

PRE-PROPOSAL CONFERENCE
FOR
FURNISHING OPERATIONS AND MANAGEMENT SERVICES FOR
KEWALO BASIN HARBOR

Tuesday, January 23, 2007: 10:00am
HCDA Conference Room
MINUTES

Pre-proposal conference commenced at 10:03 a.m by Alex Kagawa, Asset Management Specialist, Hawaii Community Development Authority.

1. Introductions
 - HCDA, Asset Manager, Richard Kuitunen
 - HCDA, Asset Management Specialist, Alex Kagawa
2. Project Description
 - a. Development of areas
 - i. Refer to page 3, 2nd paragraph, of the Transition Plan for guidance on non-development of the area, except for repairs and maintenance, so as not to preclude future opportunities yet to be determined.
3. Current Manager
 - Department of Transportation – Harbors
 - Harbor Agents Dennis Okamoto and Diane Nakama
4. Timeline
 - Intent to Offer due January 31, 2007, no later than 4:00 pm
 - Proposals are due February 27, 2007, no later than 2:00 pm
 - Tentative Start Date – May 1, 2007
5. Submission reminders
 - Form OF-1
 - On-Site staff positions and salary costs
 - Attachments
 - Staff list
 - Cover Letter
 - Qualifications and Experience
 - Operations and Management Plan
 - Audited Financial Statements
 - Submit (1) Original and 5 copies
6. Contract Term
 - 3 year with two 12 month options to extend

7. Performance Bond – 50% of the total contract price
8. Some examples of contracting for services
Will include, but is not limited to:
 - Refuse Collection
 - Security Guard Services
 - Landscaping
 - Janitorial
 - Waste Oil disposal
 - Maintenance & RepairContracting process will following State Procurement statutes and rules.
9. Administrative Rules – Public Hearing will be held 3/7/07 at HCDA's offices (a copy of the Public Hearing Notice is attached).

10. QUESTIONS/RESPONSE:

- a. What are the Administrative Rules?
 - Hawaii Administrative Rules (HAR) are promulgated by state agencies to establish policies and procedures for dealing with the agencies and assets under their charge. In this case, HAR Chapter 15-211 through Chapter 15-214 will set forth the operating rules for Kewalo Basin.
 - In general, HAR give clarification to Hawaii Revised Statutes (HRS).
- b. Are the Administrative Rules broad?
 - HAR set forth the necessary content to satisfy state requirements. Some “flexibility” is provided in the rules because they allow terms and conditions stated in the revocable lease that are referred but not quantified under HAR.
- c. Are the Administrative Rules DBEDT Administrative Rules?
 - We are attached to DBEDT administratively but HCDA has their own Administrative Rules.
 - Most divisions under a Department of the State's Executive branch have their own Administrative Rules.
- d. Are the Administrative Rules available?
 - The proposed rules are posted on HCDA's website. (www.hcdaweb.org)
- e. Is there going to be a public hearing on the rules?
 - There will be a public hearing 9:00 A.M. HST on March 7, 2007 at HCDA's offices

- f. Will the public be able to comment?
 - Comments will be accepted at the public hearing held before the Authority scheduled on March 7, 2007. We need to publicize the Administrative Rules in the newspaper 30 days before the hearing which is set to be published on February 5, 2007.

- g. Are vendor contracted services done by the new management group or HCDA?
 - It would be in collaboration. The Harbor Management contractor will help us to determine contract specifications which are most advantageous to the State and HCDA. For example, the refuse collection, what language could be included to address control of fish waste, a common problem for refuse bins at the Harbor.
 - The Harbor Management contractor will issue invitations for bids using HCDA's standard IFB package modified to fit the particular scope.

- h. What about concession services? Would the management group oversee concession services, with HCDA overseeing management group?
 - The Harbor Management contractor will issue bids for concessions and fast land leases under HCDA's directions.

