

Shall the Authority Authorize the Executive Director to Enter Into a Two (2) Year Contract Plus One (1) Year Option to Extend With the Lowest Responsive Bidder for General Maintenance Services for the Hawaii Community Development Authority Office located at 547 Queen Street, Using Funds from the Hawaii Community Development Revolving Funds, Leasing and Management Subaccount?

Staff Report

December 2, 2015

Background: On March 13, 2015, the Hawaii Community Development Authority ("HCDA") relocated its office to the American Brewery Building ("ABB") located at 547 Queen Street (11,738 square feet office space). The HCDA previously leased office space from the Kamehameha Schools at 461 Cooke Street (8,383 square feet office space). While located at 461 Cooke Street, the HCDA had a contract for office maintenance that included plumbing repair (flusher valve, snaking and plunging clogged toilets), hole and nick repairs, painting of walls, changing light bulbs, changing and repairing ballasts, hanging white and cork boards as well as any other general office repair. However, the landlord (Kamehameha Schools) was responsible for all major repairs at 461 Cooke Street.

Although it was originally believed that general office maintenance required minimal time and effort on Asset Management personnel, it eventually became much more time-consuming than initially expected. Such maintenance takes anywhere from five to 10 hours a week for staff, which pulls them away from doing other work managing the HCDA's assets.

At the ABB, office repair and maintenance costs are expected to be higher than at 461 Cooke Street, as the HCDA owns ABB and is solely responsible for maintaining the entire building. The ABB is also the HCDA's permanent office location, so preventative care and maintenance of the building by a professional provider is a necessary investment to prevent more expensive repairs in the future.

Staff issued an Invitation for Bid ("IFB") for General Maintenance Services for its office located at 547 Queen Street for a twenty-four (24) month period with one additional twelve (12) month option to extend on the Hawaii Electronic Procurement System ("HiePRO"). The scope of services under this solicitation included:

- A. General Maintenance and repair based including but not limited to:
 - 1) Repairing nicks, scratches, holes in walls and painting to match existing wall.
 - 2) Repairing desks, shelving, tables and other office furniture.
 - 3) Repairing and/or replacing doors.
 - 4) Replacing light bulbs.
 - 5) Minor repairs.
 - 6) Historical Building visage maintenance and repair work as needed.

- B. Keeping all electrical systems operational including but not limited to light fixtures, electrical outlets, light switches and ballasts with monthly inspections.
- C. Keeping all plumbing in good condition (leak-free) and working, including but not limited to fixtures, pipes, and plumbing with monthly inspections.
- D. Maintaining features of the ABB such as the interior staircase, roof skylight, and historical brick building.

The contract's scope of services requires the Contractor to maintain the ABB in good condition and make all necessary repairs, along with identifying any major repairs not otherwise covered by the contract. The HCDA reserves the right to purchase its own materials should the HCDA not agree on the costs of materials.

This proposed contract also includes an allowance of thirty thousand dollars (\$30,000) a year. Work provided under this repair allowance are subject to prior written approval by the HCDA. Allowance billing may include but is not limited to hourly work done by licensed plumbers, electricians, carpenters, emergency work, after-hours work, and work done by others to fulfill the scope of this contract, and may include repair material and replacement parts such as: paint, light bulbs, ballasts, and fixtures, and plumbing fixtures. The Contractor shall provide appropriate invoices and labor charges to support any request for payment under this repair allowance.

Discussion: The HCDA received no bids for the ABB Maintenance Contract, despite the solicitation being posted on HIEPRO for over two weeks. One interested vendor attended the pre-bid meeting to tour the building but failed to submit a bid. Alternative procurement methods will now be pursued to secure a vendor.

No Option Other Than to Procure Services: In December 2014, the HCDA staff requested that DAGS Central Services Division ("CSD") add the ABB to the list of state facilities it oversees. The CSD plans, coordinates, organizes, directs and controls a variety of centralized services. These services include: maintenance and repair of state buildings and facilities; mail and messenger services; custodial services in public buildings and health centers, and grounds maintenance and beautification projects at 164 State facilities. However, the CSD replied that it did not have the budget or staff to add another facility to its existing facilities for repair and maintenance or janitorial services.

Recommendation: Staff recommends approval to authorize the Executive Director to Enter Into a Two (2) Year Contract Plus One (1) Year Option to Extend With the Lowest Responsive Bidder for General Maintenance Services for the Hawaii Community Development Authority Office located at 547 Queen Street, Using Funds from the Hawaii Community Development Revolving Funds, Leasing and Management Subaccount.

The HCDA will award the contract to the lowest responsive and responsible qualified bidder. As DAGS will not provide maintenance services to the ABB, and existing HCDA Staff does not have the time or capacity to adequately provide such services, a general office

maintenance contract is necessary to provide professional repair and maintenance for the ABB.

Exhibit A – IFB ABB Maintenance Services