

State of Hawaii
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Honolulu, Hawaii

July 11, 2014

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Delegation of Authority to the Chairperson of the Board of Land and Natural Resources (Board) to Enter into a Contract for Goods and Services with the University of Hawaii for the Purpose of Performing Ecological Monitoring Surveys that will be Conducted Before and After the Installation of Day Use Mooring Buoys in Hilo Bay and at Existing Buoys Along the Kona Coast.

REMARKS:

The Division of Boating and Ocean Recreation is requesting that the Board delegate authority to the Chairperson to approve a contract for goods and services with the University of Hawaii, Office of Research Services. (Exhibit A)

The contract will finance a compensatory mitigation plan for Hilo Harbor. The plan requires ecological monitoring of day use mooring buoys (DMB) in Hilo Bay and other locations on the island of Hawaii.

The Governor has given permission to release funds for this project. (Exhibit B).

RECOMMENDATION:

- I. That the Board of Land and Natural Resources authorize the Chairperson to sign the necessary documents pertaining to the specific contract subject to available funding, release of funds by the Governor, and approval as to form by the Attorney General's office.

Respectfully Submitted,



Edward R. Underwood
Administrator

Attachments: Exhibit A – Contract for Goods and Services
Exhibit B - Governor Abercrombie's letter releasing funds

APPROVED FOR SUBMITTAL



William J. Aila, Jr.
Chairperson



STATE OF HAWAII
CONTRACT FOR GOODS AND SERVICES
 (IN THE FOLLOWING CATEGORIES: EXEMPT; SMALL PURCHASE;
 SOLE SOURCE; OR EMERGENCY)

This Contract, executed on the respective dates indicated below, is effective as of _____, _____, between Department of Land and Natural Resources,
(insert name of state department, agency, board or commission)
 State of Hawaii ("STATE"), by its Chairperson,
(insert title of person signing for State)
 (hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")),
 whose address is: 1161 Punchbowl Street, Room 130, Honolulu, Hawaii 96813
and University of Hawaii
 ("CONTRACTOR"), a body corporate and the state university,
(insert corporation, partnership, joint venture, sole proprietorship or other legal form of the Contractor)
 under the laws of the State of Hawaii, whose business address and federal
 and state taxpayer identification numbers are as follows: Office of Research Services, 2440 Campus Road,
 Box 368, Honolulu, Hawaii 96822-2234, 99-6000354

RECITALS

A. The STATE is in need of the goods and services, or both, described in this Contract and its attachments. The CONTRACTOR is agreeable to providing the goods and services, or both, as the case may be.

B. This Contract is for (check one box):

- (1) A procurement expenditure of public funds for goods or services, or both, that is otherwise exempt from public bidding as set forth in section 103D-102, Hawaii Revised Statutes ("HRS"), and chapter 3-120, Hawaii Administrative Rules ("HAR"); or
- _____ ; or
- (2) A small purchase procurement of goods or services, or both, as set forth in section 103D-305, HRS, and subchapter 8, chapter 3-122, HAR; or
- (3) A sole source procurement of goods or services, or both, as set forth in section 103D-306, HRS, and subchapter 9, chapter 3-122, HAR; or
- (4) An emergency procurement of goods or services, or both, as set forth in section 103D-307, HRS, and subchapter 10, chapter 3-122, HAR.

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

(1) Act 164, SLH 2011
(Identify state sources)
 or (2) _____
(Identify federal sources)

or both, in the following amounts: State \$ 211,364.00
 Federal \$ _____

D. Pursuant to HRS Section 102 and HRS 171-6, the STATE
(Legal authority to enter into this Contract)

is authorized to enter into this Contract.

E. The agency's Chief Procurement Officer is _____
 who has approved this procurement or is not required to approve this procurement.

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

1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in Attachment-SI, which is made a part of this Contract.

2. Compensation. The CONTRACTOR shall be compensated for goods supplied or services performed, or both, under this Contract in a total amount not to exceed Two hundred eleven thousand three hundred sixty four and no/100 DOLLARS (\$ 211,364.00), including approved costs incurred and taxes, according to the Compensation and Payment Schedule set forth in Attachment-S2, which is made a part of this Contract.