- i. DOT receives base rent for Fisherman's Wharf. When it is relinquished would that be turned over also?
 - All rents currently received by DOT from Kewalo Basin tenants will be paid to HCDA upon transition.

- j. Is the expectation literally to have everything out sourced with the exception of the management staff?
 - The RFP is prepared with that in mind. However, the offer requires a listing of on-site staff and salaries. HCDA will reimburse the cost of this staff and consider the cost savings by not requiring outside vendors in evaluating offers.

- k. What if on site employees do most of the maintenance work in-house?
 - There are different degrees of outsourcing. HCDA will consider the benefits of staffing in lieu of outsourcing in evaluating offer and management plan.

- l. What is Form AG-008?
 - Form AG-008 is the standard general contract conditions required by the State Attorney General. It can be found on Attachment 5.6 in the RFP.

- m. Expand on 2.8 Offer on Qualification on page “Special Provision 2” requiring a local office. If it’s during operations only and if it is a permanent office currently or if selected?
 - The specifications indicate that it is a requirement of the Offeror; therefore, an office must be in place prior to execution of the contract.
- n. Under 2.8 Offer on Qualification number 4 on page “Special Provision 2”, explain Real Estate License.
 - Real Estate Broker license requirements are broadly defined in Hawaii. As the contractor will also be leasing fast lands, a Broker’s license is required to be affiliated with the managing agent.
 - Hawaii Revised Statutes, Chapter 467 addresses the requirements for real estate broker’s license.
- o. Under 2.10 Offer Preparation on page “Special Provisions 4” “Offeror’s Price”, is it a fixed price rather than percentage?
 - Yes – refer to Offer Form OF-1, each column of the price offer is a fixed monthly dollar amount.
- p. Under number 2.11 Priority Listed Offerors on page “Special Provisions 5”, explain “Priority Listed Offerors”.
 - It is standard language under the Hawaii Administrative Rules §3-122-46(8).
 - It is designed to allow HCDA to select the top list of proposals if needed. For example, if 100 proposals were submitted, then HCDA may select the top 5 of these 100 proposals.
- q. Under 2.12 Award of Contract on page “Special Provision 5”, relative to Worker’s Compensation and Employer’s issues, would third party payroll service qualify?
 - Yes. If they have all the qualifications.
- r. Clarify 2.18 Rights and Remedies for Default on page “Special Provision 9”.
 - Intent is if HCDA needed to go out and hire a new Contractor, it would be the former Contractor’s responsibility. So that’s why the Performance Bond is there so that HCDA can use in case of non-performance.
- s. Is Historic financial information of Kewalo Basin available?
 - HCDA has received a very summarized fashion of the annual report from DOT that is on a one 8 1/2” x 11” page with only a handful of line items. Because DOT did most things in-house HCDA’s budget could not draw on their experience.

- t. Is the budget finalized yet?
 - HCDA has a working budget at this time but will be working with Harbor Management contractor to finalize the budget.

- u. Is the expenditure budget available?
 - Budget is not available yet. It will be given out at the time of award. The Budget is about 8 worksheets of an excel workbook.

- v. Under 2.29 Business Records on page “Special Provision 15”, does the book of accounts and records need to be kept on island? Or is there flexibility?
 - If computerized records would be accessible in Hawaii for review and printing that would be acceptable.

- w. Regarding 2.32 Default and Termination on page “Special Provisions 17”, regarding Termination for Convenience. A lot of the expenses are incurred for the start up of business.
 - It is a risk that is inherent in the contract; the provision is mandated under General Conditions (AG-008). Offerors should consider this in their proposal.

- x. Under 3.3 Scope of Service on page “Specifications 5”, under 3a, hours of operation 5:00 a.m. – 10:00 p.m., 7 days a week. Are these hours for operation? Security? Or the actual hours the office is open?
 - Hours listed are for proposal purposes only, so that it is consistent for all Offers.
 - Actual office hours will be part of contract negotiation and can be discussed during contract execution.
 - Harbor is a 24 hours, 7days a week operation, but there are other ways to monitor the harbor when the office is not open, such as the use of cameras.
 - The Department of Transportation – Harbors Division does not maintain the hours as listed in RFP.

