

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of Boating and Ocean Recreation  
Honolulu, Hawaii 96819

May 14, 2021

Chairperson and Members  
Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Land Board Members:

SUBJECT: Amend Prior Board Action of January 8, 2021, Item J-4, *Amend Prior Board Action of September 11, 2020, Item J-4, Sale of Concession by Sealed Bid for a Five-Year Parking Contract to Operate a Parking Concession Situated at Ala Wai Small Boat Harbor Honolulu, Island of Oahu, Identified by Tax Map Keys: (1) 2-6-010:003 (Portion), (1) 2-3-037:012 (Portion), :024, :027, :033, :035 and :037*

*The purpose of the amendment was to replace Chapter 102-2 with Chapter 103D-302, Hawaii Revised Statutes to the Legal Reference of the Board Action.*

The purpose of the current amendment is to include authorization to purchase parking equipment and to enter into a maintenance agreement with the winning bidder.

BACKGROUND:

At its meeting of September 11, 2020, Item J-4, the Board of Land and Natural Resources (Board) authorized the sale of a parking concession by sealed bid for a five-year parking contract to operate a parking concession situated at Ala Wai Small Boat Harbor. At its meeting of January 8, 2021, Item J-4, the Board Amended its prior action of September 11, 2020, Item J-4, to replace the legal reference Chapter 102-2 with Chapter 103D-302, Hawaii Revised Statutes.

REMARKS:

It was explained in the submittal that the Division of Boating and Ocean Recreation (DOBOR) would purchase the new pay stations that the previous parking vendor removed when they vacated the property. The reason for this is that should a parking vendor decide to terminate their agreement in the future, the parking pay stations would remain in place and there would be no disruption in revenues received from the paid parking areas.

Item J-2

DOBOR has since initiated a solicitation for the purchase of the parking pay stations and Ohana Parking Systems, LLC. was the successful bidder. The Ohana Parking Systems' bid of \$69,812.33, includes the purchase of the parking pay stations, installation of the pay stations, one year of maintenance and the hosting of the pay stations.

Hosting refers to supplying the internet connection to each pay station and routing of all paid parking fees to DOBOR's special fund account. Hosting services will be provided by the pay stations' manufacturer, MACKAY METERS, INC. under a separate agreement. Hosting for the first year is included in the bid by Ohana Parking Systems. After the first year, additional contracts will be needed for the continued maintenance and hosting of the pay stations. DOBOR is also seeking authorization to solicit and contract for the subsequent maintenance and hosting services.

Because of the additional agreements that had to be entered into with MACKAY METERS and the ongoing requirements for maintenance and hosting, the Deputy Attorney General recommended that although the submittal stated that DOBOR would purchase the parking stations, that more detail should be provided to the Board so that the authorization to enter into all associated agreements would be provided.

#### RECOMMENDATION:

That the Board of Land and Natural Resources:

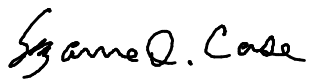
1. Amend its prior Board actions for January 8, 2021, Item J-4 and September 11, 2020, Item J-4:
  - a. By authorizing DOBOR to purchase parking equipment with the lowest priced, responsive and responsible bidder. The solicitation would include purchase, installation, and maintenance of the parking equipment.
  - b. By authorizing the Chairperson with the assistance of the Department of the Attorney General to execute appropriate contracts to document the transaction.
2. Except as amended hereby, all terms and conditions listed in its January 8, 2021, Item J-4 and September 11, 2020, Item J-4, Board authorizations to remain the same.
3. Approve the contract to Ohana Parking Systems, LLC for the purchase, installation, 1 year maintenance, and 1 year hosting of the parking pay stations. This approval would include entering into an agreement with MACKAY METERS, INC. which would host the parking pay stations for the first year.
4. Authorize DOBOR to solicit and contract for ongoing maintenance and hosting services for the parking pay stations after the first year.