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

4. Bonds. The CONTRACTOR is required to provide or is not required to provide: a performance bond, a payment bond, a performance and payment bond in the amount of _____ DOLLARS (\$ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract. **NOT APPLICABLE**

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control.

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

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

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

STATE

(Signature)

(Print Name)

(Print Title)

(Date)

CONTRACTOR

University of Hawaii

(Name of Contractor)

(Signature)

Donald O. Straney, PhD.

(Print Name)

Chancellor, University of Hawaii at Hilo *

(Print Title)

(Date)

CORPORATE SEAL

(If available)

APPROVED AS TO FORM:

Deputy Attorney General

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



STATE OF HAWAII

CONTRACTOR'S ACKNOWLEDGMENT

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

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

(Signature)

(Print Name)

Notary Public, State of _____
My commission expires: _____

Doc. Date: _____ # Pages: _____

Notary Name: _____ Circuit

Doc. Description: _____

Notary Signature Date

NOTARY CERTIFICATION



STATE OF HAWAII SCOPE OF SERVICES

The University of Hawaii (UH) will perform ecological monitoring surveys that will be conducted before and after the installation of five day use mooring buoys (DMBs) in Hilo bay. A second component involving social surveys at proposed sites as well as surveys at already established DBMs on the Kona side of the island of Hawaii will be done because of the absence of any existing DMBs in Hilo. There are three objectives:

1. Monitoring intended DMB sites.
2. Conduct user surveys at new DMB sites
3. Conduct user surveys at existing DMB sites.

The scope of work is described in detail in the attached Ecological Monitoring of Proposed Mooring Buoy Sites in Hilo Bay, Hawaii, which is incorporated herein.



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

The total cost of the surveys is \$211,364 and is budgeted as follows:

Year 1 \$58,368
Year 2 \$51,176
Year 3 \$49,936
Year 4 \$25,942
Year 5 \$25,942

A project budget is in section 5.0 of the attached Ecological Monitoring of Proposed Mooring Buoy Sites In Hilo Bay, Hawai'i which is incorporated herein.



STATE OF HAWAII
TIME OF PERFORMANCE

The project schedule is contained in section 4.0 and illustrated on table 1 of the attached Ecological Monitoring of Proposed Mooring Buoy Sites in Hilo Bay, Hawai'i, which is incorporated herein. The University of Hawaii will submit annual reports after each project year and they will be compiled in a final report that will be submitted at the end of the project period.



STATE OF HAWAII

CERTIFICATE OF EXEMPTION FROM CIVIL SERVICE

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

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

(Signature)
William J. Aila, Jr.
(Print Name)
Chairperson
(Print Title)

(Date)

* This part of the form may be used by all department heads and the heads of attached agencies to whom the Director of DHRD expressly has delegated authority to certify § 76-16, HRS, civil service exemptions. The specific paragraph(s) of § 76-16, HRS, upon which an exemption is based should be noted in the contract file. If an exemption is based on § 76-16(b)(15), the contract must meet the following conditions:
(1) It involves the delivery of completed work or product by or during a specific time;
(2) There is no employee-employer relationship; and
(3) The authorized funding for the service is from other than the "A" or personal services cost element.

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

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

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

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

(Date)

Ecological Monitoring of Proposed Mooring Buoy Sites in Hilo Bay, Hawai'i

Project Duration: 15 November 2013 to 14 November 2018

Project Costs: \$211,364

Proposal Prepared for:
Hawai'i Division of Aquatic Resources
Department of Land and Natural Resources
1151 Punchbowl Street, Room 330
Honolulu, HI 96813

Proposal Prepared by:
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1.0 INTRODUCTION

This proposal, presented to the Hawai'i Division of Aquatic Resources and the University of Hawai'i at Hilo describes the intended ecological monitoring surveys that will be conducted before and after the installation of 5 day use mooring buoys (DMBs) in Hilo Bay, Hawai'i. It also describes a second component, involving social surveys at the proposed sites, as well as surveys at already established DBMs on the Kona side of Hawai'i, due to the absence of any existing DMBs in Hilo. This proposal details the objectives, study location, methodology, and provides the experience of team personnel from the University of Hawai'i at Hilo.