- y. Under 3.3 Scope of Service number 7 on page “Specification 7”, does it include any Capital Projects?
 - It would be inclusive. HCDA’s biggest project would be to replace the Pier which HCDA would oversee project and would use the Harbor Manager to assist.

- z. What about the day-to-day maintenance?
 - Offeror may choose to have day-to-day maintenance handled by on-site staff; however, Offerors should carefully consider whether on-site

staff will have the expertise, licenses and insurance to perform such maintenance. Alternatively, these services can be included as services to be contracted out with contractor providing general oversight. This is part of the reason a list of Offeror's staff is being requested as an attachment to the Offer Form (OF-1)..

- aa. On page 5 of the "Transition Plan", the last paragraph refers to a survey. Are the results of the survey available?
 - A summary is attached.

- bb. Would HCDA be open if the Harbor Manager had someone that could step-up and do CIP?
 - Not required under the current RFP.
 - FYI, Rules will allow pleasure craft boats but will not allow live aboards boats.

- cc. How would fishing fleet live aboards be handled in terms of the proposed HAR?
 - The foreign fishermen aboard the boats are required to remain on board by federal law. HCDA believes that the federal law supersedes HCDA's HAR and the practice will be allowed to continue.

Meeting adjourned at 11:02 a.m.

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN of a public hearing to be held by the Hawaii Community Development Authority (“HCDA”), State of Hawaii, under the provisions of Chapter 91 and Chapter 206E, Hawaii Revised Statutes, on March 7, 2007, at 9:00 a.m., Suite 1000 Conference Room, 677 Ala Moana Boulevard, Honolulu, Hawaii 96813, or as soon thereafter, as those interested may be heard to consider the following items:

1. Adoption of Chapters 211-214, Title 15, Hawaii Administrative Rules, for Kewalo Basin

The adoption of Chapters 211, 212, 213 and 214, Title 15, Hawaii Administrative Rules, relating to Rules for Kewalo Basin.

Establishing rules, regulations, charges and fees for Kewalo Basin will govern the use and operation of Kewalo Basin under the jurisdiction, management, and operation of the HCDA. These Rules are considered necessary and desirable to facilitate the public’s use and enjoyment of Kewalo Basin.

The Rules define permissible activities, regulate operations within the harbor and set forth procedures for obtaining leases and related fees, if applicable.

It is anticipated that the Department of Transportation, Harbors Division, will relinquish management of the harbor on or about July 1, 2007 at which time Kewalo Basin will come under the jurisdiction of the HCDA.

2. Amendments to Chapter 210, Title 15, Hawaii Administrative Rules, for Rules, Regulations, Charges, and Fees for Public Parks

Amending Rules, Regulations, Charges and Fees for Public Parks will update the use and protection of all parks under the jurisdiction, management, and operation of the HCDA, providing passive and active, cultural, educational and commercial activities for the well-being and safety of all who visit the area. These Rules are considered necessary and desirable to facilitate the public’s use and enjoyment of the public parks.

The amendments clarify permissible activities and establish a fee schedule for commercial park usage.

Public parks under the jurisdiction of the HCDA include all parks, roadways, parking lots, playgrounds, athletic fields, beaches, beach right of way, courts, swimming areas or other unencumbered State land that serves as a recreation area or facility and designated as park in the Kakaako Community Development District Mauka and Makai Area Plans.