Respectfully Submitted,



EDWARD R. UNDERWOOD, Administrator  
Division of Boating and Ocean Recreation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE, Chairperson  
Board of Land and Natural Resources

Attachments:

- Exhibit A      Prior Board action January 8, 2021, Item J-4
- Exhibit B      Prior Board action September 11, 2020, Item J-4

# Exhibit A

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of Boating and Ocean Recreation  
Honolulu, Hawaii 96819

January 8, 2021

Chairperson and Members  
Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON

JANUARY 08, 2021

Land Board Members:

SUBJECT: Amend Prior Board Action of September 11, 2020, Item J-4, Sale of Concession by Sealed Bid for a Five-Year Parking Contract to Operate a Parking Concession Situated at Ala Wai Small Boat Harbor Honolulu, Island of Oahu, Identified by Tax Map Keys: (1) 2-6-010:003 (Portion), (1) 2-3-037:012 (Portion), :024, :027, :033, :035 and :037

The purpose of the amendment is to replace Chapter 102-2 with Chapter 103D-302, Hawaii Revised Statutes to the Legal Reference of the Board Action.

## BACKGROUND:

At its meeting on September 11, 2020, under agenda Item J-4, the Board approved the sale of a Parking Concession Contract by sealed bid for the purpose of managing a parking concession at the Ala Wai Small Boat Harbor. To ensure the continuity of parking operations at Ala Wai Small Boat Harbor, staff proposed that DOBOR procure and install parking equipment at the harbor, which would be owned by the state. Staff would then select and contract with the bidder who, through an Invitation for Bids, submitted the lowest management fee to manage DOBOR's parking operation at the harbor. The winning bidder would be paid a management fee by the state, as opposed to the winning bidder paying the state rent for operating a concession, which was done under the previous parking concession contract. While working with the Department of the Attorney General to complete the Invitation for Bids, staff was informed that the legal reference contained in the September 11, 2020, Board action (i.e. HRS Section 102-2) was incorrect. The prior board action is attached as Exhibit A. Since staff's intention is to award the contract to the lowest bidder, the Deputy Attorney General instructed staff to amend the Board action to the proper legal reference, which is Section 103D-302 (h) Hawaii Revised Statutes.<sup>1</sup>

<sup>1</sup> "The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids. In the event all bids exceed available funds as certified by the appropriate fiscal officer, the head of the purchasing agency responsible for the procurement in question is authorized in situations where time or economic considerations preclude re-solicitation of work of a reduced scope to negotiate an adjustment of the bid price, including changes in the bid requirements, with the low responsible and responsive bidder,

Item J-4

Exhibit A

RECOMMENDATION:

That the Board of Land and Natural Resources:

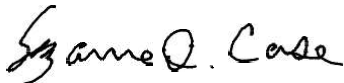
1. Amend its prior Board action of September 11, 2020, under agenda item J-4, by replacing Section 102-2, HRS with Section 103D-302 (h), HRS in the legal reference section.
2. All terms and conditions listed in the September 11, 2020, approval to remain the same.

Respectfully Submitted,



EDWARD R. UNDERWOOD, Administrator  
Division of Boating and Ocean Recreation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE, Chairperson  
Board of Land and Natural Resources

Attachments:

A. Board Action of September 11, 2020, Item J-4

# Exhibit A

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of Boating and Ocean Recreation  
Honolulu, Hawaii 96819

September 11, 2020

Chairperson and Members  
Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Land Board Members:

SUBJECT: Sale of Concession by Sealed Bid for a Five-Year Parking Contract to Operate a Parking Concession Situated at Ala Wai Small Boat Harbor Honolulu, Island of Oahu, Identified by Tax Map Keys: (1) 2-6-010:003 (Portion), (1) 2-3-037:012 (Portion), :024, :027, :033, :035 and :037

And

Declare Project Exempt from Requirements of Chapter 343, HRS and Title 11, Chapter 200.1, Hawaii Administrative Rules

## REQUEST:

Sale of Parking Concession Contract by Sealed Bid for the purpose of managing a parking concession at the Ala Wai Small Boat Harbor ("AWSBH") on the island of Oahu.

## LEGAL REFERENCE:

Chapter 102-2, and Chapter 171-13, Hawaii Revised Statutes, as amended.

