

STATE OF HAWAII  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
**KAKAAKO**  
Honolulu, Hawaii, 96813

*March 7, 2018*

Chairperson and Members  
Hawaii Community Development Authority  
State of Hawaii  
Honolulu, Hawaii

HCDA Board Members:

**SUBJECT**

Shall the Authority authorize the Interim Executive Director to execute a contract for janitorial services for the Hawaii Community Development Authority's American Brewery Building with Federal Maintenance Hawaii, Inc. for an initial three-year term, plus two (2) one-year options to extend, and expend up to \$310,797 from the Hawaii Community Development Authority's Revolving Fund, Leasing and Management sub-account?

**SUMMARY**

HCDA's current janitorial contract for the American Brewery Building (ABB) expires on March 17, 2017 and there are no additional extensions. We must award a new contract prior to this date to avoid a lapse in janitorial services.

**AUTHORITIES**

At the August 3, 2016 General Meeting, the Board set a policy to review and approve all procurement requests over \$25,000. The Minutes to the August 3, 2016 meeting is attached as Exhibit A.

**BACKGROUND**

The HCDA currently contracts janitorial services for the daily cleaning of its offices at the ABB, as it does not have the staff to provide this service. The total floor area of the ABB is approximately 17,737 square feet across five floors. There are 16 toilets, 4 urinals, 14 sinks, and 2 showers.

The scope of work for the janitorial contract includes the following:

**Daily Services**

- General cleaning of offices, conference rooms, lunchrooms, and machine rooms;
- Emptying and relining of all trash receptacles;
- Bagging and disposing of all building trash in designated refuse collection area;

- Cleaning and disinfecting all restroom fixtures, including wash basins, toilets, urinals, and showers;
- Replenishing all supplies in restroom dispensers (toilet paper, paper towels, seat covers, soap, etc.);
- Sweeping, mopping, and vacuuming all floors;
- Cleaning and scrubbing stains as needed;

**Semi-Annual Services**

- Shampoo all carpeted areas;
- Strip, wax, and buff all non-carpeted areas;
- Sweet and mop fire escapes and entryways;
- Deep clean building walls, beams, A/C vents, all interior glass windows and doors;
- Deep clean rooftop wash basin;

**Annual Services**

- Clean interior glass of skylight;
- Dust skylight frame and beams; and
- Deep clean ceiling pipe fixtures, lights, projection screens, A/C units, and shelving.

Kleenco Corporation was awarded a two-year janitorial contract for the ABB in March 2015 worth \$131,631.52. This contract also included an option to extend one additional year, for an additional \$65,815.76. The HCDA exercised its option to extend last year and there are now no additional extension options remaining.

On January 19, 2018, the HCDA issued a new Request for Proposals (RFP) for Janitorial Services for the ABB. Proposal from Kleenco Corporation, Federal Maintenance Hawaii, Greeny's Contracting, and ISD Services were submitted by the February 20, 2018 deadline.

An evaluation committee comprised of HCDA Asset Management staff evaluated and ranked all four proposals based on the following criteria:

<b><u>Proposal Application Categories</u></b>	<b><u>Possible Points</u></b>
Experience and Capability	30 points
Organization and staffing	15 points
Service Delivery	25 points
Financials	30 points
<b>TOTAL POSSIBLE POINTS</b>	<b>100 points</b>

**ANALYSIS**

Federal Maintenance Hawaii received the highest total score from the committee based on the quality of their proposal. Their experience, current government contracts, proposed staffing and

service delivery, and reasonable price earned Federal Maintenance Hawaii an average score of 93.9 points out of a total of 100. Federal Maintenance Hawaii is a large company with experience managing large government janitorial contracts, including a \$22 million contract to provide janitorial services to the U.S. Army Garrison in Hawaii.

While the scope of work for the ABB Janitorial contract would be much smaller, references from the U.S. Army Garrison and the University of Hawaii John A. Burns School of Medicine strongly recommended Federal Maintenance Hawaii as an excellent contractor.

Federal Maintenance Hawaii provided a bid price of \$61,599 annually for the initial three-year term, then \$63,000 annually for the two extension years. The total bid price for the maximum five-year term would be \$310,797. The HCDA retains the option to extend or allow the contract to expire after the initial three-year term.

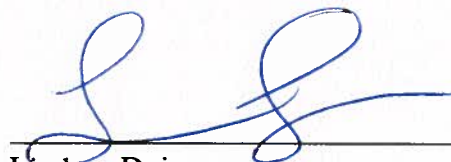
The above bid price was the second lowest price of the four proposals received. ISD Services submitted a lower bid price of \$60,737.48 annually for the initial three-year term, then \$58,537.48 annually for the two extension years. However, the proposal from ISD Services was not nearly as strong as the proposal received from Federal Maintenance Hawaii.

Kleenco Corporation submitted a very strong proposal that was comparable to Federal Maintenance Hawaii's; however, Kleenco's bid price was over \$13,000 higher annually. This would represent a difference of about \$65,000 over the maximum five-year term, which was not justifiable based on the similar offerings contained within both Kleenco's and Federal Maintenance Hawaii's proposals.