1.1 Study Context

Hawai'i is one of the most isolated archipelagos in the world and has some of the highest levels of marine endemism (Friedlander et al. 2005). Endangered humpback whales, monk seals, and turtles, as well as 20-25% endemic marine species (Ziegler 2002) are a few among many appealing aspects of Hawaii's marine environment that draws visitors to the state. Tourism is one of Hawaii's primary industries with over 7 million visitors per year who contribute over \$11 billion to the state's economy (Hawaii DBEDT 2002). There are over 1,000 marine-based tourism companies focused on fishing, scuba diving, snorkeling, sport fishing, surfing, kayaking, whale watching, and much more that generate over \$700 million annually to the state (Clark & Gulko 1999). As tourism in Hawai'i continues to rise, the number of marine recreationists will also increase, as 80% of visitors to the state participate in some form of water-based recreation. Approximately 52% of those recreationists participate in scuba diving or snorkeling activities at some point during their stay (Hawaii DBEDT 2002). The known impacts to the coral reef ecosystem related to tourism and overuse has led to increased concern regarding degradation rates and sustainability within the industry (Rogers & Cox 2003).

In Hawai'i, there is a tremendous economic and cultural reliance on the quality and health of coastal waters. However, there is currently a critical lack of background data and long-term monitoring plans for coastal marine ecosystem health, (including coral reefs). Coastal systems and coral reefs are in decline around the world (Wilkinson 2004) and in the US (Waddell 2005). The overall status and condition of Hawaiian coral communities are good (Friedlander et al.

2005), but numerous regional reef communities throughout the state are poorly documented and are vulnerable to large-scale damage because of Hawaii's unique location. Threats that coastal systems along the urbanized coastlines of the Main Hawaiian Islands (MHI) face today include land-based pollution, recreational overuse, over fishing and invasive alien species. Although considerable effort has been devoted to establishing monitoring of coastal marine areas in the Hawaiian islands (Brown et al. 2004, Jokiel et al. 2004, Jokiel et al. 2005), very little effort has been devoted to the eastern side of the island of Hawai'i.

Hilo Bay is a salt wedge estuary that is stratified with a freshwater surface layer existing up to several kilometers offshore (Dudley & Hallacher 1991). There is minimal mixing between freshwater and saltwater layers inside the Bay because the breakwater reduces wave energy, creating ideal conditions for potential phytoplankton blooms and trapping watershed-derived organic matter. The Hilo Bay watershed has one of the highest precipitation rates on the Hawaiian Islands and in the United States (Juvik & Juvik 1998). Hence, the amount of freshwater entering Hilo Bay by surface flow and groundwater is greater than any other Hawaiian estuary. It is a salt wedge estuary that is stratified with a freshwater surface layer existing up to several kilometers offshore (Dudley & Hallacher 1991) with minimal mixing between freshwater and saltwater layers inside the bay because the breakwater reduces wave energy, creating ideal conditions for potential phytoplankton blooms and trapping watershed-derived organic matter. Additionally, both watershed-derived organic matter or storm-induced phytoplankton blooms are an a food source for higher trophic levels, like zooplankton and commercially and recreationally important fish (Atwood et al. 2010). Hilo Bay is also an important wildlife and fishery area (HDOH 2000) and is also one of the longest, most accessible, yet least used sand beaches on the Island of Hawai'i (Hawai'i Island Journal 2004).

Dredging activities can have significant impacts on corals and are primarily related to the intensity, duration and frequency of exposure to sedimentation and increased turbidity thus smothering reef organisms (Dodge & Vaisnys 1977, Bak 1978, Sheppard 1980, Fortes 2001). Reef sedimentation especially from the re-suspension of the surrounding soft substrate can cover the reef surface and inhibiting coral recruitment, feeding, and photosynthesis (Hawkins & Roberts 1993, Hasler & Ott 2008). Further, the excavation, transportation and disposal of soft-

bottom material may lead to various adverse impacts on the marine environment, especially when carried out near sensitive corals. The degree of sensitivity of a coral reef and its ability to recover from dredging activities typically depend on the ecology, species composition, and ambient conditions.