## LOCATION:

Portions of Government lands situated at AWSBH, Honolulu, Oahu, Hawaii, identified by Tax Map Keys: (1) 2-6-010:003 (Portion), (1) 2-3-037:012 (Portion), :024, :027, :033, :035 and :037, as shown on the attached map labeled Exhibit A-2.

## AREA:

8.5 acres, more or less. The concession area includes 329 paid and 312 monthly permit parking stalls. The concessionaire will also be responsible for managing the three 300 free public parking stalls.

ZONING:

State Land Use District: Urban  
County of Honolulu CZO: Public Precinct (Waikiki Special District)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_ NO X

CURRENT USE STATUS:

The Premises is presently unencumbered.

CHARACTER OF USE:

Vehicle Parking Concession.

CONCESSION CONTRACT TERM:

Five (5) Years.\_

CONCESSION COMMENCEMENT DATE:

As determined by the Chairperson.

BID FOR CONCESSION FEE & MINIMUM DUTIES OF THE CONCESSIONAIRE & DOBOR RESPONSIBILITIES:

Bid for Concession Fees:

- DOBOR to pay concessionaire a flat monthly management fee no higher than \$10,000/month to be determined by sealed bid. The winning bidder will be bidder who submits the lowest bid.

Minimum Duties of the Concessionaire:

- Manage the Division's parking program at the harbor.
- Collect the fees and issue monthly parking decals for permit parking and turn the money over to the Division within Thirty (30) days of collection by the permittee.
- Work with equipment supplier to maintain and repair the Division's equipment.
- Ensure parking enforcement and work directly with the Division's towing concessionaire.
- Ensure that proper parking signage is displayed throughout the facility.
- Participate in any and all post-tow hearings.

**DOBOR Responsibilities:**

- Purchase all equipment including but not limited to pay stations, mobile phone payment apps, signage.
- Pay stations will be cashless and the equipment have battery, A/C and solar power options, secure housing, be weather resistant, thermal print technology, payment options including credit card and mobile applications, programmable functions, wireless communication for remote meter management, security systems, efficient maintenance, meter management system that includes remote monitoring, meter mapping, administration reports and maintenance reports and financial reporting.
- Division will pay concessionaire an incentive fee of five percent (5%) of revenue over Thirty Thousand dollars (\$30,000.00) per month. The incentive fee will be paid to the concessionaire monthly.
- Provide concessionaire a monthly accounting of all hourly paid parking collected from the parking equipment.

**PERFORMANCE BOND:**

Equal to four (4) months of monthly fee.

**CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:**

In accordance with Section 11-200.1-15, Hawaii Administrative Rules (HAR) and the Exemption List for the Department of Land and Natural Resources, reviewed and concurred in by the Environmental Council on March 3, 2020, the subject request is exempt from the preparation of an Environmental Assessment pursuant to Exemption Class No. 1, Item No. 44 states that, “Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing.”

**BACKGROUND:**

At its meeting on August 7, 2008, under agenda Item J-1, the Board approved the issuance of a revocable permit to Diamond Parking Services LLC (“Diamond”) for parking concession purposes, effective November 1, 2008. On December 27, 2009, Diamond was awarded Parking Concession Contract IFB No. AWSBH-200901, which commenced February 1, 2010, and ended on January 31, 2015. Diamond exercised an option to extend for an additional five (5) years and the concession ended on January 31, 2020.

At its meeting on January 10, 2020, under agenda Item J-1, the Board approved the issuance of a revocable permit (“RP”) to Diamond from February 1, 2020, to January 31, 2021. The rent was the greater of \$45,869.52 per month or 70.369% of Gross Receipts, whichever is greater. The proposed RP rent was based on the rent charged in the Parking Concession Contract IFB No. AWSBH-200901.



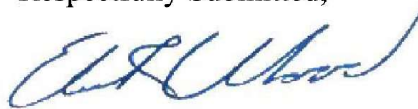
Due to the economic impact that resulted from the Covid-19 pandemic shut down, Diamond requested that the contract be renegotiated. Staff and Diamond were not able to agree to terms acceptable to the state. Therefore, Diamond elected to remove their equipment as of July 31, 2020. The preceding events necessitate a new IFB for a parking concession at AWSBH.

