

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

January 8, 2020

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 an Additional \$70,031.39 for Repairs to Two Passenger Elevators at the Kauhale Kakaako Parking Garage?

**SUMMARY:**

At the March 6, 2019, Kakaako Meeting, the Authority approved the immediate repairs of both elevators at the Kauhale Kakaako Parking Garage in the amount of \$152,125.60.

After the initial repair work began in June 2019, the Hawaii Community Development Authority (HCDA) elevator contractor encountered a number of additional unforeseen problems. In order for the Contractor to complete the initial repairs, these additional issues needed to be addressed at a cost of \$70,031.39.

**AUTHORITIES:**

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

The HCDA will be utilizing an exemption from the 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.

The above exemption was also utilized at Kewalo Basin Harbor to clear a sewer pipe that caused the shut down of the Kewalo Basin Diamond Head comfort station in summer 2016. At the July 13, 2016 Special Kakaako Meeting, the Board approved executing all necessary agreements and expending all necessary funds to restore wastewater elimination services at Kewalo Basin.

Emergency situations such as this and repairing the Kauhale Kakaako elevators require immediate action, and the board has previously authorized making all necessary expenditures to restore vital public services as soon as possible.

### **BACKGROUND:**

The HCDA entered into a new contract for elevator maintenance and repair services at the Kauhale Kakaako Parking Garage with Elevator Services LLC on February 1, 2019. 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 has since been made clear that maintenance of the garage elevators is HCDA's responsibility under the Master garage lease with HHFDC, as amended March 27, 2018.

The Contractor's initial assessment of the elevators concluded that one elevator was inoperable, and the other elevator required immediate extensive repairs. Based on their 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. The total cost for these repairs was \$152,125.60, as approved by the Authority on March 6, 2019.

### **ANALYSIS:**

After the initial repair work began in June 2019, the Contractor encountered a number of additional unforeseen issues, including, complications with existing PVC piping and extensive flooding in the elevator well due to heavy rains and a faulty elevator pit sump pump. It was also discovered that rupture valves were not installed on either elevator, which is a requirement of the Hawaii Department of Labor and Industrial Relations in order to operate. These additional repairs were necessary in order to place the elevators back in service.

In all, 44 extra hours of labor and \$45,320 in parts and were required to complete the additional repairs over a five-month period. The total cost for completing the additional repairs is \$70,031.39 as itemized in the attached proposal. This exceeds the contract's current allowance threshold. The total expenditure to repair both passenger elevators at the Kauhale Kakaako Parking Garage is \$222,156.99 and has been completed.

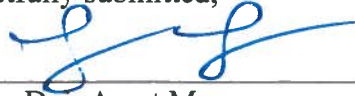
Staff is seeking a retroactive approval for the additional repair costs which was previously approved administratively to restore reliable elevator service to the Kauhale Kakaako Parking Garage. The parking garage currently services the tenants of Kauhale Kakaako as well as the general public, so it was essential to keep the facility in working order and time was of the essence. Seeking final approval was deferred to allow the contractor to complete the work, as some of the work required lead time to order and install certain parts and the contractor wanted to ensure reliable and compliant operability of the elevators.

### **RECOMMENDATION:**

Pursuant to (HAR) §3-120-4(b), HCDA staff recommends that the Authority:

Authorize the Executive Director to Expend an Additional \$70,031.39 for 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: November 26, 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  
Hydraulic Passenger Elevators No. 3 and 4

Manufacturer  
Otis

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

**SCOPE OF WORK:** Additional Repairs On Passenger Elevators No. 3 and 4

-Clear All Pipes Relating To Sump Pump In Elevator Pit – Replaced With A Larger Capacity Pump To Lift And Pump Water Out Of Pit – Install A Second Pump For Elevator 3 To Prevent Flooding At Elevator Pits – Concrete Had To Be Chipped Out And Formed For New Pump Installation – New Pipes Running With Check Valves - \$30,000.00

-Removed Excessive Debris From Existing PVC Which Was Found Cracked and Separating From Existing Jack Cylinder

-Installed New Rupture Valves For Code Compliance For Both Elevators - \$10,320.00

-Remove And Dispose of An Additional 750 Gallons Of Liquid From Elevator Pit - \$5,000.00

-Labor – Team \$490/Hr – Additional 44 Hours - \$21,560.00

PRICE: \$66,880.00+ 4.712% Hawaii State Tax (\$3,151.39) **Total \$70,031.39**

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.