1.2 Conceptual Background

Studies have shown that the most damaging anthropogenic impacts on coral reefs including sedimentation, runoff, eutrophication, physical impacts (ship groundings, anchor damage), overfishing, and destructive fishing methods can be reduced substantially through mitigation measures such as integrated watershed management, appropriate land use and agricultural practices, navigational aids, mooring buoys, marine protected areas (with enforcement capabilities), and education, respectively. Mitigation activities as an appropriate means of compensatory restoration involving coral reefs impacted by coastal dredging have included antigrounding campaigns, coral reef education and outreach programs, coral restoration, and installation of mooring buoys at designated sites (Richmond 2005). Of these activities, the installation of mooring buoys have been suggested as an effective mitigation strategy to compensate for coral loss, as they can prevent anchor damage and small boat groundings on shallow reefs thereby reducing the anthropogenic impact by ocean users on coral reefs, especially in areas with high levels of anthropogenic use (Harriott et al. 1997, Jameson et al. 1999, Precht & Robbart 2006). This monitoring project will quantify the effectiveness of day use mooring buoys (DMB) as compensatory mitigation in Hilo Bay. The project will compare ecological parameters, including coral size and health, fish abundance, and algal percent cover at the five DMB sites, as well as 5 reference sites to determine if the DMB's are effective mitigation in Hilo Bay. Although there is no current sound biological data on the effectiveness of DMB's as mitigation, it is expected that if the DMB's prevent 365 anchor drops each year, 121 coral colonies will be protected in Hilo Bay (Oceanit 2011).

Monitoring of coral reef mitigation measures are often employed to determine the impact (and documenting success or failure) of the strategies implemented. Typically, monitoring periods range from 3 to 5 years, during which the structure and function of the reef habitat are quantified.

Because of the slow growth rate of corals, this 3- to 5-year time period is often inadequate for an ecosystem to become established or to determine whether all of the reestablished ecological processes are properly functioning. Ideally, monitoring programs help managers to assess mitigation programs by determining: 1) the length of time required for natural recovery of a system, 2) whether recovery of the reef community will resemble pre-disturbance state, and 3) whether mitigation measure will lead to the desired effect or outcome. Primarily this is determined using hypothesis-driven ecological studies and quantitative, long-term monitoring programs. For example, formulating and testing hypotheses about the response of reefs to anthropogenic disturbances allows for establishment of the scientific protocols necessary to design and implement restoration strategies, a baseline for developing quantifiable success criteria, and the efficacy of the mitigation efforts (Precht & Robbart 2006).

2.0 PROJECT OBJECTIVES

- 1) Monitor intended day-use mooring buoy (DMB) sites.
- 2) Conduct user surveys at new DMB sites.
- 3) Conduct user surveys at existing DMB sites.

3.0 PROPOSED METHODS AND WORKPLAN

To achieve the objectives outlined in Section 2, the proposed project will be completed during quarterly monitoring of proposed buoy sites and 5 control sites. Additionally, mooring buoy user group surveys to determine user groups and use frequency will be conducted in Hilo Bay and at existing buoys along the Kona coast at existing mooring buoys.

Ecological Survey Methodology

Two teams will survey a total of three transects adjacent to each site (5 new SMB sites, 5 control sites) during each quarter of the year over the course of 3 years. Permanent transects will be established adjacent to the location that the mooring buoy will be placed, no greater than 100m away from the proposed buoy location. Each transect will be at least 50m from the nearest transect. Ecological surveys of habitat complexity, coral, macroalgae, invertebrates, and fish will

be conducted along the same transect. Permanent transects allow for surveys to be completed in the same areas each quarter, in order to monitor change over time at these sites.

Habitat Surveys

Benthic surveys will be conducted to describe the benthic environment in detail. These surveys will be used to determine the habitat complexity, percent cover, abundance, species richness of algae and coral at each site.

Habitat complexity, or bottom roughness, will be determined using measures of rugosity, in which a thin chain is laid along the substrate, following the topography of the substrate alongside the transect tape at each 5m mark for 1m. The amount of chain used to contour 1m will be marked and a measure of rugosity will be established. Habitat complexity is an important ecological parameter due to areas of higher complexity providing increased surface area for corals, invertebrates, and algae to recruit onto (Friedlander & Parrish 1998).