RECOMMENDATION:

That the Board of Land and Natural Resources:

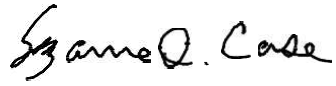
1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the Sale of a Parking Concession Contract by Sealed Bid for the purpose of managing a parking concession at the Ala Wai Small Boat Harbor under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - a. The standard terms and conditions of the most current concession contract form, as may be amended from time-to-time;
  - b. Review and approval by the Department of the Attorney General; and
  - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



EDWARD R. UNDERWOOD, Administrator  
Division of Boating & Ocean Recreation

APPROVED FOR SUBMITTAL:

A handwritten signature in black ink that reads "Suzanne D. Case". The signature is written in a cursive style with a large initial 'S'.

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SUZANNE D. CASE, Chairperson  
Board of Land and Natural Resources

Attachments:

- A-1 AWSBH location on Oahu
- A-2 AWSBH Parking Plan

Exhibit A-1

Island of Oahu



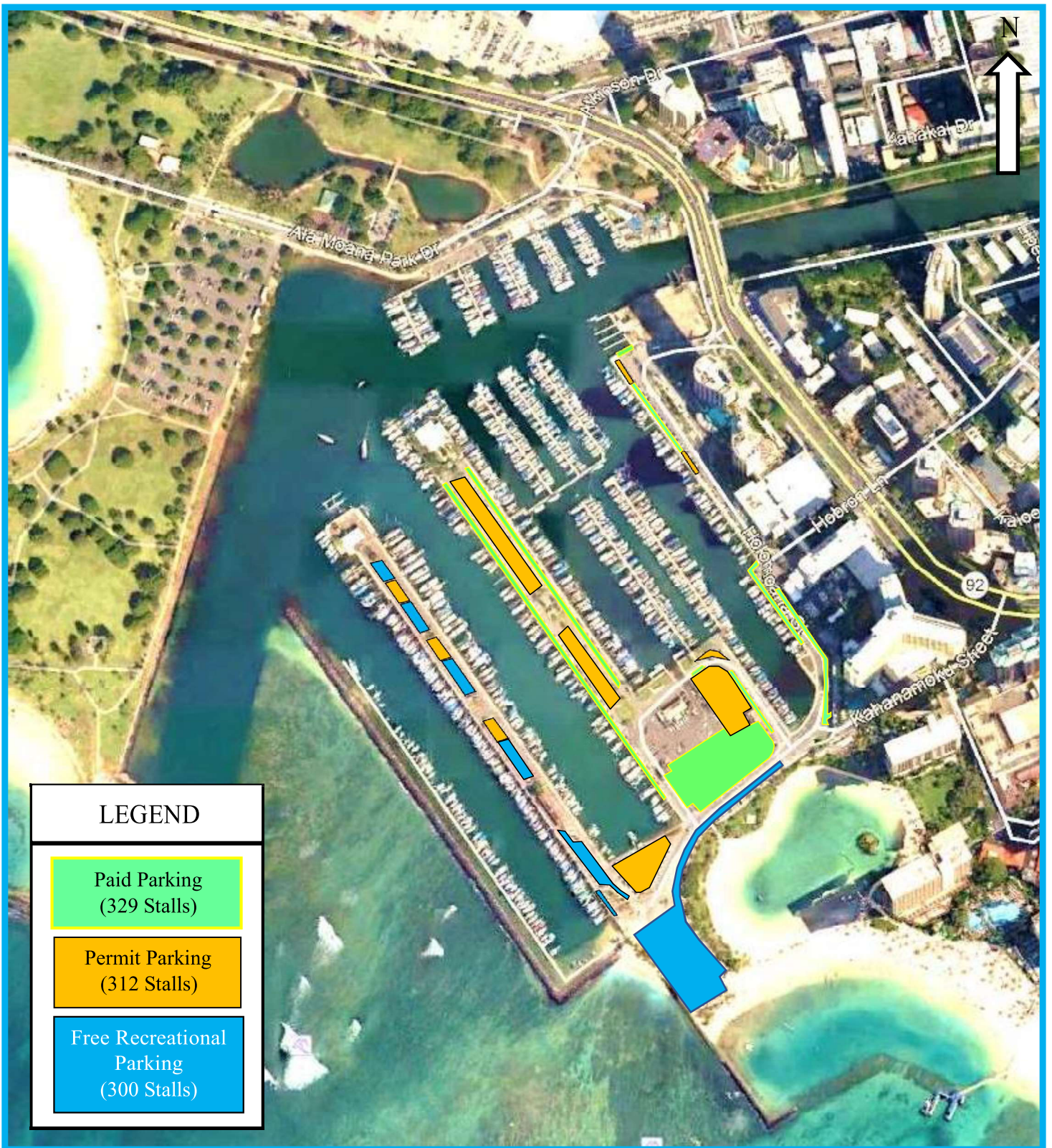
Ala Wai Small Boat Harbor

Exhibit A-1



## Exhibit A-2

### Parking Plan



## Exhibit B

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of Boating and Ocean Recreation  
Honolulu, Hawaii 96819

September 11, 2020

Chairperson and Members  
Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON

SEPTEMBER 11, 2020

Land Board Members:

SUBJECT: Sale of Concession by Sealed Bid for a Five-Year Parking Contract to Operate a Parking Concession Situated at Ala Wai Small Boat Harbor Honolulu, Island of Oahu, Identified by Tax Map Keys: (1) 2-6-010:003 (Portion), (1) 2-3-037:012 (Portion), :024, :027, :033, :035 and :037

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### REQUEST:

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### LEGAL REFERENCE:

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### LOCATION:

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### AREA:

8.5 acres, more or less. The concession area includes 329 paid and 312 monthly permit parking stalls. The concessionaire will also be responsible for managing the three 300 free public parking stalls.

