 years of experience dealing with the movement of water across 330 miles from the Oroville Dam to Los Angeles within California's multiple municipal water divisions.

Sheila Merchant-Mitha, Attorney, Legal Expert

Legal expert with over a decade of experience in negotiations, mergers and acquisitions, and real estate. Skilled in corporate law matters, including corporate formation, structuring, partnership, and operating agreements, Graduate of Columbia Law School.

Garrett Hellman, CPA, Audit Expert

Accounting expert with 12 years of experience, holding a CPA and a Master of Accountancy in Audit/Systems. Formerly led international teams at KPMG, providing professional services to multinational corporations.

These team members, along with our extensive network of partners across academia, research institutions, industry experts, engineers, data scientists, strategists, and quality assurance professionals, will provide valuable insights into the specific challenges, opportunities, and environmental and regulatory considerations associated with the acquisition, which will be crucial in informing the due diligence process and decision-making for the County of Maui.



SCHEDULE

Huayra Inc. proposes the following 6 to 8 month timeline for completing the buy-side due diligence work, leveraging our experience in project management and implementation to ensure a smooth and efficient process:

Phase	Details	Milestone	Duration
Phase 1: Onboarding & Discovery	<p>Conduct introduction meetings with key stakeholders; draft and finalize the Letter of Intent (LOI).</p> <p>Begin collecting necessary documents in the data room; start preliminary financial review to assess historical financial data and initial projections.</p> <p>Establish project expectations and direct communication with counterparts at EMI.</p>	Completion of LOI & Data Room Setup	2-4 weeks
Phase 2: Analysis & Financial Audit	<p>Continue in-depth financial review, focusing on identifying major risks and opportunities based on early findings. Perform SWOT analysis.</p> <p>Conduct detailed financial and tax audits; review historical financial statements and tax filings..</p> <p>Conduct site visits for research, meetings with management, and discussions with the Director of Water Supply. Develop initial analysis for current conditions of the WCCS and opportunity costs.</p>	Financial Audit Report, Financial Review & SWOT Analysis	3-4 weeks
Phase 3: Legal & Compliance Audit	<p>Perform comprehensive legal due diligence (contracts, liabilities, intellectual property, etc.).</p> <p>Identify unresolved land title issues. Identify easements and right-of-entry agreements.</p>	Legal & Compliance Audit Report	3-4 weeks
Phase 4: Business Structure & Operations Assessment	Business structure and operations assessment; HR review, customer analysis, and all additional action items listed in the "Review and Verify Other Information."	Business Operations Assessment Report	3-4 weeks
Phase 5: Additional Discovery, Data Analytics, Proformas, Valuation Models	<p>Develop valuation models and begin working on the consolidated report and final presentation.</p> <p>Finalize due diligence reports and assumptions for valuation modeling.</p>	Data Findings Report, Systems Report, Preliminary Valuation	3-4 weeks



Phase	Details	Milestone	Duration
Phase 6: Final Evaluation, Decision, and Preparation for Integration	Prepare detailed reports for stakeholders for final presentation and report. Final in person delivery of presentation. Decision meetings with stakeholders; finalize purchase terms and conditions; prepare for transaction closure and next steps.	Presentation to Stakeholders Submit Comprehensive Final Report Integration Outline	3-4 weeks
OPTION FOR ADDITIONAL SCOPE Integration Plan & Visioning	Begin execution of integration plan, closely monitor the integration process, and adjust as necessary that reflects the vision for both organizations.	Integration Plan	2-4 weeks

We at Huayra designate our consultants to focus on one project at a time, giving our clients their undivided attention. This approach allows us to hit the ground running and prioritize both time and quality. We anticipate completing the project within 6 months from kickoff.

It is crucial to note that during the discovery phase, the timely and complete fulfillment of requests for information is essential. If information is withheld or added later, it will impact the schedule and timeline, as well as potentially create additional costs. For requested data and information that is not received entirely, completely, or in a timely manner, we will clearly indicate the need for additional discovery to produce accurate reporting and recommendations.