Percent cover of various substrate (coral, algae, sand) will be determined using benthic grid methodology, in which 16 $1/4\text{m}^2$ quadrats are placed at randomly selected points along the transect. Using double strung 3x3 string quadrats, divers will visually estimate the abundance of each species present within each of the 4 subquadrats. Additionally, a complete species list of macroalgae will be created by recoding each species present in 2mx1m segments on one side of the transect. Physical samples will be collected from each species observed to obtain a positive identification, to species level if possible.

Coral surveys will be conducted using the NOAA coral belt transect method, along the 50m transect, in 2.5x1m segments. Corals will be identified to species if possible, and individual colony size will be recorded, for corals with the center within each transect. Percentage of live and dead will be recorded, any and all disease or anomalies will be evaluated, such as skeletal growth anomalies, algae overgrowth, and predation, and any damage to corals that are potentially boat-inflicted by anchors will be identified.

Mobile-invertebrate surveys

Non coral invertebrates will be surveyed along the 50m permanent transect, using a 0.5m² quadrat at 16 randomly established points. A general description of substratum will be noted.

Fish surveys

Pairs of scuba divers will conduct fish survey strip transect (SST) along the three 50m long permanent transect lines. Divers will record size-class specific counts of all fishes encountered, to species when possible, 2m away on each side of the transect. In order to account for all potential fish size classes, stationary point count will be conducted at the far end (50m) of the transect.

Recreational Use Survey Methodology

This study will address the social and environmental implications associated with the installation of day-use mooring buoys in Hilo Bay. Little is known about user group preferences in Hilo Bay. This study will utilize standard social science research methods to collect data regarding the user groups in Hilo Bay. On-site user completed surveys will be conducted at the Hilo Bay small boat harbor, using a short questionnaire to gauge how and if the mooring buoys will be used. In addition, a shore based surveys will be conducted, detailing how many boats are in the bay, how many approach the buoys, and observations whether the buoy is used or if the user drops an anchor, will be recorded.

On-site user completed surveys and shore based surveys will be completed every six months in Hilo Bay. Additionally, surveys on well-established existing buoys will be completed. Due to no existing mooring buoys in Hilo, additional surveys at buoys on the west side of Hawaii will be completed for comparison. On-site user completed surveys will be conducted at the Honokohau harbor. Shore based surveys will be completed at 5 random, close to shore, buoys on the West side of Hawaii.

4.0 PROJECT SCHEDULE

5.0 PROJECT BUDGET

Budget is 5 year sampling -- Y4-5 Semi-Annually; Table 2.

Table 2. Project design with sampling for a duration of five years; quarterly in years 1-3 and annually in years 4-5.

With Direct Costs and MTDC						
Item	Year 1	Year 2	Year 3	Year 4	Year 5	Total
3.0 credit, release (Turner)				\$8,202	\$8,202	
Fringe (Turner) (44.91%)				\$3,684	\$3,684	
Graduate Student - oversee project	\$20,000	\$20,000	\$20,000			
Fringe (Graduate Student)(11%)	\$2,200	\$2,200	\$2,200			
MOP Student stipends (12:6@ \$400)	\$4,800	\$4,800	\$4,800	\$2,400	\$2,400	
Boat rental (32:16/yr@\$250)	\$8,000	\$8,000	\$8,000	\$4,000	\$4,000	
Vehicle Rental (\$350/mo*12:6)	\$4,200	\$4,200	\$4,200	\$2,100	\$2,100	
Field Supplies	\$4,000	\$2,000	\$1,000	\$500	\$500	
Cameras	\$2,000					
Consumable Supplies	\$1,000	\$1,000	\$1,000	\$500	\$500	
Laptop for project (1)	\$1,000					
Software	\$800					
Total Direct	\$48,000	\$42,200	\$41,200	\$21,386	\$21,386	\$174,171
MDTC	\$43,200	\$37,400	\$36,400	\$18,986	\$18,986	
Indirect (24.0%)	\$10,368	\$8,976	\$8,736	\$4,557	\$4,557	\$37,193
Total cost	\$58,368	\$51,176	\$49,936	\$25,942	\$25,942	\$211,364

Budget Justification

The budget for years 1-3 are required for quarterly sampling; years 4-5 for semi-annual sampling. A graduate student assistant will be hired to assist with field logistics of the project in years 1-3, including but limited to diver operations, student management, boat operations, and conducting and leading monitoring and surveys (3 years @\$20,000/year, \$102 fringe/year).