Item J-4

Exhibit B

ZONING:

State Land Use District: Urban  
County of Honolulu CZO: Public Precinct (Waikiki Special District)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_ NO X

CURRENT USE STATUS:

The Premises is presently unencumbered.

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Vehicle Parking Concession.

CONCESSION CONTRACT TERM:

Five (5) Years.

CONCESSION COMMENCEMENT DATE:

As determined by the Chairperson.

BID FOR CONCESSION FEE & MINIMUM DUTIES OF THE CONCESSIONAIRE & DOBOR RESPONSIBILITIES:

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- Ensure that proper parking signage is displayed throughout the facility.
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**DOBOR Responsibilities:**

- Purchase all equipment including but not limited to pay stations, mobile phone payment apps, signage.
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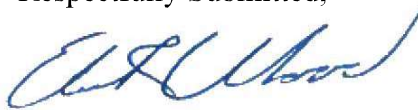
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RECOMMENDATION:

That the Board of Land and Natural Resources:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the Sale of a Parking Concession Contract by Sealed Bid for the purpose of managing a parking concession at the Ala Wai Small Boat Harbor under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - a. The standard terms and conditions of the most current concession contract form, as may be amended from time-to-time;
  - b. Review and approval by the Department of the Attorney General; and
  - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

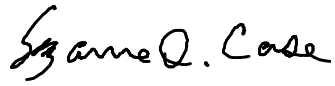
Respectfully Submitted,



EDWARD R. UNDERWOOD, Administrator  
Division of Boating & Ocean Recreation



APPROVED FOR SUBMITTAL:

A handwritten signature in black ink that reads "Suzanne D. Case". The signature is written in a cursive, flowing style.

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SUZANNE D. CASE, Chairperson  
Board of Land and Natural Resources

Attachments:

- A-1 AWSBH location on Oahu
- A-2 AWSBH Parking Plan

**Exhibit A-1**

**Island of Oahu**



**Ala Wai Small Boat Harbor**

**Exhibit A-1**



## Exhibit A-2

### Parking Plan