### **RECOMMENDATION**

HCDA staff recommends the Authority authorize the Interim Executive Director to execute a contract for janitorial services for the Hawaii Community Development Authority American Brewery Building with Federal Maintenance Hawaii, Inc. for an initial three-year term, plus two (2) one-year options to extend, and expend up to \$310,797 from the Hawaii Community Development Authority Revolving Fund, Leasing and Management Sub-account.

Respectfully Submitted,



Lindsey Doi  
Asset Manager

Approved for Submittal:



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Garett Kamemoto  
Interim Executive Director

Attachments:

Exhibit A - Minutes of the August 3, 2016, General Meeting

**Minutes of a Regular Meeting  
of the Members of the  
Hawaii Community Development Authority  
State of Hawaii**

**Wednesday, August 3, 2016**

**GENERAL BUSINESS**

**I. CALL TO ORDER/ROLL CALL**

A general business meeting of the Members of the Hawaii Community Development Authority ("Authority" or "HCDA"), a body corporate and a public instrumentality of the State of Hawaii, was called to order by Chair Whalen at 10:00 AM August 3, 2016 at Authority's principal offices at 547 Queen Street in Honolulu, Hawaii, 96813, pursuant to Article IV, Section 1 of the Authority's Bylaws.

**Members Present:** Beau Bassett  
Donna Camvel  
Wei Fang  
Michael Golojuch, Sr.  
Scott Kami  
Jason Okuhama  
David Rodriguez  
Shirley Swinney  
Mary Pat Waterhouse  
Steven Scott  
John Whalen

**Members Absent:** George Atta  
William Oh  
Amy Luersen  
Kalani Capelouto  
Derek Kimura

**Others Present:** Aedward Los Banos, Interim Executive Director & ASO  
Mike Wong, Deputy Attorney General  
Lori Sunakoda, Deputy Attorney General  
Diane Taira, Deputy Attorney General  
Deepak Neupane, Planning Director  
Lindsey Doi, Asset Manager  
Laura Savo, Court Reporter  
Shelby Hoota, Media Specialist

## **II. APPROVAL OF MINUTES**

### General Regular Meeting of June 1, 2016.

No comments or corrections were made. Minutes were approved as presented.

### 1. General Regular Meeting of July 6, 2016.

No comments or corrections were made. Minutes were approved as presented.

## **REPORT OF THE EXECUTIVE DIRECTOR**

Interim Executive Director, Aedward Los Banos highlighted the following items:

The Kewalo Basin Harbor sewer repair is being worked on. The contractor identified the issue and will start on a permanent repair. The restrooms have reopened and the contractor will work to minimize any closures while the repair is in progress.

The 440 Keawe Street affordable rental project by Kamehameha Schools will possibly be occupied by the end of August.

Tenant improvements to the South Shore Market (section below TJ Maxx on Ward) will begin.

### KALAELOA UPDATE

The Kalaeloa Legacy Foundation held its annual fundraiser.

Kiran Polk of Hunt Development continues to indicate its commitment to address and remove the stockpiles on the site. They are working with another construction company to haul the equipment and complete the removal of the stockpile.

A Micro-grid Project is being prospected in a joint project with the State Energy Office for the Kalaeloa Development District receiving federal support through the Federal Energy Office. Funds will be used to coordinate a workshop with stakeholders to develop parameters for a microgrid. There will be an informational presentation for the Kalaeloa members regarding the microgrid workshop from the State Energy Office at the next meeting in September.

A meeting with BRAC, HCDA and DHHL confirmed that BRAC would like the City to commit to accepting land parcels by the end of the 2016 calendar year. If the City does not agree to accept the parcels HCDA or DHHL may have the opportunity to acquire the Kalaeloa property.

Mr. Los Banos confirmed for Member Swinney that the micro grid workshop will be federally funded and Ms. Tesha Malama stated the logistics for the micro grid workshop are being coordinated and it may coincide simultaneous with the Kalaeloa Landowners Summit

in October.

There were no other questions/comments or discussion from the board members or the public.

### III. BUSINESS MATTERS

#### 2. Decision Making: Election of Officers Fiscal Year 2016 - 2017

Chair Whalen noted due to the lack of quorum at the board's July meeting, the Election of Officers, as required according to the bylaws were deferred to today's meeting.

There were no comments or questions from the board members or the public.

Chair Whalen opened the nominations for the respective officers of Chairperson, Vice Chairperson and Secretary.

Vice Chair Scott nominated John Whalen to continue as Chairperson. Member Golojuch seconded. Chair Whalen conducted a voice vote. All members approved with no abstentions.

Member Kami nominated Steven Scott as Vice Chair. Member Okuhama seconded. Chair Whalen conducted a voice vote. All members approved with no abstentions.