Undergraduate scientific divers that have completed the QUEST course will be hired as student

assistants (4 X 3 semesters @ \$400/student = \$4,800). UHH research vessels will be used to complete monitoring surveys in Hilo Bay. The rental cost for UHH projects is \$200 and we estimate 32 trips (8 trips per quarter) to complete the monitoring surveys (32@ \$250 = \$8,000). UHH vehicles (F250 truck, Vans) will be rented at a rate of \$350/month for 12 months (\$4,200). Field supplies including surveying equipment (transects, quadrats), scuba equipment (replacement tanks, gear), and miscellaneous field supplies (pelican cases, clipboards, dive slates, etc) will decrease across the life of the project (YR1:\$4,000, YR2:\$2,000, YR3:\$1,000). Cameras will be required for shore based monitoring and will include SLR and GoPro cameras (\$2,000) to be purchased in year 1. Consumable supplies including waterproof paper, notebooks, writing instruments, printer cartridge, printer paper, etc is estimate at \$1,000/year. A laptop computer (1@ \$1,000) along with contour and 3D surface mapping software (Surfer, etc)(1@ \$800) will be purchased in year one and used for the duration of the study.

Budget for the 5 year project duration have the following departures from the 3 year budget. 1) in years 4-5, the graduate student assistant is replaced by a 3.0 credit in one semester instructor course buyout (1@ \$11,500 per year; release+fringe), and 2) Student stipends, vessel and vehicle rental, and field and consumable supplies, are all reduced in years 4-5, based upon monitoring on an annual basis.

6.0 STUDY TEAM

To meet the objectives outlines in this proposal, the Marine Science Department at the University of Hawai'i at Hilo and the Marine Option Program have assembled an experienced team to carry out this project. The PI (Turner) and Key Personnel (Knight) have a well over 500 combined research and monitoring survey dives including sampling of benthic composition, invertebrate and fish communities, along with structured habit and sampling for biochemical analyses. In addition both Turner and Knight are affiliated (Director/Faculty and Staff member, respectively) with the UHH QUEST program, which is the only academic program in the State of Hawaii to certify scientific divers in underwater ecological sampling techniques. Divers who complete the program will become part of the student assistant dive pool (30 per year).

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GENERAL CONDITIONS

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GENERAL CONDITIONS

1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA 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 governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.
 - a. 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 Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'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 STATE 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 STATE.
 - b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.
 - c. 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.
 - d. 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. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.
 - e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the 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 and submit the same to the STATE 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 sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.
 - f. 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.

- g. 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 section 3-122-112, HAR, that is current within six months of the date of issuance.
 - h. 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.
 - i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.
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.
5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee 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. 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 (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate 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'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 Comptroller of the State of Hawaii, as provided in section 40-58, HRS.
- a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, 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 STATE; and
 - (3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.
 - b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement 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 and conditions of this Contract are thereby changed.

- c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.
 - d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.
7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the 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.
8. Cost of Litigation. In case the STATE 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 all costs and expenses incurred by or imposed on the STATE, 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 STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE 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 paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.
10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii 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 State of Hawaii, 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 State of Hawaii under such payment or other settlement plan.
11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.
12. Suspension of Contract. The STATE 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 Agency procurement officer 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

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. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall 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 Agency procurement officer 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 schedule or contract price, 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 an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer 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 provision 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, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer 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 a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. 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 or services.

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

- c. Compensation. Payment for completed goods and services delivered and accepted by the STATE 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 Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.
 - d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a 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 reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer 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 shall be revised accordingly, subject to the rights of the STATE under this Contract. 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 13d, "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. 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.
- a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when 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 will 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 STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.
 - c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

- (1) Any completed goods or work product; 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 Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE 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 the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.
- (2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.
- (3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:
 - (A) Contract prices for goods or services accepted under the Contract;
 - (B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;
 - (C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);
 - (D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of

supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

- (4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) 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 such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

- (1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:
- (A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;
 - (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 Agency procurement officer in writing.
- (2) Notice content. 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 Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;
- (3) Basis must be explained. The notice required by subparagraph 15a(1) describes 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) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state 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. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. 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 air fare, 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 HIOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

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 allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.
- c. Prompt payment.
 - (1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) 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; and
 - (2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.
- d. 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 Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