Copies of the public hearing items are available for inspection during regular business hours at the HCDA office, 677 Ala Moana Boulevard, Suite 1001, Honolulu, Hawaii 96813, or will be mailed to anyone who requests a copy after payment has been made for copying and postage costs. Copies may also be viewed on the HCDA website (www.hcdaweb.org). To submit written comments or testimony, please do so at the HCDA office or via e-mail contact@HCDAweb.org on or before the date of the public hearing. To present oral testimony, sign up at the time of the public hearing. Speakers are requested to submit 20 copies of their statements. For questions or concerns, please call the HCDA office at 587-2870. Individuals who need auxiliary aids for effective communication are invited to contact Cal Machida, HCDA's ADA Compliance Coordinator at 587-2870, or by facsimile at 587-8150, at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
MICHAEL GOSHI, CHAIRPERSON

Honolulu Star-Bulletin:	February 5, 2007
Hawaii-Tribune Herald:	February 5, 2007
The Maui News:	February 5, 2007
The Garden Island:	February 5, 2007
West Hawaii Today:	February 5, 2007

TENANT SURVEY SUMMARY: 13 surveys returned out of 60 distributed (January, 2006)

In drafting Administrative Rules for Kewalo Basin the Hawaii Community Development Authority would like to consider the input from users on the operation and amenities available in the harbor and request that you take a few minutes and complete this form. Please think of the past year when you answer each question. Please be sure to answer all questions by checking the appropriate box. You have the option to include your name and contact information at the end of the survey together with any additional comments you may have.

1. How satisfied are you with the following?

	VERY SATISFIED	SATISFIED	DISSATISFIED	VERY DISSATISFIED	DOES NOT APPLY
Your boat slip?	2	4	3		1
Kewalo Basin overall?	2	5	2	2	
Kewalo Basin management staff?		7	2	2	

Comments: _____

2. Over the last year, how many times have you called Harbor staff for maintenance or repairs?

HAVE NEVER CALLED	1 to 3 TIMES	4 TO 6 TIMES	MORE THAN 6 TIMES	DOES NOT APPLY
6	3	3		1

Comments: _____ ground termites (2), cut off telephone service, no one takes responsibility

3. If you called for NON-EMERGENCY maintenance or repairs (for example, leaky faucet, broken light, etc.), the work was usually completed in:

HAVE NEVER CALLED	LESS THAN 2 WORKING DAYS	2 - 10 WORKING DAYS	MORE THAN 10 WORKING DAYS	PROBLEM NEVER CORRECTED
9	2	2		1

Comments: _____

3a. The NON-EMERGENCY maintenance or repairs were usually corrected in:

HAVE NEVER CALLED	ONE VISIT	2 TO 4 VISITS	MORE THAN 4 VISITS	PROBLEM NEVER CORRECTED
6	2	3	1	1

Comments: _____

4. If you called for EMERGENCY maintenance or repairs the work was usually completed in:

HAVE NEVER CALLED	LESS THAN 4 HOURS	4 to 24 HOURS	MORE THAN 24 HOURS	PROBLEM NEVER CORRECTED
9	1	1	1	1

Comments: new cleats

4a. The EMERGENCY maintenance or repairs were usually corrected in:

HAVE NEVER CALLED	ONE VISIT	2 TO 4 VISITS	MORE THAN 4 VISITS	PROBLEM NEVER CORRECTED
10	2			1

Comments: _____

5. Over the last year, how many problems, if any, have you had with electricity or water?

NEVER HAD A PROBLEM	1 TO 3 PROBLEMS	4 TO 6 PROBLEMS	MORE THAN 6 PROBLEMS	DOES NOT APPLY
5	4	1	3	

Comments: not enough electrical outlets, water problems at ice house

5a. If you had a problem with electricity or water, how long did it take to correct?

NEVER HAD A PROBLEM	LESS THAN 6 HOURS	6 TO 24 HOURS	MORE THAN 24 HOURS	PROBLEM NEVER CORRECTED
8	2	3		2

Comments: no response for over 2 days, boxes don't work

6. Over the last year, how many problems, if any, have you had with structural issues?

NEVER HAD A PROBLEM	1 TO 3 PROBLEMS	4 TO 6 PROBLEMS	MORE THAN 6 PROBLEMS	DOES NOT APPLY
7	5			

Comments: termites (2)

6a. If you had a problem with structural issues, how long did it take to correct?