Member Golojuch nominated Shirley Swinney as Secretary. Member Steven Scott seconded. Chair Whalen conducted a voice vote. All members approved with no abstentions.

There were no comments or questions from the board members or the public.

#### 3. Information and Discussion: Settlement Offer and Update Relating to Close Construction, Inc. vs. Hawaii Community Development Authority et al., vs. Mitsunaga & Associates, Inc. vs. DTRIC Insurance Company, Ltd.; Civil No. 14-1-0599-03.

Chair Whalen noted for the board that the Attorney General's office requested the information and discussion item be moved up, from # 7 as originally filed on the Agenda, and adjust the remaining order accordingly.

Due to the litigation, Member Swinney motioned for the board to convene in executive session pursuant to Hawaii Revised Statutes, Section 92-5 (a)(4). Member Bassett seconded the motion. All members unanimously approved entering into executive session.

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Pursuant to Section 92-5 (a) (4), Hawaii Revised Statutes, the Authority convened in Executive Session at 10:25 a.m.  
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Chair Whalen reconvened the meeting at 10:54 a.m.

There was no further discussion from board members or public comments.

**4. Information and Discussion: Executive Director Search Committee Update**

Chair Whalen provided the update. He stated a few changes made to the position description included the addition of the He'eia Community Development District and also skill sets to work in developing the Kaka'ako Community. A revised final position description was disseminated to board members, and the contractor, Bishop and Company opened the application period for 60 days. The committee hopes to recruit and hire the Executive Director by November 2016.

There was no further discussion from board members or public comments.

**5. Information and Discussion: 2017 HCDA Draft Legislative Package**

Mr. Los Banos presented the report provided in the board packet. DBEDT is seeking preliminary budget requests from its divisions and agencies in preparation for the 2017 legislative session. HCDA's summary of budget item requests include:

- The Kalaeloa Enterprise Energy Corridor
- Lot C project parking structure
- American Brewery Building remaining repairs
- Kewalo Basin Fisherman's Wharf bulkhead repair
- HCDA staff salaries
- Kakaako conveyance of roads and other remnant parcels

Chair Whalen noted as the agenda item is just preliminary information for DBEDT's budget request, the board will have an opportunity for a discussion at a later date once DBEDT's budget request is submitted to the legislature.

Mr. Los Banos and Mr. Neupane clarified for board members that the HCDA will not be requesting the legislature to fund an EIS for He'eia this year as the Office of Planning is conducting a NEPA and feels a EIS is not necessary at this time.

**PUBLIC TESTIMONY**

Ms. Michelle Matson, President of the Oahu Island Parks Conservancy, asked where the planned location for the Lot C parking garage will be. Mr. Los Banos and Mr. Neupane stated the parking structure per the current master plan will be located along Forest Avenue and designed to be between 45 to a maximum of 65 feet high.

Ms. Matson suggested that HCDA look into adopting rules so that the 1<sup>st</sup> floor



community room in the American Brewery Building can be utilized by the public for community meetings.

Member Rodriguez asked if the revisions to the reserved housing rules require legislative approval or if the revisions can be completed internally. Chair Whalen confirmed the board has authority to make the revisions and the draft of the reserved housing rules and workforce housing rules will be presented at the HCDA Authority meeting in September.

There was no further discussion from board members or public comments.

**6. Information and Discussion: Proposed Delegation of Authority to HCDA Executive Director Involving Certain Procurement Matters.**

AND

**7. Information and Discussion: Proposed Delegation of Authority to HCDA Executive Director Involving Reserved Housing Matters.**

Mr. Los Banos gave a general overview of the report provided in the board packet and stated, agenda items 7 & 8 are generally decisions that historically have been decided by the board and in an effort to streamline the administrative process both reports are to delegate those decisions to the executive director. Any decisions made by the executive director regarding these matters will be reported in the Executive Director's report to the Authority at the next regularly scheduled board meeting. The following are recommendation decisions currently retained by the Board to be delegated to the Executive Director:

**Administrative/Procurement Matters:**

- Expenditure of non-discretionary costs renewal and execution of existing contracts for goods and services required to operate and maintain HCDA's park properties, offices and other assets.
- Emergency procurement of goods and services and
- Expenditure of HCDA Capital Improvement Projects earmarked funds appropriated by the Hawaii State Legislature pursuant to the Authority's request.

**Reserved Housing Matters:**

- Sale or Transfer After the Regulated Term
- Sale or Transfer During the Regulated Term
- Owner's Refinancing Request and Subordination of Shared Equity Interest

Member Scott stated, to keep the board informed, he'd like any requests over \$25K for procurement matters to be presented to the board for approval.

Mr. Los Banos confirmed for Member Waterhouse, if there are inadequate funds in the reserved housing subaccount and other funds available from another account, the item would be brought before the board for approval.

There was no further discussion from the board members or public comment.

#### IV. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 11:52 a.m.

Respectfully submitted,

/s/

John Whalen,  
Chair

Note: The transcript of this meeting contains a verbatim record and should be consulted if additional detail is desired.