- a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.
- b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.
- c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:

- (A) Changes in the work within the scope of the Contract; and
 - (B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.
- d. Adjustments 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 contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.
 - e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.
 - f. Claims not barred. In the absence of a written contract modification, 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.
 - g. CPO approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least \$25,000.00 or ten per cent (10%) of the initial contract price, whichever increase is higher, must receive the prior approval of the CPO.
 - h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, 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.
 - i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.
20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:
- (1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;
 - (2) Method of delivery; or
 - (3) Place of delivery.
- a. 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, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

- b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.
- c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.
- d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 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 or as soon thereafter as practicable;
 - (2) By unit prices specified in the Contract or subsequently agreed upon;
 - (3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;
 - (4) In such other manner as the parties may mutually agree; or
 - (5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.
- b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer 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 contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

- a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:
 - (1) Description of performance (Attachment 1);
 - (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 STATE 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 Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery 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 thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer 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 paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.
 - e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, 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 this contract is incrementally funded, the new amount allotted to the contract.
24. 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 STATE.
 - b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.
25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, 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. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.
26. Ownership Rights and Copyright. The STATE 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 made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, 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.
27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.
28. Audit of Books and Records of the CONTRACTOR. The STATE 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, and
 - b. A state contract, including subcontracts, other than a firm fixed-price contract.
29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over \$100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.
- 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 STATE 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.
30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.
31. Records Retention.
- (1) 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 STATE.
 - (2) 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 STATE, and any cost or pricing data, for at least three (3) 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 (3) 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 STATE at the request of the STATE.
32. Antitrust Claims. The STATE 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 STATE 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 STATE under an escalation clause.
33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys 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 STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (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.
34. 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 Honolulu, Hawaii.

35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.
36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.
37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE 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 STATE and the CONTRACTOR other than as set forth or as referred to herein.
38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.
39. Waiver. The failure of the STATE 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 STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.
40. 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 STATE 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 STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.
41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-205.5, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.
42. 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 procedures 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 STATE 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 STATE.
- (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 STATE to reduce the risk of unauthorized access to personal information.
- (4) CONTRACTOR shall report to the STATE 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 STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

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:
 - (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 STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

- (1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or

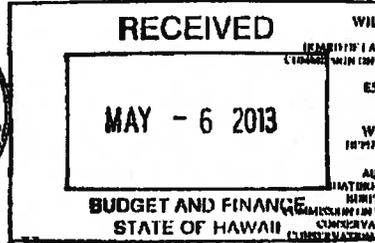
- (2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

c. Records Retention.

- (1) 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 STATE.
- (2) 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 STATE, and any cost or pricing data, for at least three (3) 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 (3) 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 STATE at the request of the STATE.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
ESTHER KIA'AIMA
DIRECTOR
WILLIAM M. TAM
DIRECTOR
ADAPTIVE RESOURCES
DIVISION
HAWAIIAN HISTORIC PRESERVATION
COMMISSION
LAND AND NATURAL RESOURCES
DIVISION
LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

April 5, 2013

*BDF: 2001
S: 05/13/13*

TO: The Honorable Neil Abercrombie
Governor of Hawaii

THROUGH: Kalbert K. Young, Director of Finance
Department of Budget and Finance

FROM: William J. Aila, Jr., Chairperson *WJA*
Board Land and Natural Resources

SUBJECT: Requesting permission to release construction funds for mitigation at Hilo Harbor, Hawaii as part of the construction of Inter-Island Cargo Terminal Facility at Hilo Harbor, Hawaii- Dredging, H.C. 50006.1 as authorized by Section 36, Act 164, SLH 2011, as amended by Act106, SLH 2012, Item C-30 and transfer the funds as authorized by Section 99, Act 162, SLH 2009.

Pursuant to the attached Amended Memorandum of Agreement (MOA) between the Department of Transportation Harbors Division (DOT) and the Department of Land and Natural Resources (DLNR) dated September 25, 2012 permission is requested by DLNR to release construction funds in the amount of \$300,000 in Harbor Revenue Bond Funds and transfer the funds from DOT to DLNR for the subject project. This project will be funded in the Fiscal Year 2013 Harbors Division CIP Implementation Plan, Priority Number 16.