NEVER HAD A PROBLEM	LESS THAN 2 WORKING DAYS	2-10 WORKING DAYS	MORE THAN 10 WORKING DAYS	PROBLEM NEVER CORRECTED
8		1		4

Comments: had to fix problem by self, pillars poor condition

7. Based on your experience, how satisfied are you with:

	VERY SATISFIED	SATISFIED	DISSATISFIED	VERY DISSATISFIED	DOES NOT APPLY
How <u>easy</u> it was to request repairs?	2	4	4		2
How <u>well</u> were the repairs done?	1	5	3		2
How well you were <u>treated by the person you contacted for repairs?</u>	1	4	2	2	21
How well you were treated by the <u>person doing the repairs?</u>	1	6	2		2

Comments: harbor master rude

8. Do you think Management provides you information about:

	STRONGLY AGREE	AGREE	DISAGREE	STRONGLY DISAGREE	DOES NOT APPLY
Maintenance and repair (for example, water shut-off, harbor work, modernization activities)?	2	6	2	1	
The terms and conditions of your lease?	2	6	2	1	
Meetings and events?	2	6	3	1	
Administrative Rules?	2	6	1	2	

Comments: _____

Do you think Management is:

	STRONGLY AGREE	AGREE	DISAGREE	STRONGLY DISAGREE	DOES NOT APPLY
Responsive to your questions and concerns?	2	6	4		
Courteous and professional with you?	2	9	1		
Supportive of you and your staff?	2	7	1	1	
Promoting and maintaining good relations with you?	2	9	2		
Responding to complaints in a timely manner?	2	5	3	1	1

Comments: _____

9. Would you join and actively participate in a tenant organization at Kewalo Basin?

YES	NO
12	1

Comments: _____

10. How safe do you feel (bodily, vessel and equipment):

	VERY SAFE	SAFE	UNSAFE	VERY UNSAFE	DOES NOT APPLY
At your boat slip?		5	3	2	1
On the harbor (water)?		9	2		1
On the harbor (docks/land area)?		6	5	2	

Comments: _____

11. Do you think any of the following contribute to crime in and around Kewalo Basin? (mark all that apply)

Bad lighting	6	Other harbor users don't care	5
Broken locks	3	Poor tenant screening	5
Location of your boat slip	2	Vacant harbor slips	1
Harbor Police do not respond/patrol enough	8	Honolulu police department does not respond/patrol	6

Comments: inoperable boats, nonprofessional hang out (2), no locks, lots of stealing, drinking at night (2) need harbor patrol to patrol (2), fishing off vessels

12. If a tenant breaks the rules at Kewalo Basin and assuming you have notified Harbor Management, does Management take action?

		DON'T KNOW
YES	NO	
3	1	9

Comments: _____

13. Would you participate in any crime prevention programs available to you (for example, Harbor Watch)?

YES	NO
10	2

Comments: _____

15. Over the last year, how many problems, if any, have you had other than electricity or water and not security- or customer- related?

NEVER HAD A PROBLEM	1 TO 3 PROBLEMS	4 TO 6 PROBLEMS	MORE THAN 6 PROBLEMS	DOES NOT APPLY
6	5		1	1

Nature of problem: termites, broken/missing cleats, phone, mooring, illegal charter, non-commercial users, break in, homeless

Comments: _____

15a. If you had a problem other than electrical, water, security- or customer- related, how long did it take for Harbor staff to respond to your concern?