For information that is incomplete, we will note the level of confidence and the level of impact on any data that may be in question, identifying the need for additional discovery. To avoid delays, Huayra Inc. will move forward indicating where assumptions had to be made due to a lack of information and submit a request for additional discovery. The proposed timeline of 6 months is contingent upon the level of transparency and access to information during the discovery phase.



REFERENCE PROJECTS

These reference projects showcase Huayra Inc.'s experience and success in delivering tailored, out-of-the-box strategies for sustainable growth, as well as our ability to identify expansion opportunities and design initiatives focused on innovation, operational enhancement, and market development.

Retail, M&A, 2022

Conducted comprehensive buy-side due diligence for a six-year-old retail company, amidst industry shifts where smaller stores faced acquisition by larger, financially bolstered organizations. Our due diligence process, spanning six weeks from the initial Letter of Intent (LOI) to the execution of the final closing documents, was thorough and decisive. Subsequent negotiations culminated in a three-week period leading to the deal closure. Through meticulous analysis, we identified significant valuation adjustments, negotiating a lower purchase price to account for essential capital improvements, operational enhancements, projected industry risks, and substantial local tax obligations. This strategic approach not only secured a favorable acquisition price but also positioned our client for improved future profitability and risk management.

By acquiring this retail store and successfully orchestrating its integration, we facilitated an annual revenue increase exceeding \$1 million. This achievement underscores our capability to drive significant financial growth through strategic acquisitions and adept management.

Commercial Construction & Development M&A, 2019

Our team successfully navigated the complexities of a \$12 million commercial construction company undergoing Chapter 11 bankruptcy and restructuring. We conducted a thorough evaluation of assets and debts, developed comprehensive repayment plans, and implemented strategic financial management practices. Our efforts resulted in a 25% revenue increase within the first year post-merger, demonstrating our expertise in financial analysis, strategic planning, and operational restructuring.



FEE PROPOSAL

Our estimated fee for the outlined scope of work is \$250,000, broken down as follows:

Financial & Operations Audit	51%	\$127,500
Legal Audit	14%	\$35,000
Environmental Audit	21%	\$52,500
Travel	9%	\$22,500
Misc	5%	\$12,500
Total	100%	\$250,000

KEY PERSONNEL

	Role	Hours	Budget
Ana Guanzon, MSFE	Project Lead: Biweekly CheckIns Prepare Financial Reporting & Financial Analysis Valuation Modeling	400 hours	\$80,000
Nikolay Borisov	Business Structure & Operations HR Discovery	220 hours	\$33,000
Clifford Abihai	Quality Assurance, Reports & Public Water Consulting	80 hours	\$20,000
Sheila Merchant-Mitha	Legal Audit	80 hours	\$30,000
Garrett Hellman, CPA	Tax Audit Financial Review	30 hours	\$16,000

In addition to the key personnel breakdown, our fee proposal includes a separate allocation for travel and miscellaneous expenses to ensure transparency and clarity in our pricing structure. We have also allotted a budget for each primary focus area, which includes provisions for any additional costs that may arise during the course of the project, such as required reports, additional expertise, or personnel.



PAYMENT PLAN

Retainer Fee: 10% of total project

- Due upon signing of the engagement letter
- Non-refundable, but credited against the final invoice
- Ensures client commitment and allows for initial resource allocation

Milestone 1: 15% of total project

- Due upon completion of Phase 1: Onboarding & Discovery
- Deliverables: Discovery Report of Initial Top Level Findings
- In person site visit to inspect and assess WCSS and meet team

Milestone 2: 35% of total project

- Due upon completion of Phase 2: Analysis & Financial Audit
- Deliverables: Preliminary Financial Audit Report, Financial Analysis & SWOT
- Due upon completion of Phase 3: Legal & Compliance Audit
- Deliverables: Preliminary Legal & Compliance Audit Report

Milestone 3: 30% of total project

- Due upon completion of Phase 4: Business Structure & Operations Assessment
- Deliverables: Preliminary Business Operations Assessment Report
- Due upon completion of Phase 5: Additional Discovery, Data Analytics, Proformas, Valuation Models
- Deliverables: Data Findings Report, Systems Report, Preliminary Valuation

Final Payment: 10% of total project

- Due upon completion of Phase 6: Final Evaluation and Presentation
- Deliverables: Presentation to stakeholders, Comprehensive audit report (financial, legal, operations), Decision-making framework for acquisition, Integration Outline.

