

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

March 6, 2019

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

HCDA Board Members:

SUBJECT: Shall the Authority Authorize the Executive Director to Expend up to \$152,125.60 to Make Repairs to Two Passenger Elevators at the Kauhale Kakaako Parking Garage?

SUMMARY:

Both elevators at the Kauhale Kakaako Parking Garage require replacement of the jack cylinder and PVC liner, as well as extraction of old oil and water. One elevator is currently inoperable, and the other is operating at reduced capacity. The amount for repairs exceeds the allowance threshold and contract amount previously approved by the authority for the Kauhale Kakaako elevator maintenance contract.

AUTHORITY:

At the August 3, 2016, General Meeting, the Board indicated it would like to review and approve all procurement requests over \$25,000.

BACKGROUND:

The Hawaii Community Development Authority (HCDA) entered into a new contract for elevator maintenance and repair services at Kauhale Kakaako with Elevator Services LLC on February 1, 2019. This contract was procured using the Competitive Sealed Bidding (IFB) process. Four vendors provided bids, and Elevator Services LLC was awarded the contract as the lowest responsive responsible bidder. The contract amount was \$15,696 for a three-year period with an additional \$10,000 annual allowance.

Prior to this contract, repair and maintenance of the garage elevators was included in the scope of work for a contract procured by the Hawaii Housing Finance Development Corporation (HHFDC) that also covered the elevators in the residential tower. However, it is now clear that maintenance of the garage elevators is HCDA's responsibility under the Master garage lease with HHFDC. Unfortunately, there was a lapse in service as the HHFDC worked to resolve the discrepancy on its end.

Elevator Services LLC conducted an initial assessment of the elevators and confirmed that one elevator was inoperable, and the other elevator required extensive repairs. The contractor needed to dismantle both elevators to assess the extent of repairs, as it was not immediately visible what repairs were necessary. Based on his findings, the contractor recommended complete replacement of the jack cylinder and PVC liner in both elevators, as well as cleaning the pits and replacing the oil.

ANALYSIS:

The cost for completing the above repairs is \$152,125.60 as itemized in the attached proposal. This cost exceeds the contract's \$10,000 annual allowance. As Elevator Services LLC is HCDA's current elevator maintenance and repair vendor, HCDA believes it is not practicable or advantageous to procure another vendor to make the necessary repairs.


HCDA will be utilizing an exemption from Hawaii Revised Statutes (HRS) Chapter 103D, pursuant to Hawaii Administrative Rules (HAR) §3-120-4(b), which states that certain goods and services are exempt from Chapter 103D, HRS, because although such goods and services may be available from multiple sources, their procurement by competitive means would be either not practicable or not advantageous to the State. Exemption #12 specifically applies to the procurement of repair services where dismantling is required to assess the extent of repairs.

Elevator Services LLC also noted both passenger elevators require immediate repairs to ensure the continuity of services. Procurement using competitive means would prolong the process of making necessary repairs and may lead to both elevators becoming inoperable. These elevators are the only means for tenants of Kauhale Kakaako and the public to access their vehicles in the parking garage. Having no working elevator servicing the garage would cause undue hardship on the elderly and mobility impaired residents and members of the public.

RECOMMENDATION:

HCDA staff recommends that the Authority Authorize the Executive Director to Expend up to \$152,125.60 to Make Repairs to Two Passenger Elevators at the Kauhale Kakaako Parking Garage.

Respectfully submitted,



Lindsey Doi, Asset Manager

APPROVED FOR SUBMITTAL:



Aedward Los Banos, Executive Director

Attachment
Proposal for Repairs

Elevator Services LLC

697 Kawaiahao Street
Honolulu, Hawaii 96813
(808) 591-1191
Fax (808) 591-1151

PROPOSAL

DATE: February 8, 2019

Building Name/Location:

Kauhale Kakaako Parking Garage
860 Halekauwila Street
Honolulu, Hawaii 96813

Purchaser:

Hawaii Community Development Authority
545 Queen Street
Honolulu, Hawaii 96813

EQUIPMENT:

Type

Passenger Elevator No. 3 and 4

Manufacturer

Otis

ELEVATOR SERVICES LLC shall perform the work described on below on the equipment below (herein called the "equipment").

SCOPE OF WORK: Replace Jack Cylinder for the Passenger Elevator.

- Remove Existing Jack Cylinder and PVC Liner
 - Extract Old Oil and Water Utilizing Unitek Contracting Group.
- Installation
 - Install New Cylinder Liner and New Hydraulic Cylinder Assembly, Align.
- Work to Commence With Elevator 3.

PRICE: Labor - Mechanic/Helper Team \$490.00 per hour; One Mechanic \$290.00 per hour - 48 Hours.

Total: \$37,440.00

Materials - Jack Cylinder With Liner

\$22,000.00

Freight

\$ 7,000.00

Oil Replacement - (2) 55 Gallons ISO 32

\$ 1,200.00

Pumping Contractor

\$ 5,000.00

Installation Permit and Safety Test Included

**Option - Shift Work Can Be Done With Overtime Labor To Speed Up Installation

\$72,640.00 + 4.712% Hawaii State Tax (\$3,422.80) = **\$76,062.80 Per Elevator**

Total For Both Elevators - \$152,125.60

70% Down (\$106,487.92), Balance Due Upon Completion (\$45,637.68)

PURCHASER'S acceptance of this Work Order together with the terms and conditions on page 2 hereof and which are expressly made a part of this proposal and agreed to, and its approval by an executive officer of Elevator Services LLC will constitute exclusively and entirely the agreement for the work herein described. All prior representations or agreements regarding this work, whether written or verbal, will be deemed to be merged herein, and no other changes in or additions to this agreement will be recognized unless made in writing and properly executed by both parties. This Work Order specifically contemplated work outside the scope of any maintenance contract currently in effect between the parties and any such contract shall be unaffected by this Work Order.

ACCEPTANCE BY PURCHASER AND SUBSEQUENT APPROVAL BY ELEVATOR SERVICES LLC SHALL BE REQUIRED BEFORE THIS AGREEMENT BECOMES EFFECTIVE.

ACCEPTED BY PURCHASER:

Accepted By (Full Legal Entity Name or Individual Purchaser)

Signature of Authorized Official Date

Print Name Title

APPROVED BY:

ELEVATOR SERVICES LLC
697 Kawaihāo Street
License No C-27280

Signature of Authorized Official Date

Russell Yue Owner

Print Name Title