LINDA LINGLE
GOVERNOR

RUSS K. SAITO
COMPTROLLER

KATHERINE H. THOMASON
DEPUTY COMPTROLLER

STATE OF HAWAII

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810

MAY 17 2007

Dear Contractors/Vendors:

SUBJECT: Act 291 (2006), HB3036 CD1
Section 4 – Escalation of Overhead and Profit, HRS Section 103D-501
Effective July 1, 2007

Please be advised that in accordance with the requirements of Act 291 (2006), for all State of Hawaii – DAGS projects, any change order initiated on or after July 1, 2007 will be subject to an increase of overhead and profit of 20% for work done directly by the contractor and 10% on billings by the General Contractor, with the existing depth limitation.

All Force Account change orders under $50,000 shall be sent to the contractor no later than 15 days; and all unilateral change orders over $50,000 shall be sent to the contractor no later than 10 days, both after a properly formatted quotation has been submitted.

The current online forms can be utilized by changing the overhead and profit rates.

Should you require additional information, please call Clyde K. Kumabe, Public Works Manager, Construction Management Branch at 586-0414 or email your request to clyde.k.kumabe@hawaii.gov.

Sincerely,

RUSS K. SAITO
State Comptroller