1. This request consists of: An allotment of \$300,000 in construction funds to finance the compensatory mitigation plan as related to the subject project.
2. Additional Information and Comments:
 - a. This allotment request is to finance the compensatory mitigation as part of the dredging phase which is the first of three separate phases of the overall development of a new cargo terminal facility. The two other phases are cargo yard improvements and a new pier.
 - b. The mitigation plan has been established as a requirement by the United States Army Corps of Engineers (Corps) in issuing a Department of Army permit authorizing the dredging activity. The mitigation plan involves compensation for the lost public resources, primarily corals and fish habitat, as a result of the dredging.
 - c. The mitigation plan consists of three major objectives: 1.) Planning and installation of five (5) Day-Use Mooring Buoys (DMB) in the Hilo area; 2.) Maintenance for at least 20 DMBs within a period of 2 years; and 3.) Biological monitoring to quantify the public natural resources protection values attributable to the DMBs.
 - d. Through the MOA, DLNR is responsible for the overall work effort associated with the mitigation plan and we would like the project delegated and designated to DLNR as the expending agency. This delegation and designation will allow the implementation of the

work. DLNR will provide necessary updates and document the process and progress of completing the mitigation plan and subsequently submit progress reports. Reports will be reviewed by DOT and sent to the Corps.

Previous Requests:

<u>Cost Element</u>	<u>Means of Finance</u>	<u>Amount</u>
Design	Revenue Bond	\$2,010,000
Construction	Revenue Bond	<u>\$32,000,000</u>
	TOTAL	<u>\$34,010,000</u>

This Request:

<u>Cost Element</u>	<u>Means of Finance</u>	<u>Amount</u>
Construction	Harbors Special Fund	<u>\$300,000</u>
	TOTAL	<u>\$300,000</u>

3. The DOT-HAR certifies that this project meets all Harbors Division's design requirements and there are adequate funds currently appropriated for this project.

Department contact: Ed Underwood at 587-1967

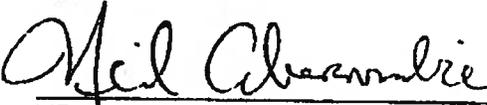
RECOMMEND:

APPROVAL DISAPPROVAL


KALBERT K. YOUNG
DIRECTOR OF FINANCE

July 3, 2013
DATE

APPROVED DISAPPROVED


NEIL ABERCROMBIE
Governor, State of Hawaii

7-8-13
DATE

STATE OF HAWAII
ALLOTMENT ADVICE

TO: The Honorable William J. Ala, Jr., Chairperson

ADVICE NO. 14-0013
XXXXXXXX

Board of Land and Natural Resources

COMPTROLLER'S NO. _____
XXXXXXXX

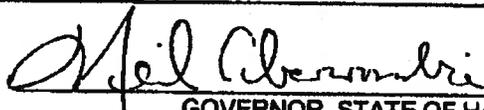
I have this day approved the following allotment from general obligation bond fund appropriation authorized by

Sections 36 and 83, Act 164, SLH 2011, as amended by Act 106, SLH 2012, for the purpose indicated:

TC	F	YR	APP	D	ALLOT CAT	SOURCE/ OBJECT	ITEM	TITLE AND PURPOSE OF ALLOTMENT	M O F	AMOUNT	
XXX	X	XX	XXX	XX	XX	XXXX	XXXXXX	(20 x)	X	XXXXXXXXXXXX	XX
								(20 x)			
								DELEGATION, TRANSFER AND ALLOTMENT			
473	S	11	605	D			C-30	Mitigation at Hilo Harbor, Hawaii Design and construction to mitigate environmental measures at Hilo Harbor (construction)	B	300,000	00
474	S	11	800	C			C-30	Mitigation at Hilo Harbor, Hawaii (construction)	B	300,000	00
531	S	11	800	C	20		C-30	Mitigation at Hilo Harbor, Hawaii (construction) Purpose: To fund construction of day use mooring buoys and related work at Hilo Harbor, Hawaii. Total Allotment - \$300,000.00 HDOT Project H.C. 50006 1	B	300,000	00



DIRECTOR OF BUDGET AND FINANCE



GOVERNOR, STATE OF HAWAII

DATE: July 3, 2013