NEVER HAD A PROBLEM	LESS THAN 6 HOURS	6 TO 24 HOURS	MORE THAN 24 HOURS	PROBLEM NEVER FIXED
6	2		3	3

Comments: _____

16. How satisfied are you with the upkeep of the following areas at Kewalo Basin:

	VERY SATISFIED	SATISFIED	DISSATISFIED	VERY DISSATISFIED	DOES NOT APPLY
Common areas (for example, roadways, docks, common areas walkways, etc.)?	1	7	1	2	
Harbor slips?		8		4	
Parking areas?		9	1	2	
Recreation areas (for example, picnic area, comfort stations, grounds and other outside facilities)?		8	1	2	1

Comments: drunks in park

17. How often, if at all, are any of the following a problem at Kewalo Basin?

	NEVER	SOMETIMES	OFTEN	ALWAYS	DOES NOT APPLY
Abandoned cars?	5	8			
Graffiti?	2	6	3	1	
Lack of amenities?	3	6	2	2	1
Layout of the harbor slips?	6	2	1	1	3
Noise?	1	8		1	1
Rodents and insects (not on your vessel)?	3	5	2	1	1
Cats?	5	5	1		2
Trash/litter?		6	4	2	1

Comments: _____

18. What is the amount of your rent per month?

Rent: _____ Other charges (and specify): _____
 Type of space you rent: _____

18a. Do feel that your rent is:

BELOW MARKET	MARKET	ABOVE MARKET
1	8	3

18b: If you feel that your rent is above or below market rent, what do you feel market rent is: \$9/ft \$12/ft+2 1/2 %

19. What type of improvements to operation, physical facility and/or amenities would you like to see at Kewalo Basin?

Comments: all slips commercial use, no live aboards, security (2), hoist for fish, better slips, parking, storage, charter offices, no security (2), poor maintenance (2), high rent, termites replace beams, electrical outlets, sewage pump out, renovate piers, security surge control, showers, litter control in basin

19a. What type of improvements would you like to see if your rent and user fees are increased and it is applied towards the Harbor improvements?

Comments: solve ground termites, left turn entrance DH (2)

19b. What type of additional services would you like to see if your rent and user fees are increased and it is applied towards the services?

Comments: better traffic flow, better security, better maintenance of rest rooms, fix electric and phone

20. What are your recommendations to changing the physical layout of the docks at Kewalo Harbor would you like to see, including dock lengths for different boat lengths? Please feel free to attach any sketches with your survey, etc.

NO CHANGES	Up to 40'	40' to 70'S	70' to 90'S	90'+
10		1		

Comments: floating docks (2) electric conduit out of water (2), better loading/unloading boats

20a. What additional (or lesser) type of commercial vessels do you feel are needed (i.e. tenant mix)?

Comments: more passenger, less long liners (2), good mix, international yacht services

20b. What additional type of tenants do you feel are needed (i.e. convenience store, food service, tackle shop, fuel facility, offices)?

Comments: fuel facility (5) convenience store (7), food service (6), no fuel facility (3), tackle shop (2), scale, boat repair, no offices

21. Would you recommend Kewalo Basin to a friend or client seeking dockage or other harbor uses?

		DON'T
YES	NO	KNOW
7	2	4

Comments: _____

22. How long have you leased space at Kewalo Basin?

LESS THAN	6 MONTHS	2 TO 5	OVER
6 MONTHS	TO 1 YEAR	YEARS	5 YEARS
		1	12

23. In regards to the current DOT rules for Kewalo Basin, what provisions do you feel are unneeded or unfair?

24. In regards to the current DOT rules for Kewalo Basin, what provisions do you feel need to be added?

25. Additional / Other comments: _____

Optional - Name: _____ Company/Vessel: _____

Slip number: _____ Tel/Cell: _____ Fax: _____ Email: _____

May we contact you? yes no

Please return the completed survey to HCDA via fax or in the enclosed envelope on or before January 15th .. Thank you for your response!

Hawaii Community Development Authority
 677 Ala Moana Boulevard, Suite 1001
 Honolulu, Hawaii 96813

Fax: 587-8150