The payment plan is structured to align with the project phases and milestones, ensuring that payments are tied to specific deliverables and progress throughout the engagement. The percentages allocated to each milestone have been adjusted to reflect the level of effort required for each phase, based on the schedule.



TAX CLEARANCE

As a new entity, we are proactively ensuring compliance with all relevant regulations and requirements. We have attached our certification from the State of California, where our company is headquartered. Additionally, we have already submitted our registration for sales tax for consulting projects with the government of the state of Hawaii, demonstrating our commitment to operating transparently and in accordance with local laws.

In anticipation of the potential engagement with the County of Maui, we have preemptively registered with the Hawaii Compliance Express and have fulfilled the Certificate of Compliance requirements under section 9.F which includes:

1. Tax Clearance Certificate
2. DLIR Certificate of Compliance
3. Certificate of Good Standing from the DCCA

On the following page you will find our Certificate of Good Standing from the State of California to further demonstrate our compliance with regulatory requirements in our home state.

We understand the importance of maintaining accurate and up-to-date compliance documentation and are committed to ensuring that our operations align with all applicable laws and regulations throughout the duration of this project and beyond.





Secretary of State Certificate of Status

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

Entity Name: Huayra LLC
Entity No.: 202355612701
Registration Date: 03/10/2023
Entity Type: Limited Liability Company - CA
Formed In: CALIFORNIA
Status: Active

The above referenced entity is active on the Secretary of State's records and is authorized to exercise all its powers, rights and privileges in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the date of this certificate and does not reflect documents that are pending review or other events that may impact status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of May 31, 2024.

SHIRLEY N. WEBER, PH.D.
Secretary of State

Certificate No.: 215657224

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at bizfileOnline.sos.ca.gov.

ATTACHMENT C - EXCEPTIONS TO RFP

Company Name: Huayra LLC

Representative: Ana Guanzon

Title: Managing Partner

Phone: [REDACTED]

Email: [REDACTED]

I have reviewed the RFP and General Contract Terms in their entirety and have the following exceptions: (Please identify and list your exceptions by indicating the section or paragraph and page no. as applicable. Be specific about your proposed exception(s) to content, language, or omissions. Add as many pages as required.)

Not Applicable

Authorized Representative: Ana Guanzon

(Printed Name)

Signature: 

Date: 06/01/2024

REFERENCES

Due to confidentiality agreements on previous projects, please email us for additional contact and project information.

Sheila Merchant-Mitha, Attorney & Founder

Sheila Merchant Legal
[REDACTED]

Previously collaborated as external legal counsel on due diligence projects for buy-side transactions.

Slava Borisov, CEO

Drop Development Inc
[REDACTED]

Owner of Drop Development and newly appointed CEO after merger



ATTACHMENT D
CERTIFICATE OF NON-COLLUSION

The undersigned certifies, under penalty of perjury, that this proposal has been made in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

Huayra LLC

(Name of Proposer)



Signature of Authorized Agent

June 1, 2024

Date

**ATTACHMENT E
COUNTY OF MAUI SAMPLE PROPOSAL EVALUATION FORM
RFP NO. DWSP 2024-25
BUY-SIDE DUE DILIGENCE SERVICES**

Proposer Name: Huayra LLC

Evaluated by: _____

		Weight	*Rating Scale	Points Total
a.	Project Understanding	20 points		
b.	Scope of Work Narratives	20 points		
c.	Key Personnel	20 points		
d.	Schedule	15 points		
e.	Reference Projects	15 points		
f.	Cost	10 Points		

Evaluation Total (Maximum 100)		
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Comments:

Scoring: (To be performed by the RFP Review Panel)

Weight X *Rating (per Scale) = Points Total

*Rating Scale:

- 5 = Excellent
- 4 = Above Average
- 3 = Average
- 2 = Fair
- 1 = Poor
- 0 = Unacceptable